

Njemanze Hugh
Form 4
October 25, 2010

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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Njemanze Hugh

(Last) (First) (Middle)

C/O ARCSIGHT, INC., 5 RESULTS
WAY

(Street)

CUPERTINO, CA 95014

(City) (State) (Zip)

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

ArcSight Inc [ARST]

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

10/21/2010

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) below)

CTO and EVP R&D

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 Ownership Indirect Beneficial Ownership (Instr. 4)
Common Stock	10/21/2010		U ⁽¹⁾	Amount 721,795 (2)	(A) or (D) D \$ 43.5	0	D
Common Stock	10/21/2010		M	125,000 (3)	A \$ 0.8	125,000	D
Common Stock	10/21/2010		M	23,750 (3)	A \$ 6.08	148,750	D
Common Stock	10/21/2010		M	17,320 (4)	A \$ 10	166,070	D
Common Stock	10/22/2010		D ⁽⁵⁾	166,070	D \$ 43.5	0	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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(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 and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 0.8	10/22/2010		D	125,000	<u>(3)</u>	02/02/2015	Common Stock	125,000
Stock Option (Right to Buy)	\$ 4	10/22/2010		D	25,000	<u>(6)</u>	05/25/2015	Common Stock	25,000
Stock Option (Right to Buy)	\$ 6.08	10/22/2010		D	23,750	<u>(3)</u>	06/04/2016	Common Stock	23,750
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	7,403	<u>(8)</u>	08/06/2017	Common Stock	7,403
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	20,798	<u>(4)(8)</u>	08/06/2017	Common Stock	20,798
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	3,049	<u>(6)</u>	08/06/2017	Common Stock	3,049
Stock Option (Right to Buy)	\$ 8.5	10/22/2010		D	39,000	<u>(10)</u>	06/17/2018	Common Stock	39,000
	\$ 18	10/22/2010		D	85,400	<u>(12)</u>	06/08/2019		85,400

Stock
Option
(Right to
Buy)

Common
Stock

Stock
Option
(Right to
Buy)

\$ 21.63

10/22/2010

D

200,000

(14)

05/18/2020

Common
Stock

200,000

Stock
Option
(Right to
Buy)

\$ 21.63

10/22/2010

D

200,000

(16)

05/18/2020

Common
Stock

200,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Director

10% Owner

Officer

Other

Njemanze Hugh
C/O ARCSIGHT, INC.
5 RESULTS WAY
CUPERTINO, CA 95014

CTO and EVP R&D

Signatures

/s/ Tram T. Phi as attorney-in-fact for Hugh S.
Njemanze

10/25/2010

 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) Pursuant to the terms of the tender offer by Priam Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly-owned, direct or indirect, subsidiary of Hewlett-Packard Company, a Delaware corporation ("HP"), to purchase all outstanding shares of Issuer Common Stock, disclosed in the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission (the "Tender Offer"), Purchaser accepted for payment of \$43.50 per share all shares validly tendered on or prior to October 20, 2010.

(2) Includes 472,500 held by the Reporting Person and his spouse, together.

(3) The option was fully vested and exercisable and all shares under this option were exercised pursuant to a conditional exercise program effective on the satisfaction of the closing conditions to the merger (the "Merger") contemplated by that certain Agreement and Plan of Merger by and among the Issuer, HP and Purchaser, dated as of September 13, 2010 (the "Merger Agreement"), and such shares were converted into the right to receive \$43.50 in cash per share in connection with the Merger.

(4) Pursuant to the terms of the Merger, 17,320 shares under this option were exercised pursuant to a conditional exercise program effective on the satisfaction of the closing conditions to the Merger and such shares were converted into the right to receive \$43.50 per share and the remaining shares under the option were assumed and exchanged for an option to purchase 3,531 shares of HP Common Stock at an exercise price per share of \$9.85.

(5) All shares issued and outstanding immediately prior to the effectiveness of the Merger and not tendered in the Tender Offer were converted into the right to receive \$43.50 in cash per share.

(6) The option is fully vested and exercisable.

(7)

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Pursuant to the terms of the Merger, this option was cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option.

- (8) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2008 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.

- (9) Pursuant to the terms of the Merger, 6,323 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 1,096 shares of HP Common Stock at an exercise price per share of \$9.85.

- (10) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2009 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.

- (11) Pursuant to the terms of the Merger, 23,562 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 15,675 shares of HP Common Stock at an exercise price per share of \$8.38.

- (12) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2010 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.

- (13) Pursuant to the terms of the Merger, 30,245 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 56,004 shares of HP Common Stock at an exercise price per share of \$17.73.

- (14) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2011 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.

- (15) Pursuant to the terms of the Merger, this option was assumed and exchanged for an option to purchase 203,081 shares of HP Common Stock at an exercise price per share of \$21.31.

- (16) The option vests and becomes exercisable as to 3/4th of the shares on May 1, 2013 and vests and becomes exercisable as to 1/4th of the shares on May 1, 2014.

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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