

ALTIGEN COMMUNICATIONS INC  
 Form 4  
 September 15, 2009

**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 \*  
**HU GILBERT**

2. Issuer Name and Ticker or Trading Symbol  
**ALTIGEN COMMUNICATIONS INC [ATGN]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
**410 EAST PLUMERIA DRIVE**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**07/21/2009**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**CEO**

**SAN JOSE, CA 95134**

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

(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)
			Code	V	Amount or Price		
Common Stock	07/21/2009		A		10,000 (1)	A	\$ 0 847,877 D
Common Stock	07/21/2009		F		2,500	D	\$ 0 845,377 D
Common Stock	09/11/2009		S		119,475	D	\$ 0.82 725,902 D
Common Stock							11,978 I By Wife
Common Stock							30,000 I By Daughter

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Common Stock 99,841 I By Daughter

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

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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)	Amount of Underlying Security (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date		
Employee Stock Option (right to buy)	\$ 11.375	09/01/2009		D		60,000		(2)	11/01/2009	Common Stock	60,000
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009		A	5			(3)	09/01/2019	Common Stock	5
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009		A	59,995			(3)	09/01/2019	Common Stock	59,995
Employee Stock Option (right to buy)	\$ 12.6875	09/01/2009		D		10,000		(4)	02/03/2010	Common Stock	10,000
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009		A	33			(5)	09/01/2019	Common Stock	33
Employee Stock Option	\$ 0.86	09/01/2009		A	9,967			(5)	09/01/2019	Common Stock	9,967

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(right to buy)										
Employee Stock Option (right to buy)	\$ 8	09/01/2009	D	30,000	<u>(6)</u>	04/17/2010	Common Stock	30,000		
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009	A	1,005	<u>(7)</u>	09/01/2019	Common Stock	1,005		
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009	A	28,995	<u>(7)</u>	09/01/2019	Common Stock	28,995		
Employee Stock Option (right to buy)	\$ 2.125	09/01/2009	D	40,000	<u>(8)</u>	11/16/2010	Common Stock	40,000		
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009	A	16,032	<u>(9)</u>	09/01/2019	Common Stock	16,032		
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009	A	23,968	<u>(9)</u>	09/01/2019	Common Stock	23,968		
Employee Stock Option (right to buy)	\$ 3.82	09/01/2009	D	80,000	<u>(10)</u>	01/05/2014	Common Stock	80,000		
Employee Stock Option (right to buy)	\$ 0.86	09/01/2009	A	64,826	<u>(11)</u>	09/01/2019	Common Stock	64,826		
Employee Stock Option (right to	\$ 0.86	09/01/2009	A	15,174	<u>(11)</u>	09/01/2019	Common Stock	15,174		

buy)

Employee  
Stock  
Option  
(right to  
buy)

\$ 2.98

09/01/2009

D

80,000

(12)

11/12/2014

Common  
Stock

8

Employee  
Stock  
Option  
(right to  
buy)

\$ 0.86

09/01/2009

A

72,696

(13)

09/01/2019

Common  
Stock

7

Employee  
Stock  
Option  
(right to  
buy)

\$ 0.86

09/01/2009

A

7,304

(13)

09/01/2019

Common  
Stock

7

Employee  
Stock  
Option  
(right to  
buy)

\$ 1.3

09/01/2009

D

100,000

(14)

11/15/2017

Common  
Stock

10

Employee  
Stock  
Option  
(right to  
buy)

\$ 0.86

09/01/2009

A

83,705

(15)

09/01/2019

Common  
Stock

8

Employee  
Stock  
Option  
(right to  
buy)

\$ 0.86

09/01/2009

A

16,295

(15)

09/01/2019

Common  
Stock

10

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HU GILBERT 410 EAST PLUMERIA DRIVE SAN JOSE, CA 95134	X		CEO	

## Signatures

/s/ Philip McDermott, as Attorney-in-Fact By and on behalf of  
Gilbert Hu

09/15/2009

\_\_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) Grant of restricted stock award. 100% of shares granted vest on date of grant.
- (2) The option provided for vesting as follows: 25% on 11/1/2000 then one 48th each month through 11/1/2003.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on November 1, 1999. In exchange, the reporting person received a replacement option, for 5 shares, having an exercise price of \$0.86 per share, which vested 100% on November 1, 2003 and 59,995 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (3) The option provided for vesting as follows: 25% on 2/3/2001 then one 48th each month through 2/3/2004.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on February 3, 2000. In exchange, the reporting person received a replacement option, for 33 shares, having an exercise price of \$0.86 per share, which vested 100% on February 3, 2004 and 9,967 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (4) The option provided for vesting as follows: 25% on 4/17/2001 then one 48th each month through 4/17/2004.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on April 17, 2000. In exchange, the reporting person received a replacement option, for 1,005 shares, having an exercise price of \$0.86 per share, which vested 100% on April 17, 2004 and 28,995 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (5) The option provided for vesting as follows: 50% on 11/16/2001 and 50% on 11/16/2002.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on November 16, 2000. In exchange, the reporting person received a replacement option, for 16,032 shares, having an exercise price of \$0.86 per share, which vested 100% on November 16, 2002 and 23,968 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (6) The option provided for vesting as follows: 25% on 11/12/2004 then one 48th each month through 11/12/2007.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on January 5, 2004. In exchange, the reporting person received a replacement option, for 64,826 shares, having an exercise price of \$0.86 per share, which vested 100% on November 12, 2007 and 15,174 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (7) The option provided for vesting as follows: 25% on 11/12/2005 then one 48th each month through 11/12/2008.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on November 12, 2004. In exchange, the reporting person received a replacement option, for 72,696 shares, having an exercise price of \$0.86 per share, which vested 100% on November 12, 2008 and 7,304 shares having an exercise price of \$0.86 per share, which vests if and when the closing price of our common stock equals or exceeds \$2.50 per share.
- (8) The option provided for vesting as follows: 25% on 11/15/2008 then one 48th each month through 11/15/2011.
- On September 1, 2009, the Issuer cancelled, pursuant to the Issuer's option exchange program, an option granted to the Reporting Person on November 15, 2007. In exchange, the reporting person received a replacement option, for 83,705 shares, having an exercise price of \$0.86 per share, which vests 100% on November 15, 2011 and 16,295 shares having an exercise price of \$0.86 per share, which vest if and when the closing price of our common stock equals or exceeds \$2.50 per share.

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.