

PayPal Holdings, Inc.
Form 4
December 17, 2015

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 *
Ready William J

(Last) (First) (Middle)

C/O PAYPAL HOLDINGS, INC., 2211 NORTH FIRST STREET

(Street)

SAN JOSE, CA 95131

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PayPal Holdings, Inc. [PYPL]

3. Date of Earliest Transaction (Month/Day/Year)
12/15/2015

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)
SVP, Global Head Product & Eng

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 Ownership (Instr. 4) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
| | | | Code | V | Amount or Price | | | |
| Common Stock | 12/15/2015 | | M | | 30,740 | A | \$ 0 30,740 | D |
| Common Stock | 12/15/2015 | | M | | 153,699 | A | \$ 0 184,439 | D |
| Common Stock | 12/15/2015 | | F | | 83,402 (1) | D | \$ 36.32 101,037 | D |

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

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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 and Amount of Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Am Num Sha |
| Restricted Stock Units -1 | (2) | 12/15/2015 | | M | 30,740 | (3) (4) | Common Stock 30 |
| Restricted Stock Units -2 | (2) | 12/15/2015 | | M | 153,699 | (3) (4) | Common Stock 15 |
| Non-Qualified Stock Option (right to buy) | \$ 0 | | | | | (5) 04/01/2022 | Common Stock 32 |
| Restricted Stock Units -3 | (2) | | | | | (6) (4) | Common Stock 75 |
| Restricted Stock Units -4 | (2) | | | | | (7) (4) | Common Stock 16 |
| Restricted Stock Units -5 | (2) | | | | | (8) (4) | Common Stock 16 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Ready William J C/O PAYPAL HOLDINGS, INC. 2211 NORTH FIRST STREET SAN JOSE, CA 95131 | | | SVP, Global Head Product & Eng | |

Signatures

William J Ready 12/16/2015

**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)

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Represents shares reacquired to satisfy tax withholding obligations in connection with the vesting of 184,439 shares of restricted stock granted to the Reporting Person on 12/19/13.

- (2) Each restricted stock unit represents a contingent right to receive one share of PayPal's common stock.
The reporting person received a restricted stock unit grant subject to a two-year vesting schedule, vesting 66.67% on the one year anniversary, and 33.33% on the second year anniversary. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (4) Not applicable.
- (5) The option grant is subject to a four-year vesting schedule, vesting 12.5% on the 6 month anniversary of the grant and 1/48th per month thereafter.
The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 20% on the one year anniversary date of the restricted stock unit and 3.33% monthly thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (7) The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 20% on the second year anniversary date of the restricted stock unit and 3.33% monthly thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.
- (8) The reporting person received restricted stock units subject to a four-year vesting schedule, vesting 25% on the one year anniversary date of the restricted stock unit and 25% each year thereafter. Upon vesting, the reporting person will receive a number of shares of common stock equal to the number of restricted stock units that have vested.

Remarks:

Restricted Stock Units were reported in Table I on prior Form 4, showing total outstanding restricted stock units converted in o

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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