

Virgin America Inc.
Form 4
December 14, 2016

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 *
Varley John J.

(Last) (First) (Middle)

C/O VIRGIN AMERICA INC., 555 AIRPORT BLVD

(Street)

BURLINGAME, CA 94010

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Virgin America Inc. [VA]

3. Date of Earliest Transaction (Month/Day/Year)
12/14/2016

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)

Senior VP, General Counsel

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)
				(A) or (D) Code V Amount (D) Price			
Common Stock	12/14/2016		D	30,726 (1)	\$ 57 (2)	0	D

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

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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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. Amount or Number of Shares			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (right to buy)	\$ 12.9842	12/14/2016		D		10,597		(3)	07/05/2020	Common Stock	10,597
Stock Option (right to buy)	\$ 12.9842	12/14/2016		D		26,493		(3)	07/05/2020	Common Stock	26,493
Stock Option (right to buy)	\$ 12.9842	12/14/2016		D		43,052		(3)	05/12/2023	Common Stock	43,052

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Varley John J. C/O VIRGIN AMERICA INC. 555 AIRPORT BLVD BURLINGAME, CA 94010			Senior VP, General Counsel	

Signatures

/s/ Allen Huang, Attorney-in-fact for John J. Varley	12/14/2016
**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) Includes 4,857 restricted stock units ("RSUs"), 8,358 shares of service-based restricted stock and 11,922 shares of performance-based restricted stock, which resulted from an initial award of 5,961 shares.
 - (2) Pursuant to the Agreement and Plan of Merger, dated April 1, 2016, by and among Virgin America Inc., Alaska Air Group, Inc. and Alpine Acquisition Corp. (the "Merger Agreement"), (i) each issued and outstanding RSU was automatically vested and converted into the right to receive \$57.00 in cash, without interest, (ii) each issued and outstanding share of common stock was automatically cancelled and converted into the right to receive \$57.00 in cash, without interest, (iii) each issued and outstanding share of service-based restricted stock was automatically vested and converted into the right to receive \$57.00 in cash, without interest, and (iv) each issued and

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outstanding share of performance-based restricted stock was automatically vested (treating the performance-based condition to which such award was subject as having been attained at a level of 200%) and converted into the right to receive \$57.00 in cash, without interest.

- (3) Pursuant to the Merger Agreement, this option, whether or not then vested, was cancelled in exchange for a cash payment for each share subject to the option equal to the excess of \$57.00 over the per share exercise price of the option.

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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