

CapLease, Inc.
Form 4
November 06, 2013

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 *
MCDOWELL PAUL H

(Last) (First) (Middle)

C/O CAPLEASE, INC., 1065
AVENUE OF THE AMERICAS

(Street)

NEW YORK, NY 10018

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CapLease, Inc. [LSE]

3. Date of Earliest Transaction
(Month/Day/Year)
11/05/2013

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)
Chairman & 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) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 11/05/2013 | | D | | 687,671 ⁽¹⁾ \$ 8.5 | D | |
| Common Stock | 11/05/2013 | | D | | 8,725 ⁽¹⁾ \$ 8.5 | I | By 401(k) Plan |
| 8.125% Series A Cumulative Redeemable Preferred Stock | 11/05/2013 | | D | | 186 ⁽²⁾ \$ 25 | D | |
| | 11/05/2013 | | M | | A | D | 36,350 |

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| | | | | | | | |
|--------------|------------|--|---|---------------|---|-------------|---|
| Common Stock | | | | 36,350 (3) | | \$ 0 (3) | |
| Common Stock | 11/05/2013 | | D | 36,350 (3) | D | \$ 8.50 | 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 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Performance share units | \$ 0 (3) | 11/05/2013 | | M | 36,350 | 11/05/2013(3) 01/01/2016 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MCDOWELL PAUL H C/O CAPLEASE, INC. 1065 AVENUE OF THE AMERICAS NEW YORK, NY 10018 | X | | Chairman & CEO | |

Signatures

/s/Paul H. McDowell 11/05/2013

**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) Disposed of pursuant to an agreement and plan of merger, dated May 28, 2013, among the issuer, American Realty Capital Properties, Inc. and certain affiliates of each (the "merger agreement"). Each share common stock was converted into the right to receive \$8.50 in cash at

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the effective time of the merger. Shares held directly include 175,091 shares of restricted stock which became fully vested immediately prior to the effective time of the merger.

- (2) Disposed of pursuant to the merger agreement. Each share of preferred stock was converted into the right to receive an amount in cash equal to the sum of (i) \$25.00 and (ii) all accrued and unpaid dividends on such share, at the effective time of the merger.
The performance share units represented the right to receive between 0% and 200% of an equivalent target number of shares of common stock, with actual payout depending upon the relative total shareholder return of the issuer compared against a peer group over a three
- (3) year performance period. The performance share units became fully earned and settled as to 100% of the target number of shares of common stock, and such settled shares were converted into the right to receive an amount in cash equal to the sum of (i) \$8.50 and (ii) a dividend equivalent payment equal to all accrued and unpaid dividends on such shares, at the effective time of the merger.

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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