

PEABODY ENERGY CORP

Form 4

November 20, 2007

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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
JAMES WILLIAM E

(Last) (First) (Middle)

**C/O ROCKPORT CAPITAL
PARTNERS, LLC, 160 FEDERAL
STREET, 18TH FLOOR**

(Street)

BOSTON, MA 02110-1776

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol

PEABODY ENERGY CORP [BTU]

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

11/19/2007

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 ⁽¹⁾	11/19/2007		M		28,082	A	\$ 3.3001	29,943	D
Common Stock	11/19/2007		S		246	D	\$ 50.13	29,697	D
Common Stock	11/19/2007		S		400	D	\$ 50.14	29,297	D
Common Stock	11/19/2007		S		400	D	\$ 50.15	28,897	D
Common Stock	11/19/2007		S		600	D	\$ 50.17	28,297	D

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Common Stock	11/19/2007	S	1,500	D	\$ 50.18	26,797	D	
Common Stock	11/19/2007	S	1,700	D	\$ 50.19	25,097	D	
Common Stock	11/19/2007	S	2,800	D	\$ 50.2	22,297	D	
Common Stock	11/19/2007	S	1,700	D	\$ 50.21	20,597	D	
Common Stock	11/19/2007	S	1,700	D	\$ 50.22	18,897	D	
Common Stock	11/19/2007	S	400	D	\$ 50.23	18,497	D	
Common Stock	11/19/2007	S	200	D	\$ 50.24	18,297	D	
Common Stock	11/19/2007	S	100	D	\$ 50.27	18,197	D	
Common Stock	11/19/2007	S	500	D	\$ 50.28	17,697	D	
Common Stock	11/19/2007	S	500	D	\$ 50.29	17,197	D	
Common Stock	11/19/2007	S	800	D	\$ 50.3	16,397	D	
Common Stock	11/19/2007	S	154	D	\$ 50.31	16,243	D	
Common Stock	11/19/2007	S	300	D	\$ 50.33	15,943	D	
Common Stock	11/19/2007	S	14,082	D	\$ 51.5	1,861	D	
Common Stock						7,520	I	By Trust

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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security			or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares
	Code	V	(A)	(D)				
Employee Stock Option (right to buy) ⁽¹⁾	\$ 3.3001	11/19/2007	M	28,082	11/19/2007	05/19/2008	Common Stock	28,082

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JAMES WILLIAM E C/O ROCKPORT CAPITAL PARTNERS, LLC 160 FEDERAL STREET, 18TH FLOOR BOSTON, MA 02110-1776		X		

Signatures

William E. James By: Bryan L. Sutter,
Attorney-in-Fact

11/20/2007

 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).

On October 31, 2007, Peabody Energy Corporation distributed, as a pro rata stock dividend, all of the shares of its wholly-owned subsidiary, Patriot Coal Corporation, to holders of record of Peabody Energy common stock as of the close of business on October 22, 2007 (the "spin-off"). Effective upon completion of the spin-off, the Compensation Committee of the board of directors of Peabody

- (1) Energy adjusted outstanding equity awards under existing stock plans, including outstanding stock options, to preserve the pre-spin-off intrinsic value of such awards. Accordingly, the number of shares of common stock underlying each option was increased by multiplying the number prior to the spin-off by 1.082524 and the exercise price was decreased by multiplying the exercise price prior to the spin-off by 0.923767.
- (2) Not applicable.
- (3) Does not include an additional 31,745 options with different expiration dates and exercise prices.

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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