

KEOWN MICHAEL H
Form 4
November 14, 2017

FORM 4

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
KEOWN MICHAEL H

(Last) (First) (Middle)

**FARMER BROS CO., 1912
FARMER BROTHERS DRIVE**

(Street)

NORTHLAKE, TX 76262

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

FARMER BROTHERS CO [FARM]

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

11/10/2017

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)

PRESIDENT, CEO

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)
Common Stock, \$1.00 par value	11/10/2017		M ⁽¹⁾	22,000 A	\$ 0 69,526 ⁽²⁾	D	
Common Stock, \$1.00 par value	11/10/2017		S	22,000 D	\$ 30.9627 47,526 ⁽³⁾	D	

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

**Persons who respond to the collection of
information contained in this form are not**

SEC 1474
(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 Underlying Security (Instr. 3)
				Code V (A) (D)		Date Exercisable Expiration Date	Title
Stock Option (right to buy)	\$ 6.96	11/10/2017		M	22,000	<u>(1)</u> 05/11/2019	Common Stock
Stock Option (right to buy)	\$ 32.85	11/10/2017		D	8,265	<u>(4)</u> 11/10/2023	Common Stock
Stock Option (right to buy)	\$ 31.7	11/10/2017		A	28,819	<u>(5)</u> 11/10/2024	Common Stock
Performance-Based Restricted Stock Units (PBRsUs)	\$ 31.7	11/10/2017		A	28,819	<u>(6)</u> 11/10/2024	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KEOWN MICHAEL H FARMER BROS CO. 1912 FARMER BROTHERS DRIVE NORTHLAKE, TX 76262	X		PRESIDENT, CEO	

Signatures

/s/ Thomas J. Mattei, Jr., Attorney-in-fact for Michael H. Keown

11/14/2017

**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) Exercise of non-qualified stock option granted on May 11, 2012 under the Farmer Bros. Co. 2007 Omnibus Plan prior to its amendment and restatement in the form of the Farmer Bros. Co. Amended and Restated 2007 Long-Term Incentive Plan ("2007 Plan"). The option vested pursuant to a three year vesting schedule whereby one-third of the total number of shares issuable under the option became exercisable each year on 5/11/2013, 5/11/2014 and 5/11/2015.

Edgar Filing: KEOWN MICHAEL H - Form 4

- (2) Includes a total of 2,454 shares (including 284 shares in fiscal 2017) allocated as of the reporting date to the reporting person pursuant to the Farmer Bros. Co. Employee Stock Ownership Plan.

Open market sale of shares from 11/10/2017 stock option exercise, with a portion of the proceeds delivered to the issuer for payment of the exercise price of the option. This transaction was executed in multiple trades at prices ranging from \$30.95 to \$31.28; the price

- (3) reported above reflects the weighted average sale price. The reporting person hereby undertakes to provide full information regarding the number of shares and prices at which the transactions were effected upon request to the SEC staff, the Issuer, or a security holder of the issuer. The reporting person continues to meet the Issuer's stock ownership guidelines.

Forfeiture of performance-based non-qualified stock options ("PNQs") granted to the reporting person on 11/10/2016 under the 2007 Plan that were eligible to vest based on time and the achievement of certain financial performance objectives. Upon grant, the target vesting amount was reported in Table II of Form 4 filed with the SEC on 11/14/2016. On 11/10/2017, based on the Issuer's failure to achieve

- (4) certain financial performance objectives over the applicable performance period, a total of 8,265 PNQs were forfeited. Of the remaining 33,066 PNQs subject to the award, as of 11/10/2017, 11,022 PNQs have vested and 22,044 PNQs remain eligible to vest. Subject to certain continued employment conditions and subject to accelerated vesting incertain circumstances, one half of the remaining PNQs are scheduled to vest on each of 11/10/2018 and 11/10/2019.

Grant of non-qualified stock option under the Farmer Bros. Co. 2017 Long-Term Incentive Plan (the "2017 Plan"); the stock option vests pursuant to a three year vesting schedule, whereby one-third of the total number of shares issuable under the option becomes exercisable each year on the anniversary of the grant date, commencing on November 10, 2018, subject certain continued employment conditions and subject to accelerated vesting in certain circumstances.

- (5) Grant of performance-based restricted stock units ("PBRsUs") under the 2017 Plan. The target number of PBRsUs is presented in the table. Subject to certain continued employment conditions and subject to accelerated vesting in certain circumstances, the PBRsUs are scheduled to vest based on achievement of certain financial performance goals for the performance period July 1, 2017 through June 30, 2020. At the end of the three-year performance period, the number of PBRsUs that actually vest will be 0% to 150% of the target amount, depending on the extent to which Farmer Bros. Co. meets or exceeds certain financial performance goals measured over the full three-year performance period. The maximum number of PBRsUs that may vest at the end of the three-year performance period is 43,228 (150% of the target amount).

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.