

Phi Tram T  
Form 4  
October 25, 2010

**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 \*  
Phi Tram T

(Last) (First) (Middle)

C/O ARCSIGHT, INC., 5 RESULTS WAY

(Street)

CUPERTINO, CA 95014

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ArcSight Inc [ARST]

3. Date of Earliest Transaction (Month/Day/Year)  
10/21/2010

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)

VP, General Counsel & Sec.

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 (A) or (D) Price			
Common Stock	10/21/2010		U <sup>(1)</sup>	D 6,514 \$ 43.5	0	D	
Common Stock	10/21/2010		M	A 16,447 <sup>(2)</sup> \$ 6.08	16,447	D	
Common Stock	10/21/2010		M	A 3,687 <sup>(2)</sup> \$ 6.08	20,134	D	
Common Stock	10/21/2010		M	A 19,432 <sup>(3)</sup> \$ 10	39,566	D	
Common Stock	10/21/2010		M	A 976 <sup>(4)</sup> \$ 10	40,542	D	

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Common Stock      10/22/2010      D<sup>(5)</sup>      40,542      D      \$ 43.50      D

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

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(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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 6.08	10/22/2010		D	16,447	<u>(2)</u> 03/07/2016	Common Stock	16,447
Stock Option (Right to Buy)	\$ 6.08	10/22/2010		D	58,553	<u>(6)</u> 03/07/2016	Common Stock	58,553
Stock Option (Right to Buy)	\$ 6.08	10/22/2010		D	3,687	<u>(2)</u> 06/04/2016	Common Stock	3,687
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	22,750	<u>(3)(8)</u> 08/06/2017	Common Stock	22,750
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	1,302	<u>(4)(9)</u> 10/15/2017	Common Stock	1,302
Stock Option (Right to Buy)	\$ 10	10/22/2010		D	11,198	<u>(9)</u> 10/15/2017	Common Stock	11,198

Stock Option (Right to Buy)	\$ 8.5	10/22/2010	D	19,500	<u>(11)</u>	06/17/2018	Common Stock	19,500
Stock Option (Right to Buy)	\$ 18	10/22/2010	D	34,160	<u>(13)</u>	06/08/2019	Common Stock	34,160
Stock Option (Right to Buy)	\$ 21.63	10/22/2010	D	17,500	<u>(15)</u>	05/18/2020	Common Stock	17,500

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Phi Tram T C/O ARCSIGHT, INC. 5 RESULTS WAY CUPERTINO, CA 95014			VP, General Counsel & Sec.	

## Signatures

/s/ Tram T. Phi 10/25/2010

\*\*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) Pursuant to the terms of the tender offer by Priam Acquisition Corporation, a Delaware corporation ("Purchaser") and a wholly-owned, direct or indirect, subsidiary of Hewlett-Packard Company, a Delaware corporation ("HP"), to purchase all outstanding shares of Issuer Common Stock, disclosed in the Tender Offer Statement on Schedule TO filed with the Securities and Exchange Commission (the "Tender Offer"), Purchaser accepted for payment of \$43.50 per share all shares validly tendered on or prior to October 20, 2010.
  - (2) The option was fully vested and exercisable and all shares under this option were exercised pursuant to a conditional exercise program effective on the satisfaction of the closing conditions to the merger (the "Merger") contemplated by that certain Agreement and Plan of Merger by and among the Issuer, HP and Purchaser, dated as of September 13, 2010 (the "Merger Agreement"), and such shares were converted into the right to receive \$43.50 in cash per share in connection with the Merger.
  - (3) Pursuant to the terms of the Merger, 19,432 shares under this option were exercised pursuant to a conditional exercise program at the closing of the Merger and such shares were converted into the right to receive \$43.50 per share and the remaining shares under the option were assumed and exchanged for an option to purchase 3,369 shares of HP Common Stock at an exercise price per share of \$9.85.
  - (4) Pursuant to the terms of the Merger, 976 shares under this option were exercised pursuant to a conditional exercise program at the closing of the Merger and such shares were converted into the right to receive \$43.50 per share and the remaining shares under the option were assumed and exchanged for an option to purchase 331 shares of HP Common Stock at an exercise price per share of \$9.85.
  - (5) All shares issued and outstanding immediately prior to the effectiveness of the Merger and not tendered in the Tender Offer were converted into the right to receive \$43.50 in cash per share.
  - (6) The option is fully vested and exercisable.

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- (7) Pursuant to the terms of the Merger, this option was cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option.
- (8) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2008 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.
- (9) The option vests and becomes exercisable as to 1/4th of the shares on October 16, 2008 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.
- (10) Pursuant to the terms of the Merger, 8,398 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 2,843 shares of HP Common Stock at an exercise price per share of \$9.85.
- (11) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2009 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.
- (12) Pursuant to the terms of the Merger, 11,781 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 7,837 shares of HP Common Stock at an exercise price per share of \$8.38.
- (13) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2010 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.
- (14) Pursuant to the terms of the Merger, 12,098 shares under this option were cancelled in exchange for a cash payment to the Reporting Person equal to the difference between the offer price per share of \$43.50 and the exercise price per share of the option and the remaining shares under the option were assumed and exchanged for an option to purchase 22,401 shares of HP Common Stock at an exercise price per share of \$17.73.
- (15) The option vests and becomes exercisable as to 1/4th of the shares on May 1, 2011 and vests and becomes exercisable as to 1/48th of the shares at the end of each full month thereafter.
- (16) Pursuant to the terms of the Merger, this option was assumed and exchanged for an option to purchase 17,769 shares of HP Common Stock at an exercise price per share of \$21.31.

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.