

COMMUNITY HEALTH SYSTEMS INC
 Form 4
 December 15, 2014

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 *
 SMITH WAYNE T

2. Issuer Name and Ticker or Trading Symbol
 COMMUNITY HEALTH SYSTEMS INC [CYH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 4000 MERIDIAN BOULEVARD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/11/2014

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

FRANKLIN, TN 37067

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 12/11/2014 | | M | | 500,000 | A | \$ 40.41 |
| Common Stock | 12/11/2014 | | S | | 237,000 | D | \$ 51.3744 (1) |
| Common Stock | 12/12/2014 | | S | | 200,000 | D | \$ 51.47 (2) |
| Common Stock | | | | | | | 169,388 |
| | | | | | | I | by 2009 WTS Irrevocable Trust Dated |

2/27/09

| | | | |
|--------------|---------|---|-----------|
| Common Stock | 481,721 | I | WAC LLC |
| Common Stock | 69,830 | I | 2012 GRAT |

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

SEC 1474
(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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Stock Options (Right to Buy) | \$ 40.41 | 12/11/2014 | | M | 500,000 | 07/25/2008 07/24/2015 | Common Stock |
| Stock Options (Right to Buy) | \$ 32.28 | | | | | 02/27/2009 02/26/2018 | Common Stock |
| Stock Options (Right to Buy) | \$ 18.18 | | | | | 02/25/2010 02/24/2019 | Common Stock |
| Stock Options (Right to Buy) | \$ 33.9 | | | | | 02/24/2011 02/23/2020 | Common Stock |
| Stock Options (Right to Buy) | \$ 37.96 | | | | | 02/23/2012 02/22/2021 | Common Stock |
| Stock Options | \$ 21.07 | | | | | 02/16/2013 02/15/2022 | Common Stock |

(Right to Buy)

| | | | | |
|------------------------------|------|---------------------------|------------|--------------|
| Performance Based Restricted | \$ 0 | 03/01/2015 ⁽³⁾ | 02/29/2024 | Common Stock |
| Performance Based Restricted | \$ 0 | 03/01/2015 ⁽⁴⁾ | 02/29/2024 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| SMITH WAYNE T 4000 MERIDIAN BOULEVARD FRANKLIN, TN 37067 | X | | Chairman & CEO | |

Signatures

Christopher G. Cobb, Attorney in Fact for Wayne T. Smith 12/15/2014

__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) The shares were sold in a series of transactions at a weighted average price of \$51.3744 per share.
- (2) The shares were sold in a series of transactions at a weighted average price of \$51.4700 per share.

Each performance based restricted share represents a contingent right to receive one share of CYH common stock. There are two elements to the lapsing of the restriction; first, the Company must achieve specified targeted amount of earnings per share from continuing operations, or net revenue from continuing operations, and if the performance objective is met, the vesting restrictions will lapse in 1/3 increments on the first, second and third anniversary of the date of grant. If the objectives are not met, the shares will be forfeited.

- (4) Each performance based restricted share represents a contingent right to receive one share of CYH common stock. The lapsing of the restrictions is dependent on the Company meeting certain cost savings ("synergies") from the Health Management Associates, Inc. merger transaction. The performance target may be met in part in the first year or in whole or in part over the first two years. There is also a time vesting element to the maximum targets of the award. If the objectives are not met, the shares will be forfeited.

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.