

Q2 Holdings, Inc.
Form 4
February 22, 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 *
Breedon John E

2. Issuer Name and Ticker or Trading Symbol
Q2 Holdings, Inc. [QTWO]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
13785 RESEARCH BLVD., SUITE 150

3. Date of Earliest Transaction (Month/Day/Year)
02/17/2017

____ Director
 Officer (give title below)
____ 10% Owner
____ Other (specify below)

EVP, Operations

(Street)

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

AUSTIN, TX 78750

(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 or Price (A) or (D) | | |
| Common Stock | 02/17/2017 | | S ⁽¹⁾ | | 3,800 (2) | D | |
| | | | | | \$ 35.73 (3) | | |
| Common Stock | 02/21/2017 | | S ⁽¹⁾ | | 3,500 (2) | D | |
| | | | | | \$ 35.67 (4) | | |
| Common Stock | 02/21/2017 | | A | | 10,950 (5) | A | |
| | | | | | \$ 0 | | |

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)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Option (right to buy) | \$ 35.8 | 02/21/2017 | | A | 27,340 | 02/21/2018 ⁽⁶⁾ 02/21/2024 | Common Stock 27,340 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| Breeden John E 13785 RESEARCH BLVD. SUITE 150 AUSTIN, TX 78750 | | | EVP, Operations | |

Signatures

/s/ M. Scott Kerr,
attorney-in-fact
Date: 02/22/2017

**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) Shares sold pursuant to Reporting Person's 10b5-1 Trading Plan.

(2) Includes shares sold to cover tax withholding obligations triggered upon lapse of restricted stock units.

(3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$35.30 to \$36.05 inclusive. Reporting Person undertakes to provide to Q2 Holdings, Inc., any security holder of Q2 Holdings, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

(4) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$35.50 to \$36.00 inclusive. Reporting Person undertakes to provide to Q2 Holdings, Inc., any security holder of Q2 Holdings, Inc., or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within

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the range set forth in this footnote.

- (5) Shares of stock acquired represent shares underlying Restricted Stock Units. The Restricted Stock Units vest annually in four equal installments beginning February 20, 2018.
- (6) This option grant vests as to 1/4 of the total option grant on February 21, 2018, and thereafter as to 1/48 of the total option grant monthly. The option grant becomes exercisable as it vests.

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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