

HOWATT JAMES W
Form 4
March 03, 2009

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 *
HOWATT JAMES W

2. Issuer Name and Ticker or Trading Symbol
MOLINA HEALTHCARE INC
[MOH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2277 FAIR OAKS BOULEVARD,
SUITE 440

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
03/01/2009

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

SACRAMENTO, CA 95825

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

(City) (State) (Zip)

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 | 03/01/2009 | | A ⁽¹⁾ | | 12,200 | A | \$ 0 |
| | | | | | | | 29,517 ⁽²⁾ |
| Common Stock | 03/01/2009 | | F | | 1,431 | D | \$ 18.73 |
| | | | | | | | ⁽³⁾ |
| | | | | | | | 28,086 |

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

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Annual grant of restricted shares under the Molina Healthcare, Inc. 2002 Equity Incentive Plan. The shares vest in one-quarter increments on each of 3/1/2010, 3/1/2011, 3/1/2012, and 3/1/2013.

In addition to the shares vesting as noted above, increments of 762 shares vest on each of 5/29/2009, 5/29/2010, and 5/29/2011;

- (2) increments of 625 shares vest on each of 3/1/2010 and 3/1/2011; and increments of 3,050 shares vest on each of 3/1/2010, 3/1/2011, and 3/1/2012. The remainder of the shares are vested.
- (3) Represents the closing sale price of our common stock on Friday, February 27, 2009. In connection with the vesting of 3,675 shares on 3/1/09, the reporting person surrendered 1,431 shares in payment of the taxes associated with the vested shares.
- (4) The options are fully vested.
- (5) 1,000 of the options are vested; increments of 500 options vest on each of 3/1/2010 and 3/1/2011.
- (6) 2,250 of the options are vested; increments of 2,250 options vest on each of 5/29/2009, 5/29/2010, and 5/29/2011.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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