

SPECTOR DAVID
Form 4
April 04, 2018

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
SPECTOR DAVID

2. Issuer Name and Ticker or Trading Symbol
PENNYMAC FINANCIAL SERVICES, INC. [PFSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O PENNYMAC FINANCIAL SERVICES, INC., 3043 TOWNSGATE ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/02/2018

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO

WESTLAKE VILLAGE, CA 91361
(City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount (A) or (D) Price | | |
| Class A Common Stock | 04/02/2018 | | M | | 77,902 (1) \$ 0 | D | |
| Class A Common Stock | 04/03/2018 | | S | | 14,631 (3) \$ 22.5883 (4) | D | |
| Class A Common Stock | 04/04/2018 | | S | | 53,198 (3) \$ 23.1424 (6) | D | |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title Underlying Instrument (Instr. 3) |
|---|--|---|---|-----------------------------------|--|---------|---|-----------------|--|
| | | | | | V | (A) (D) | Date Exercisable | Expiration Date | |
| Performance-Based Restricted Stock Units | \$ 0 <u>(1)</u> | 04/02/2018 | | A | | 77,902 | <u>(1)</u> | <u>(1)</u> | Class of Common Stock |
| Performance-Based Restricted Stock Units | \$ 0 <u>(1)</u> | 04/02/2018 | | M | | 77,902 | <u>(1)</u> | <u>(1)</u> | Class of Common Stock |
| Cl A Units of Private Nat'l Mortgage Acceptance Company, LLC <u>(8)</u> | <u>(8)</u> | | | | | | <u>(8)</u> | <u>(8)</u> | Class of Common Stock |
| Cl A Units of Private Nat'l Mortgage Acceptance Company, LLC <u>(8)</u> | <u>(8)</u> | | | | | | <u>(8)</u> | <u>(8)</u> | Class of Common Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 21.03 | | | | | | 06/13/2014 | 06/12/2023 | Class of Common Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 17.26 | | | | | | 02/26/2015 | 02/25/2024 | Class of Common Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 17.52 | | | | | | 03/03/2016 | 03/02/2025 | Class of Common Stock |
| Nonstatutory Stock Option (Right to Buy) | \$ 11.28 | | | | | | 03/07/2017 | 03/06/2026 | Class of Common Stock |
| | \$ 18.05 | | | | | | 03/06/2018 | 03/05/2027 | |

Nonstatutory Stock
Option (Right to
Buy)

Nonstatutory Stock
Option (Right to Buy) \$ 24.4

03/09/2019 03/08/2028

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SPECTOR DAVID C/O PENNYMAC FINANCIAL SERVICES, INC. 3043 TOWNSGATE ROAD WESTLAKE VILLAGE, CA 91361 | X | | President & CEO | |

Signatures

/s/ Jeffrey P. Grogin, attorney-in-fact for Mr.
Spector

04/04/2018

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) This performance-based restricted stock unit (PSU) award was granted to the Reporting Person on March 3, 2015 and vested on April 2, 2018, as determined by the Compensation Committee of the Board of Directors. The payout of shares of Class A Common Stock pursuant to the PSU award was determined based on the Issuer's earnings per share (EPS) of \$9.14, return on equity (ROE) of 25% and individual effectiveness of the Reporting Person for the period January 1, 2015 through December 31, 2017, as measured against the target performance goals set by the Compensation Committee at the time of grant. The payout percentages for the PSU award based on target achievement was 120% for EPS and 92.43% for ROE.

(2) The reported amount consists of 39,641 restricted stock units and 77,902 shares of Class A Common Stock. The restricted stock units are to be settled in an equal number of shares of Class A Common Stock upon vesting.

(3) These shares of Class A Common Stock were sold pursuant to a 10b5-1 plan.

(4) The price reported is the weighted average price of multiple transactions ranging from \$22.15 to \$22.90. The reporting person hereby undertakes to provide upon request to the SEC, the Issuer or a security holder of the Issuer the number of Class A Common Stock and the prices at which the transactions were effected.

(5) The reported amount consists of 39,641 restricted stock units and 63,271 shares of Class A Common Stock. The restricted stock units are to be settled in an equal number of shares of Class A Common Stock upon vesting.

(6) The price reported is the weighted average price of multiple transactions ranging from \$22.90 to \$23.575. The reporting person hereby undertakes to provide upon request to the SEC, the Issuer or a security holder of the Issuer the number of Class A Common Stock and the prices at which the transactions were effected.

(7) The reported amount consists of 39,641 restricted stock units and 10,073 shares of Class A Common Stock. The restricted stock units are to be settled in an equal number of shares of Class A Common Stock upon vesting.

(8) Pursuant to the terms of an exchange agreement, Class A Units of Private National Mortgage Acceptance Company, LLC are exchangeable for shares of Class A Common Stock of PennyMac Financial Services, Inc. on a one-for-one basis, subject to customary conversion rate adjustments.

(9) These securities are held by ST Family Investment Company LLC, of which Mr. Spector is the sole manager. Mr. Spector disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein, and the inclusion of these shares in this

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report shall not be deemed an admission of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.

- (10) This nonstatutory stock option to purchase 40,735 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of June 13, 2014, 2015 and 2016, subject to the Reporting Person's continued service through each date.
- (11) This nonstatutory stock option to purchase 72,301 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of February 26, 2015, 2016 and 2017, subject to the Reporting Person's continued service through each date.
- (12) This nonstatutory stock option to purchase 61,120 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 3, 2016, 2017 and 2018, subject to the Reporting Person's continued service through each date.
- (13) This nonstatutory stock option to purchase 71,161 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 7, 2017, 2018 and 2019, subject to the Reporting Person's committed service through each date.
- (14) This nonstatutory stock option to purchase 69,252 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 6, 2018, 2019 and 2020, subject to the Reporting Person's committed service through each date.
- (15) This nonstatutory stock option to purchase 52,935 shares of Class A Common Stock of the Issuer will vest as to one-third of the optioned shares on each of March 9, 2019, 2020 and 2021, subject to the Reporting Person's committed service through each date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.