

CARDIONET INC  
Form 4  
March 26, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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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 \*  
MIDDLETON FRED A

(Last) (First) (Middle)

400 SOUTH EL CAMINO  
REAL, SUITE 1200

(Street)

SAN MATEO, CA 94402

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CARDIONET INC [BEAT]

3. Date of Earliest Transaction  
(Month/Day/Year)  
03/25/2008

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)

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	03/25/2008		C	48,909	A	① 53,604	I	See Footnote (2)
Common Stock	03/25/2008		C	4,685	A	③ 58,289	I	See Footnote (2)
Common Stock	03/25/2008		C	327,630	A	③ 327,630	I	See Footnote (4)
Common Stock	03/25/2008		C	171,611	A	① 188,086	I	See Footnote

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Common Stock	03/25/2008	C	16,438	A	<u>(3)</u>	204,524	I	<u>(5)</u> See Footnote <u>(5)</u>
Common Stock	03/25/2008	C	171,978	A	<u>(1)</u>	188,488	I	See Footnote <u>(6)</u>
Common Stock	03/25/2008	C	16,474	A	<u>(3)</u>	204,962	I	See Footnote <u>(6)</u>
Common Stock	03/25/2008	C	163,798	A	<u>(3)</u>	163,798	I	See Footnote <u>(7)</u>
Common Stock	03/25/2008	C	440,827	A	<u>(1)</u>	483,146	I	See Footnote <u>(8)</u>
Common Stock	03/25/2008	C	42,227	A	<u>(3)</u>	525,373	I	See Footnote <u>(8)</u>
Common Stock	03/25/2008	C	26,860	A	<u>(3)</u>	26,860	I	See Footnote <u>(9)</u>
Common Stock	03/25/2008	C	5,640	A	<u>(10)</u>	32,501	I	See Footnote <u>(9)</u>
Common Stock	03/25/2008	C	<u>8,506</u> <u>(11)</u>	A	\$ 3.5	41,007	I	See Footnote <u>(9)</u>
Common Stock	03/25/2008	C	11,370	A	<u>(12)</u>	52,377	I	See Footnote <u>(9)</u>
Common Stock	03/25/2008	C	111,919	A	<u>(3)</u>	111,919	I	See Footnote <u>(13)</u>
Common Stock	03/25/2008	C	23,503	A	<u>(10)</u>	135,422	I	See Footnote <u>(13)</u>
Common Stock	03/25/2008	C	<u>35,449</u> <u>(11)</u>	A	\$ 3.5	170,871	I	See Footnote <u>(13)</u>
Common Stock	03/25/2008	C	47,287	A	<u>(12)</u>	218,158	I	See Footnote <u>(13)</u>

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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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount of Number of Shares
Series B Convertible Preferred Stock	(1)	03/25/2008		C	97,819	(1) (1)	Common Stock 48,909
Series C Convertible Preferred Stock	(3)	03/25/2008		C	9,370	(3) (3)	Common Stock 4,685
Series C Convertible Preferred Stock	(3)	03/25/2008		C	655,261	(3) (3)	Common Stock 327,630
Series B Convertible Preferred Stock	(1)	03/25/2008		C	343,223	(1) (1)	Common Stock 171,611
Series C Convertible Preferred Stock	(3)	03/25/2008		C	32,877	(3) (3)	Common Stock 16,438
Series B Convertible Preferred Stock	(1)	03/25/2008		C	343,957	(1) (1)	Common Stock 171,978
Series C Convertible Preferred Stock	(3)	03/25/2008		C	32,948	(3) (3)	Common Stock 16,474
	(3)	03/25/2008		C	327,596	(3) (3)	163,798

