

Paine Andrew J III
 Form 4
 February 21, 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 *
 Paine Andrew J III

2. Issuer Name and Ticker or Trading Symbol
 KEYCORP /NEW/ [KEY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 C/O KEYCORP, 127 PUBLIC SQUARE

3. Date of Earliest Transaction (Month/Day/Year)
 02/17/2018

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

Co-Head Corporate Bank

(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

CLEVELAND, OH 44114

(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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Shares | 02/17/2018 | | M | V Amount (A) or (D) Price | 110,852 A \$ 195,904 | D | |
| Common Shares | 02/17/2018 | | F | 43,137 D \$ 21.02 | 152,767 | D | |
| Common Shares | | | | | 18,042 (2) | I | 401(k) Plan |
| Common Shares | | | | | 26,930 | I | By spouse |
| Common Shares | | | | | 445 | I | By Paine Investments LP |

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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)

| 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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|-------------------------------|
| | | | | Code V | (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Restricted Stock Units | (1) | 02/17/2018 | | M | 53,003 | (3) | (3) | Common Shares | 53,003 |
| Restricted Stock Units | (1) | 02/17/2018 | | M | 8,841 | (5) | (5) | Common Shares | 8,841 |
| Restricted Stock Units | (1) | 02/17/2018 | | M | 10,506 | (7) | (7) | Common Shares | 10,506 |
| Restricted Stock Units | (1) | 02/17/2018 | | M | 28,813 | (9) | (9) | Common Shares | 28,813 |
| Restricted Stock Units | (1) | 02/17/2018 | | M | 9,689 | (11) | (11) | Common Shares | 9,689 |
| Restricted Stock Units | (1) | 02/19/2018 | | A | 36,156 | (13) | (13) | Common Shares | 36,156 |
| Option to Buy | \$ 21.02 | 02/19/2018 | | A | 37,109 | (14) | 02/19/2028 | Common Shares | 37,109 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|----------------|
| | Director | 10% Owner | Officer | Other |
| Paine Andrew J III C/O KEYCORP 127 PUBLIC SQUARE | | | Co-Head | Corporate Bank |

CLEVELAND, OH 44114

Signatures

Carrie A. Benedict POA for Andrew J.
Paine III

02/21/2018

__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) Each restricted stock unit represents the right to receive one KeyCorp common share at vesting.
- (2) Reported as of January 26, 2018.
- (3) These restricted stock units, granted on February 16, 2015, vested in full on February 17, 2018.
- (4) Includes approximately 2,028 dividend-equivalent restricted stock units accrued since June 2016.
- (5) These restricted stock units, granted on February 17, 2014, vested in four equal annual installments ending on February 17, 2018.
- (6) Includes approximately 177 dividend-equivalent restricted stock units accrued between March and December 2017.
- (7) The restricted stock units, granted on February 16, 2015, vest in four equal annual installments beginning on February 17, 2016.
- (8) Includes approximately 423 dividend-equivalent restricted stock units accrued between March and December 2017.
- (9) The restricted stock units, granted on February 15, 2016, vest in four equal annual installments beginning on February 17, 2017.
- (10) Includes approximately 1,736 dividend-equivalent restricted stock units accrued between March and December 2017.
- (11) The restricted stock units, granted on February 20, 2017, vest in four equal annual installments beginning on February 17, 2018.
- (12) Includes approximately 777 dividend-equivalent restricted stock units accrued between March and December 2017.
- (13) The restricted stock units, granted on February 19, 2018, vest in four equal annual installments beginning on February 17, 2019.
- (14) The options to buy, granted on February 19, 2018, vest in four equal annual installments beginning on February 17, 2019.

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.