

PATSLEY PAMELA H
 Form 4
 September 02, 2009

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 *
 PATSLEY PAMELA H

2. Issuer Name and Ticker or Trading Symbol
 MONEYGRAM INTERNATIONAL INC [MGI]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 1550 UTICA AVENUE SOUTH
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/31/2009

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

MINNEAPOLIS, MN 55416
 (City) (State) (Zip)

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

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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock option (right to buy) ⁽¹⁾	\$ 2.66	08/31/2009			A		6,300,000		<u>(2)</u>	08/31/2019	Common Stock	6,300,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PATSLEY PAMELA H 1550 UTICA AVENUE SOUTH MINNEAPOLIS, MN 55416	X		Executive Chairman	

Signatures

Teresa H. Johnson on behalf of Pamela H. Patsley

 **Signature of Reporting Person

09/02/2009

 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) Non-qualified stock option granted under the MoneyGram International, Inc. 2005 Omnibus Incentive Plan pursuant to the Non-Qualified Stock Option Agreement dated August 31, 2009. With respect to 2,000,000 option shares, the options will not vest and are subject to forfeiture if the stockholders of the Corporation do not approve an amendment to the Omnibus Plan to remove or increase the limitation on the number of option shares that may be granted to an executive officer in any year.
- (2) Options for 50% of the shares are considered "Time Vested" and options for 50% of the shares are considered "Performance Vested." The Time Vested options will vest in equal installments over four years on the anniversary of the grant date. The Performance Vested options will vest as follows: Options for 50% of the shares will vest when the value of the common stock of the Corporation has reached \$3.50 per share for a period of 20 consecutive trading days during the 5-year period following the grant date; and options for 50% of the shares will vest when the value of the common stock of the Corporation has reached \$5.25 per share for a period of 20 consecutive trading days during the 5-year period following the grant date. If the shares of common stock of the Corporation are not publicly traded, then vesting for the options that are Performance Vested will be vested in the manner set forth in the stock option agreement.

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.