POLYONE CORP
Form 4
February 14, 2017

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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 *
Van Hulle John V

(Last) (First) (Middle)

POLYONE CENTER, 33587 WALKER ROAD

(Street)

AVON LAKE, OH 44012

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
POLYONE CORP [POL]

3. Date of Earliest Transaction (Month/Day/Year)
02/11/2017

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
SVP, President of GCAI

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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			
Common Stock	02/11/2017		M		4,200	A	(1)	4,360 (2)	D	
Common Stock	02/11/2017		F		1,415	D	$ 34.59	2,945	D	

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

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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 or Number of Shares
Restricted Stock Units	(1)	02/11/2017		M			4,200	02/11/2017	02/11/2017	Common Stock	4,200

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Van Hulle John V POLYONE CENTER 33587 WALKER ROAD AVON LAKE, OH 44012			SVP, President of GCAI	

Signatures

/s/ Lisa K. Kunkle, Power of Attorney For: John V. Van Hulle	02/14/2017
**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 restricted stock unit represents a contingent right to receive one share of PolyOne common stock.
- **(2)** Includes dividend equivalents earned with respect to the vested restricted stock units.

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. cate financial performance for the entire year.

The year-end condensed consolidated balance sheet data was derived from audited financial statements.

Reporting Periods Presented

The accompanying unaudited condensed consolidated financial statements do not include the results of Molson and Kaiser prior to the Merger on February 9, 2005. Further, we have elected to include the results of Kaiser one month in arrears for this and future reporting periods, which means that the operations statement results for Kaiser include only the results for the month of February 2005, after the Merger.

Use of estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (GAAP). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions are reasonable, based on information available at the time they are made. As discussed in Note 2, we have preliminarily allocated the acquisition price in the Merger to Molson's assets and liabilities and expect the allocation to change in future reporting periods. To the extent there are material differences between these estimates and actual results, our consolidated financial statements are affected.

Reclassifications

Certain reclassifications have been made to the 2004 financial statements to conform to the 2005 presentation.

Stock-based compensation

We use the intrinsic value method when accounting for options issued to employees in accordance with Accounting Principles Board No. 25, "Accounting for Stock Issued to Employees" (APB No. 25), and related interpretations. Accordingly, we do not recognize compensation expense related to employee stock options, since options have always been granted at a price equal to the market price on the day of grant. Compensation expense recorded in the financial statements relates to grants of restricted stock and certain stock option grants that must be accounted for under variable plan accounting. The following table illustrates the effect on net income (loss) and earnings (loss) per share if we had applied the fair value provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-based Compensation" (SFAS No. 123) to stock-based compensation using the Black-Scholes valuation model:

	Thirteen Weeks Ended	
	March 27, 2005 (as restated)	March 28, 2004
	(In thousands, except per share data)	
Net (loss) income, as reported	$ (34,184)	$ 4,840
Total stock-based compensation expense, net of related tax benefits, included in the determination of net income (loss), as reported	4,093	88
Total stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(22,074)	(4,639)
Pro forma net (loss) income	$ (52,165)	$ 289
Earnings per share:		
Basic as reported	$ (0.54)	$ 0.13
Basic pro forma	$ (0.83)	$ 0.01
Diluted as reported	$ (0.54)	$ 0.13
Diluted pro forma	$ (0.83)	$ 0.01

Stock-based compensation expense recognized in the statement of operations consists of restricted stock amortization and stock awards under various executive incentive plans. In 2005, stock compensation expense includes variable plan accounting expense related to change in control benefits. See related Note 5.

Recent Accounting Pronouncements

SFAS 123R, "Share-Based Payment" (Revised 2004)

Statement of Financial Accounting Standard No. 123 (SFAS No. 123R) was revised in December 2004. We adopted the disclosure provisions of SFAS 123 when it became effective in 1996 but, as discussed above, continue to account for stock options under APB No. 25. Currently, under an exemption written into the guidance for qualifying stock option grants with no intrinsic value on the date of grant, SFAS No. 123 requires us to present pro forma share-based compensation expense determined under the fair value approach for our stock option program in the notes to our financial statements. We expect to choose the modified prospective method of adoption of SFAS No. 123R, therefore, beginning in the first quarter of 2006, we will be required to record these costs in our operations statement. While under current guidance we have used the Black Scholes method to calculate pro forma compensation expense, the new guidance will also allow a binomial method. We are evaluating the alternative methods to value stock options.

The Merger triggered immediate vesting of all stock options, including those to acquire Molson stock held by former Molson option holders (excluding certain options held by the former Molson CEO, as discussed in Note 5). The vesting of Coors options are reflected in the notes to the first quarter financial statements as pro forma expense presented above. Therefore, compensation expense recognized beginning in the 2006 will only reflect new option grants after the Merger, and could be impacted by provisions of change in control agreements. See related Note 15.

SFAS No. 128 "Earnings Per Share"

Statement of Financial Accounting Standard No. 128 (SFAS No. 128) is expected to be revised. We adopted SFAS No. 128 when it became effective in 1997 and will adopt its revised provisions when they become effective. For our year-to-date diluted calculations, we currently use a quarterly average stock price. Under the revisions to SFAS No. 128, we will be required to use a year-to-date average stock price. The new standard will require retrospective presentation of diluted earnings per share upon implementation, meaning that prior periods' earnings per share will be adjusted to conform to the same method of calculation.

SFAS No. 151 "Inventory Costs"

SFAS No. 151 is an amendment to ARB No. 43, Chapter 4 that will be effective for us in fiscal 2006. The standard clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and spoilage to require that those costs be expensed currently, as opposed to being included in overhead costs. We are currently evaluating the impact that SFAS No. 151 will have on our financial results when implemented.

SFAS No. 153 "Exchanges of Nonmonetary Assets"

SFAS No. 153 is an amendment to APB Opinion No. 29 that will be effective for us in the third quarter of 2005. The standard tightens the general exception for exchanges of similar productive assets and replaces it with a general exception for exchanges of non-monetary assets that do not have commercial substance. We do not believe that the standard will have a significant impact on our financial results when implemented.

2. MOLSON MERGER

Merger Transaction

The Merger was approved at a special meeting of the shareholders of Molson on January 28, 2005, and a separate meeting of Molson option holders on January 27, 2005, and amendments to the Company's certificate of incorporation and a proposal to approve the issuance of shares of Class A common stock, Class B common stock, special Class A voting stock and special Class B voting stock (and any shares convertible into or exchangeable for shares of that stock) were approved by the Coors shareholders on February 1, 2005. The Merger was effected through an exchange of stock, in which Molson shareholders received stock in the new Molson Coors Brewing Company according to an exchange ratio, depending upon the type of stock held. Also, Molson shareholders were permitted to receive a combination of common stock and exchangeable shares in the new company. Canadian resident holders who received exchangeable shares in the Merger could defer paying income taxes on the transaction until such time as they exchange the shares for common stock or otherwise dispose of them.

In the Merger, Molson shareholders received the following:

Molson Class A Shareholders. A holder of Molson Class A non-voting shares who was a Canadian resident for Canadian income tax purposes was permitted to elect to receive for each of those shares:

0.360 of a Class B exchangeable share of Molson Coors Exchangeco (and ancilla