

SCHATZ DOUGLAS S
Form 4
May 13, 2010

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
SCHATZ DOUGLAS S & SCHATZ
JILL E FAMILY TRUST

2. Issuer Name and Ticker or Trading Symbol
ADVANCED ENERGY
INDUSTRIES INC [AEIS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
05/11/2010

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

PO BOX 481

(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

FORT COLLINS, CO 80522

(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 (D) Price | | | |
| Common Stock | 05/11/2010 | | J ⁽¹⁾⁽²⁾ | 166,660 D \$ 12.8853 | 5,442,173 | D | ⁽³⁾ ₍₄₎ |

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)

Edgar Filing: SCHATZ DOUGLAS S - Form 4

| 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) |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|
| Put Option (right to sell) under Prepaid Forward Contract | (1) (2) | 05/11/2010 | | J(1)(2) | 200,000 | 05/11/2010 05/11/2010 | Common Stock 200,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SCHATZ DOUGLAS S & SCHATZ JILL E FAMILY TRUST PO BOX 481 FORT COLLINS, CO 80522 | | X | | |
| SCHATZ DOUGLAS S P.O. BOX 481 FORT COLLINS, CO 80522 | X | | | |
| Schatz Jill E P.O. BOX 481 FORT COLLINS, CO 80522 | | X | | |

Signatures

/s/ Thomas O. McGimpsey
(Attorney-in-Fact) 05/13/2010

**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) On May 11, 2010, The Douglas S. Schatz and Jill E. Schatz Family Trust settled a variable prepaid forward contract that was entered into on May 8, 2009 with a securities broker. The contract obligated the Family Trust to deliver to the securities broker up to 200,000 shares of AEIS common stock (or, at the Family Trust's election, an equivalent amount in cash) on the maturity date of the contract, which was May 11, 2010. In exchange for assuming this obligation, the Family Trust received a cash payment of \$1,441,909 upon execution of the contract. The Family Trust had pledged 200,000 shares of AEIS common stock to secure its obligations under the contract, but retained dividend and voting rights in such shares during the term of the pledge.
- (2) The contract provided that the number of shares of AEIS common stock that the Family Trust would be obligated to deliver to the securities broker on the maturity date would be determined based on the closing price of AEIS common stock on the maturity date. As of

Edgar Filing: SCHATZ DOUGLAS S - Form 4

the maturity date, such closing price was \$12.8853, and the Family Trust transferred 166,660 shares of AEIS common stock to the securities broker. The remaining shares were released from the pledge account with the securities broker but immediately were pledged to Silicon Valley Bank as collateral for a line of credit entered into by the Family Trust, Douglas Schatz and Jill Schatz.

- (3) Douglas S. Schatz and Jill E. Schatz, husband and wife, are co-trustees of the Family Trust and may be deemed to be indirect beneficial owners of the shares of AEIS common stock held directly by the Family Trust. Douglas S. Schatz is a director of AEIS. This Form 4 is filed by the Family Trust, Douglas S. Schatz and Jill E. Schatz. The shares of AEIS Common stock reported on this Form 4 includes 26,350 shares subject to restricted stock units held directly by Douglas S. Schatz. All other securities reported on this Form 4 are held directly by the Family Trust.

- (4) 800,000 shares of AEIS common stock on this Form 4 are pledged to a securities broker in connection with variable prepaid forward contracts entered into by the Family Trust, which contracts have maturity dates ranging from May 25, 2010 to December 13, 2010. All other shares of AEIS common stock reported on this Form 4 and held directly by the Family Trust are pledged to Silicon Valley Bank as collateral for a line of credit entered into by the Family Trust, Douglas S. Schatz and Jill E. Schatz.

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.