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Series C Convertible Preferred Stock								Common Stock	
Series B Convertible Preferred Stock	<u>(1)</u>	03/25/2008	C	881,655	<u>(1)</u>	<u>(1)</u>		Common Stock	440,827
Series C Convertible Preferred Stock	<u>(3)</u>	03/25/2008	C	84,454	<u>(3)</u>	<u>(3)</u>		Common Stock	42,227
Series C Convertible Preferred Stock	<u>(3)</u>	03/25/2008	C	53,721	<u>(3)</u>	<u>(3)</u>		Common Stock	26,860
Series D Convertible Preferred Stock	<u>(3)</u>	03/25/2008	C	11,281	<u>(3)</u>	<u>(3)</u>		Common Stock	5,640
Warrants to Purchase Series D-1 Convertible Preferred Stock	\$ 3.5	03/25/2008	C	27,844	<u>(14)</u>	<u>(15)</u>		Common Stock	8,506 <u>(10)</u>
Mandatorily Convertible Preferred Stock	<u>(12)</u>	03/25/2008	C	170	<u>(12)</u>	<u>(12)</u>		Common Stock	11,370
Series C Convertible Preferred Stock	<u>(3)</u>	03/25/2008	C	223,839	<u>(3)</u>	<u>(3)</u>		Common Stock	111,919
Series D Convertible Preferred Stock	<u>(3)</u>	03/25/2008	C	47,006	<u>(3)</u>	<u>(3)</u>		Common Stock	23,503
Warrants to Purchase Series D-1 Convertible Preferred Stock	\$ 3.5	03/25/2008	C	116,019	<u>(14)</u>	<u>(15)</u>		Common Stock	35,449 <u>(10)</u>
Mandatorily Convertible	<u>(12)</u>	03/25/2008	C	707	<u>(12)</u>	<u>(12)</u>		Common Stock	47,287

Preferred  
Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MIDDLETON FRED A 400 SOUTH EL CAMINO REAL SUITE 1200 SAN MATEO, CA 94402	X	X		

## Signatures

/s/ Doreen Roberts, Corporate Secretary, by power of attorney

03/26/2008

\_\_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 2 shares of Series B Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling [Feri Trust] Venture Partners IV, L.P. Fred Middleton, a member of the Issuer's board of directors is a general partner of Middleton-McNeil Investment Partners IV, L.P. the sole general partner of Sanderling [Feri Trust] Venture Partners IV, L.P. and has voting and investment power over the shares held by Sanderling [Feri Trust] Venture Partners IV, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (2) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling IV Biomedical Co-Investment Fund, L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates IV, LLC the sole general partner of Sanderling IV Biomedical Co-Investment Fund, L.P. and has voting and investment power over the shares held by Sanderling IV Biomedical Co-Investment Fund, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (3) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling IV Biomedical, L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates IV, LLC the sole general partner of Sanderling IV Biomedical, L.P. and has voting and investment power over the shares held by Sanderling IV Biomedical, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (4) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling IV Limited Partnership. Fred Middleton, a member of the Issuer's board of directors is a general partner of Middleton-McNeil IV, L.P. the sole general partner of Sanderling IV Limited Partnership and has voting and investment power over the shares held by Sanderling IV Limited Partnership. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (5) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling Venture Partners IV Co-Investment Fund, L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates IV, LLC the sole general partner of Sanderling Venture Partners IV Co-Investment Fund, L.P. and has voting and investment power over the shares held by Sanderling Venture Partners IV Co-Investment Fund, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (6) Each 2 shares of Series C Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.  
By Sanderling Venture Partners IV, L.P. Fred Middleton, a member of the Issuer's board of directors is a general partner of Middleton-McNeil Associates IV, L.P. the sole general partner of Sanderling Venture Partners IV, L.P. and has voting and investment power over the shares held by Sanderling Venture Partners IV, L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (7)
- (8)
- (9)

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By Sanderling V Beteiligungs GmbH & Co KG. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates V, LLC the sole general partner of Sanderling V Beteiligungs GmbH & Co KG and has voting and investment power over the shares held by Sanderling V Beteiligungs GmbH & Co KG. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(10) Each 2 shares of Series D Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.

(11) Warrants were net exercised resulting in fewer shares being issued than if the exercise price had been paid for with cash.

(12) Each share of Mandatorily Convertible Preferred Stock converted into 66.88 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.

(13) By Sanderling V Biomedical Co-Investment Fund L.P. Fred Middleton, a member of the Issuer's board of directors is a managing director of Middleton, McNeil & Mills Associates V, LLC the sole general partner of Sanderling V Biomedical Co-Investment Fund L.P and has voting and investment power over the shares held by Sanderling V Biomedical Co-Investment Fund L.P. Mr. Middleton disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.

(14) Warrants became exercisable on March 8, 2007.

(15) Warrants to purchase Series D-1 Convertible Preferred were automatically net exercised immediately prior to the closing of the Issuer's initial public offering. Each 2 shares of Series D-1 Convertible Preferred Stock converted into 1 share of the Issuer's common stock upon the closing of the initial public offering for no additional consideration and had no expiration date.

### Remarks:

#### Exhibit 24.1 Power of Attorney

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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