

CARDIONET INC
Form 4
March 26, 2008

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 *
MIDDLETON FRED A

(Last) (First) (Middle)

400 SOUTH EL CAMINO
REAL, SUITE 1200

(Street)

SAN MATEO, CA 94402

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CARDIONET INC [BEAT]

3. Date of Earliest Transaction
(Month/Day/Year)
03/25/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Ownership (Instr. 4)
				Code	V Amount (A) or (D) Price			
Common Stock	03/25/2008		C		30,187 A <u>(1)</u>	30,187	I	See footnote <u>(2)</u>
Common Stock	03/25/2008		C		6,339 A <u>(3)</u>	36,526	I	See footnote <u>(2)</u>
Common Stock	03/25/2008		C		9,560 <u>(4)</u> A \$ 3.5	46,086	I	See footnote <u>(2)</u>
Common Stock	03/25/2008		C		12,774 A <u>(5)</u>	58,860	I	See footnote

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									(2)
Common Stock	03/25/2008	C	184,604	A	(1)	184,604	I		See footnote (6)
Common Stock	03/25/2008	C	38,767	A	(3)	223,371	I		See footnote (6)
Common Stock	03/25/2008	C	58,472 (4)	A	\$ 3.5	281,843	I		See footnote (6)
Common Stock	03/25/2008	C	77,920	A	(5)	359,763	I		See footnote (6)
Common Stock	03/25/2008	C	317,633	A	(5)	317,633	I		See footnote (7)
Common Stock	03/25/2008	C	17,007	A	(8)	17,007	I		See footnote (9)
Common Stock	03/25/2008	C	175	A	(1)	17,182	I		See footnote (9)
Common Stock	03/25/2008	C	3,571	A	(1)	3,571	I		See footnote (10)
Common Stock	03/25/2008	C	750	A	(3)	4,321	I		See footnote (10)
Common Stock	03/25/2008	C	1,538	A	(5)	5,859	I		See footnote (10)
Common Stock	03/25/2008	C	3,344	A	(5)	3,344	I		See footnote (11)
Common Stock	03/25/2008	C	6,153	A	(5)	6,153	I		See footnote (12)
Common Stock	03/25/2008	C	7,290	A	(5)	7,290	I		See footnote (13)

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

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(9-02)

required to respond unless the form displays a currently valid OMB control number.

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 and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
Series C Convertible Preferred Stock	(1)	03/25/2008		C	60,374	(1) (1)	Common Stock 30,187
Series D Convertible Preferred Stock	(3)	03/25/2008		C	12,679	(3) (3)	Common Stock 6,339
Warrants to Purchase Series D-1 Convertible Preferred Stock	\$ 3.5	03/25/2008		C	31,293	(14) (15)	Common Stock 9,560 (10)
Mandatorily Convertible Preferred Stock	(5)	03/25/2008		C	191	(5) (5)	Common Stock 12,774
Series C Convertible Preferred Stock	(1)	03/25/2008		C	369,209	(1) (1)	Common Stock 184,604
Series D Convertible Preferred Stock	(3)	03/25/2008		C	77,534	(3) (3)	Common Stock 38,767
Warrants to Purchase Series D-1 Convertible Preferred Stock	\$ 3.5	03/25/2008		C	191,369	(14) (15)	Common Stock 58,472 (10)

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Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	1,165	(5)	(5)	Common Stock	77,920
Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	4,749	(5)	(5)	Common Stock	317,633
Series B Convertible Preferred Stock	(8)	03/25/2008	C	34,014	(8)	(8)	Common Stock	17,007
Series C Convertible Preferred Stock	(1)	03/25/2008	C	351	(1)	(1)	Common Stock	175
Series C Convertible Preferred Stock	(1)	03/25/2008	C	7,143	(1)	(1)	Common Stock	3,571
Series D Convertible Preferred Stock	(3)	03/25/2008	C	1,500	(3)	(3)	Common Stock	750
Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	23	(5)	(5)	Common Stock	1,538
Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	50	(5)	(5)	Common Stock	3,344
Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	92	(5)	(5)	Common Stock	6,153
Mandatorily Convertible Preferred Stock	(5)	03/25/2008	C	109	(5)	(5)	Common Stock	7,290

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Reporting Owners

MIDDLETON FRED A
 400 SOUTH EL CAMINO REAL X X
 SUITE 1200
 SAN MATEO, CA 94402

Signatures

/s/ Doreen Roberts, Corporate Secretary, by power of attorney

03/26/2008

**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) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.
 By Sanderling V Limited Partnership. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates V, LLC the sole general partner of Sanderling V Limited Partnership and has voting and investment power over the shares held by Sanderling V Limited Partnership. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (2) Each 2 shares of Series D Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.
- (3) Warrants were net exercised resulting in fewer shares being issued than if the exercise price had been paid for with cash.
- (4) Each share of Mandatorily Convertible Preferred Stock converted into 66.88 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.
 By Sanderling Venture Partners V Co-Investment Fund, L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates V, LLC the sole general partner of Sanderling Venture Partners V Co-Investment Fund, L.P and has voting and investment power over the shares held by Sanderling Venture Partners V Co-Investment Fund, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (5) By Sanderling Venture Partners VI Co-Investment Fund, L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil, Mills & Associates VI, LLC the sole general partner of Sanderling Venture Partners VI Co-Investment Fund, L.P and has voting and investment power over the shares held by Sanderling Venture Partners VI Co-Investment Fund, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (6) Each 2 shares of Series B Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.
 By Sanderling Ventures Management IV. Fred Middleton, a member of the Issuer's board of directors is an owner of Sanderling Ventures Management IV and has voting and investment power over the shares held by Sanderling Ventures Management IV. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (7) By Sanderling Ventures Management V. Fred Middleton, a member of the Issuer's board of directors is an owner of Sanderling Ventures Management V and has voting and investment power over the shares held by Sanderling Ventures Management V. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (8) By Sanderling Ventures Management VI. Fred Middleton, a member of the Issuer's board of directors is an owner of Sanderling Ventures Management VI and has voting and investment power over the shares held by Sanderling Ventures Management VI. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (9) By Sanderling VI Beteiligungs GmbH & Co KG. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil, Mills & Associates VI, LLC the sole general partner of Sanderling VI Beteiligungs GmbH & Co KG and has voting and investment power over the shares held by Sanderling VI Beteiligungs GmbH & Co KG. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (10) By Sanderling VI Limited Partnership. Fred Middleton, a member of the Issuer's board of directors is a general partner of Middleton, McNeil, Mills & Associates VI, LLC the sole general partner of Sanderling VI Limited Partnership and has voting and investment power over the shares held by Sanderling VI Limited Partnership. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

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(14) Warrants became exercisable on March 8, 2007.

Warrants to purchase Series D-1 Convertible Preferred were automatically net exercised immediately prior to the closing of the Issuer's
(15) initial public offering. Each 2 shares of Series D-1 Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.

Remarks:

Exhibit 24.1 Power of Attorney

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.