

Welch Jacob H.
Form 4
June 06, 2018

FORM 4

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

OMB APPROVAL

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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 *
Welch Jacob H.

(Last) (First) (Middle)

1 LETTERMAN
DRIVE, BUILDING D, 4TH
FLOOR

(Street)

SAN FRANCISCO, CA 94129

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Armstrong Flooring, Inc. [AFI]

3. Date of Earliest Transaction
(Month/Day/Year)
06/04/2018

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)

See Remarks

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 (D) Price | | | |
| Common Stock ⁽¹⁾ | 06/04/2018 | | A | 7,894 ₍₂₎ | \$ 0 | D | ⁽⁴⁾ ⁽⁵⁾ |
| Common Stock | | | | | 4,609,071 | I | See Footnotes ⁽⁵⁾ ⁽⁶⁾ |

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

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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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Transaction (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------------|
| | Director | 10% Owner | Officer | Other |
| Welch Jacob H. 1 LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |
| ValueAct Holdings, L.P. ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |
| ValueAct Capital Master Fund, L.P. ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |
| VA Partners I, LLC ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |
| ValueAct Capital Management, L.P. ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |
| ValueAct Capital Management, LLC ONE LETTERMAN DRIVE BUILDING D, 4TH FLOOR SAN FRANCISCO, CA 94129 | X | X | | See Remarks |

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ValueAct Holdings GP, LLC
ONE LETTERMAN DRIVE
BUILDING D, 4TH FLOOR
SAN FRANCISCO, CA 94129

X X

See
Remarks

Signatures

| | | |
|--|---------------------------------|------------|
| /s/ Jacob H. Welch | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VALUEACT HOLDINGS, L.P., By: VALUEACT HOLDINGS GP, LLC, its General Partner, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS I, LLC, its General Partner, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VA PARTNERS I, LLC, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL MANAGEMENT, LLC, its General Partner, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VALUEACT CAPITAL MANAGEMENT, LLC, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **Signature of Reporting Person | Date |
| VALUEACT HOLDINGS GP, LLC, By: /s/ Bradley E. Singer, Chief Operating Officer | | 06/06/2018 |
| | **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) Restricted stock units granted under the Issuer's 2016 Directors Stock Unit Plan and as part of the Issuer's nonemployee Director Compensation Program. The units vest (contingent upon the Director's continued service as of such date) on the earlier of (i) the date of the next annual stockholders meeting; (ii) the death or total and permanent disability of the Director; or (iii) the date of any Change in Control Event (as defined in the Plan). Vested units will be acquirable by the Director, at the election of the Director: (i) on the date of the next annual stockholders meeting or (ii) at the time of the Director's separation from service.
 - (2) Represents an annual grant of restricted stock units as the equity portion of the Director's retainer for Board service under the Issuer's nonemployee Director Compensation Program. The grant date fair value of the units is calculated under the Financial Accounting Standards Board's Accounting Standards Codification Topic 718 using the closing stock price of the Issuer's common shares on June 4, 2018, the first business day following the annual meeting of stockholders, which price was \$13.30.
 - (3) Includes vested and unvested units as well as units not yet acquirable by the Director. Under the terms of the Issuer's 2016 Directors Stock Unit Plan, vested units under the Plan are not acquirable by the Director until, at the election of the Director: (i) the date of the next annual stockholders meeting or (ii) the time of the Director's separation from service.
 - (4) The ValueAct entities referred to in this footnote 4 are collectively referred to herein as "ValueAct Capital." Under an agreement with ValueAct Capital, Jacob H. Welch is deemed to hold the common stock for the benefit of the limited partners of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

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- (5) Each reporting person listed herein disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that such person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

- (6) The securities reported herein are directly beneficially owned by ValueAct Capital Master Fund, L.P. and may be deemed to be indirectly beneficially owned by (i) VA Partners I, LLC as General Partner of ValueAct Capital Master Fund, L.P., (ii) ValueAct Capital Management, L.P. as the manager of ValueAct Capital Master Fund, L.P., (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P., (iv) ValueAct Holdings, L.P. as the sole owner of the limited partnership interests of ValueAct Capital Management, L.P. and the membership interests of ValueAct Capital Management, LLC and as the majority owner of the membership interests of VA Partners I, LLC and (v) ValueAct Holdings GP, LLC as General Partner of ValueAct Holdings, L.P.

Remarks:

-The reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934.

- Jacob H. Welch, a Partner at ValueAct Capital, serves on the board of directors of the Issuer. As a result, the other reporting persons herein may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934.

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.