

McCarthy Cathy L
Form 4
December 31, 2008

FORM 4

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

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
McCarthy Cathy L

(Last) (First) (Middle)

4695 MACARTHUR COURT, 8TH
FLOOR

(Street)

NEWPORT BEACH, CA 92660

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SM&A [WINS]

3. Date of Earliest Transaction
(Month/Day/Year)
12/29/2008

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)

Pres/CEO

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)
Common Stock	12/29/2008		D	14,200	D <u>(1)</u> 0	I	See Footnote (2)
Common Stock	12/29/2008		D	7,500	D <u>(1)</u> 0	I	See Footnote (3)
Common Stock	12/29/2008		D	5,657	D <u>(1)</u> 0	I	See Footnote (4)

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 Date	Title Amount or Number of Shares
Restricted Stock Units	<u>(5)</u>	12/29/2008		D	175,000	<u>(1)</u> <u>(1)</u>	Common Stock 175,000
Stock Option (Right to Buy)	\$ 5.75	12/29/2008		D	75,000	<u>(6)</u> <u>(6)</u>	Common Stock 75,000
Stock Option (Right to Buy)	\$ 1.53	12/29/2008		D	7,250	<u>(7)</u> <u>(7)</u>	Common Stock 7,250
Stock Option (Right to Buy)	\$ 3.04	12/29/2008		D	30,000	<u>(7)</u> <u>(7)</u>	Common Stock 30,000
Stock Option (Right to Buy)	\$ 5.93	12/29/2008		D	79,585	<u>(8)</u> <u>(8)</u>	Common Stock 79,585
Stock Option (Right to Buy)	\$ 5.93	12/29/2008		D	14,165	<u>(8)</u> <u>(8)</u>	Common Stock 14,165

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
	X		Pres/CEO	

McCarthy Cathy L
4695 MACARTHUR COURT
8TH FLOOR
NEWPORT BEACH, CA 92660

Signatures

Irma Eggert by Power of
Attorney

12/31/2008

__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) Disposed of pursuant to the Agreement and Plan of Merger, dated as of October 31, 2008 (the "Merger Agreement"), by and between SM&A, Project Victor Holdings, Inc. ("Parent") and Project Victor Merger Sub, Inc. Pursuant to the terms of the Merger Agreement, at the effective time of the merger (a) each outstanding share of common stock of SM&A was converted into the right to receive \$6.25 per share in cash (less any applicable taxes), (b) each outstanding option to purchase SM&A common stock, other than certain options that were assumed by Parent at the effective time of the merger pursuant to the terms of the Merger Agreement, became fully vested and was cancelled in exchange for the right to receive an amount in cash (less any applicable taxes) equal to the product of (i) the total number of shares subject to such option immediately prior to the effective time of the merger, multiplied by (ii) the excess, if any, of \$6.25 over the exercise price per share of such option, and (c) each outstanding SM&A restricted stock unit became fully vested and was cancelled in exchange for the right to receive an amount in cash (less any applicable taxes) equal to the product of (x) the total number of shares subject to such restricted stock unit immediately prior to the effective time of the merger, multiplied by \$6.25.
- (2) Held as Cathy L. McCarthy, Trustee of the Cathy L. Wood Trust.
- (3) Held as SEP IRA FCC as Custodian.
- (4) Held as Cathy L. McCarthy.
- (5) Each restricted stock unit represents a contingent right to receive one share of SM&A common stock, par value \$.0001 per share. This option, which vests 25% per year over a four-year period following its January 4, 2008 grant date, was assumed by Parent at the effective time of the merger pursuant to the terms of the Merger Agreement and converted into an option to purchase shares of Parent common stock.
- (6) This option, which was fully vested, was assumed by Parent at the effective time of the merger pursuant to the terms of the Merger Agreement and converted into an option to purchase shares of Parent common stock. This option, which vests in sixteen quarterly installments commencing on the three-month anniversary of its January 3, 2007 grant date, was assumed by Parent at the effective time of the merger pursuant to the terms of the Merger Agreement and converted into an option to purchase shares of Parent common stock.
- (7) was assumed by Parent at the effective time of the merger pursuant to the terms of the Merger Agreement and converted into an option to purchase shares of Parent common stock.

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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