

SEITEL INC
Form 4
February 16, 2007

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 *
KAMIN PETER H

(Last) (First) (Middle)

265 FRANKLIN STREET, 16TH FLOOR,

(Street)

BOSTON, MA 02110

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
SEITEL INC [SELA]

3. Date of Earliest Transaction (Month/Day/Year)
02/14/2007

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock, par value \$.01 | 02/14/2007 | | J ⁽¹⁾ | | 51,201,346 | D | \$ 0 0 |
| Common Stock, par value \$.01 | 02/14/2007 | | J ⁽²⁾ | | 20,833 | D | \$ 0 0 |
| Common Stock, par value \$.01 | 02/14/2007 | | J ⁽²⁾ | | 20,833 | D | \$ 0 0 |
| Common Stock, par | 02/14/2007 | | J ⁽²⁾ | | 25,000 | D | \$ 0 0 |

See Footnote (4)

D (5)

See Footnote (5)

D (5)

value \$.01

| | | | | | | | |
|-------------------------------------|------------|------------------|--------|---|--------|---|-------------------------------|
| Common Stock, par value \$.01 | 02/14/2007 | J ⁽²⁾ | 25,000 | D | \$ 0 0 | I | See Footnote <u>(5)</u> |
|-------------------------------------|------------|------------------|--------|---|--------|---|-------------------------------|

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number. 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 |
| Common Stock Purchase Warrants | <u>(6)</u> | 02/14/2007 | | J ⁽³⁾ | 15,037,568 | <u>(6)</u> <u>(6)</u> | Common Stock, par value \$.01 15,037,568 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| KAMIN PETER H 265 FRANKLIN STREET, 16TH FLOOR BOSTON, MA 02110 | X | X | | |
| VA PARTNERS LLC 435 PACIFIC AVENUE FOURTH FLOOR SAN FRANCISCO, CA 94133 | | X | | |
| ValueAct Capital Management, L.P. 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133 | | X | | |
| ValueAct Capital Management, LLC 435 PACIFIC AVENUE, 4TH FLOOR SAN FRANCISCO, CA 94133 | | X | | |
| UBBEN JEFFREY W | | X | | |

435 PACIFIC AVENUE, FOURTH FLOOR
 SAN FRANCISCO, CA 94133

Signatures

| | |
|--|------------|
| Peter H. Kamin | 02/16/2007 |
| __Signature of Reporting Person | Date |
| VA PARTNERS, L.L.C., By:/s/ George F. Hamel. Jr., Managing Member | 02/16/2007 |
| __Signature of Reporting Person | Date |
| VALUEACT CAPITAL MASTER FUND, L.P., By: VA PARTNERS, L.L.C., its General Partner, By:/s/ George F. Hamel. Jr., Managing Member | 02/16/2007 |
| __Signature of Reporting Person | Date |
| VALUEACT CAPITAL MANAGEMENT, L.P., By: VALUEACT CAPITAL MANAGEMENT, LLC, its General Partner, By:/s/ George F. Hamel. Jr., Managing Member | 02/16/2007 |
| __Signature of Reporting Person | Date |
| VALUEACT CAPITAL MANAGEMENT, LLC, By:/s/ George F. Hamel. Jr., Managing Member | 02/16/2007 |
| __Signature of Reporting Person | Date |
| /s/ Jeffrey W. Ubben | 02/16/2007 |
| __Signature of Reporting Person | Date |
| /s/ George F. Hamel, Jr. | 02/16/2007 |
| __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).

Upon the consummation of the merger contemplated by the Agreement and Plan of Merger, dated as of October 31, 2006 (the "Merger Agreement"), among the Issuer, Seitel Acquisition Corp. and Seitel Holdings, LLC (now known as Seitel Holdings, Inc.) (the "Parent"),

(1) and pursuant to the terms of the Merger Agreement, each share of common stock of Seitel, Inc. that was owned by ValueAct Capital Master Fund, L.P. and Parent immediately prior to the effective time of the merger was no longer outstanding and was automatically cancelled and ceased to exist, and no consideration or other payment was paid or delivered in respect therefor.

(2) These shares of common stock of the Issuer held by Messrs. Kamin and Spivy were regarded by Messrs. Kamin and Spivy as shares of ValueAct Capital and its affiliates, and Messrs. Kamin and Spivy, ValueAct Capital and Parent elected to treat them as shares of ValueAct Capital and Parent under the Merger Agreement, and as a result such shares were cancelled and ceased to exist, and no consideration or other payment was paid or delivered in respect therefor.

(3) Pursuant to the terms of the Merger Agreement, upon the consummation of the merger and pursuant to the terms of the Merger Agreement, the warrant to purchase 15,037,568 shares of the Issuer that was owned by ValueAct Capital Master Fund, L.P. ceased to be outstanding and was automatically cancelled and ceased to exist, and no consideration or other payment was paid or delivered in respect therefor.

(4) The reported stock and common stock purchase warrants are owned directly by ValueAct Capital Master Fund, L.P. and may be deemed to be beneficially owned by (i) VA Partners, L.L.C. 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. and (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P. Peter H. Kamin is a director of Seitel, Inc. and Managing Member of VA Partners, L.L.C. and ValueAct Capital Management, LLC. Jeffrey W. Ubben and George F. Hamel, Jr. are Managing Members of VA Partners, L.L.C. and ValueAct Capital Management, LLC. The reporting persons disclaim beneficial ownership of the reported stock except to the extent of their pecuniary interest therein.

(5) Under an agreement with ValueAct Capital Master Fund, L.P., each of Peter H. Kamin and Gregory P. Spivy is deemed to hold the restricted stock for the benefit of ValueAct Capital Master Fund, L.P. and indirectly for (i) VA Partners, L.L.C. as General Partner of ValueAct Capital Master Fund, L.P. (ii) ValueAct Capital Management, L.P. as the manager of of ValueAct Capital Master Fund, L.P.

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and (iii) ValueAct Capital Management, LLC as General Partner of ValueAct Capital Management, L.P. Peter H. Kamin is a director of Seitel, Inc. and Managing Member of VA Partners, LLC and ValueAct Capital Management, L.P. Jeffrey W. Ubben and George F. Hamel, Jr. are Managing Members of VA Partners, LLC. and ValueAct Capital Management, LLC. Gregory P. Spivy is a director of Seitel, Inc. and Non-Managing Member of VA Partners, LLC. and ValueAct Capital Management, LLC. The reporting persons disclaim beneficial ownership of the reported stock except to the extent of their pecuniary interest therein.

(6) Not a required reportable field.

Remarks:

Joint Filer Information:

Name: ValueAct Capital Master Fund, L.P.,
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

Name: ValueAct Capital Management, L.P.
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

Name: ValueAct Capital Management, LLC
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

Name: VA Partners, L.L.C.
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

Name: Jeffrey W. Ubben
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

Name: George F. Hamel, Jr.
Address: 435 Pacific Avenue, Fourth Floor, San Francisco, CA 94133
Designated Filer: Peter H. Kamin
Issuer and Ticker Symbol: Seitel, Inc. (SELA)
Date of Event Requiring Statement: February 14, 2007

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.