

MOLINA HEALTHCARE INC  
Form 4  
August 31, 2006

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
ANDREWS MARK L ESQ

2. Issuer Name and Ticker or Trading Symbol  
MOLINA HEALTHCARE INC  
[MOH]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
2277 FAIR OAKS BOULEVARD,  
SUITE 440  
  
(Street)

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/29/2006

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Chief Legal Officer

SACRAMENTO, CA 95825

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 Ownership (Instr. 4)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	08/29/2006		M			14,000	A	\$ 2	24,000	D	
Common Stock	08/29/2006		S			14,000	D	\$ 36.9976 (1)	10,000	D	
Common Stock	08/30/2006		M			7,600	A	\$ 2	17,600	D	
Common Stock	08/30/2006		S			7,600	D	\$ 37.4526 (2)	10,000	D	

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Common Stock	08/31/2006		M	8,400	A	\$ 2	18,400	D
Common Stock	08/31/2006		S	8,400	D	\$ 37.4718 <u>(3)</u>	10,000 <sup>(4)</sup>	D

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

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(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 or Number of Shares
Stock Option (Right to Buy)	\$ 2	08/29/2006		M	14,000	05/01/2001 12/07/2008	Common Stock	14,000	
Stock Option (Right to Buy)	\$ 2	08/30/2006		M	7,600	05/01/2001 12/07/2008	Common Stock	7,600	
Stock Option (Right to Buy)	\$ 2	08/31/2006		M	8,400	05/01/2001 12/07/2008	Common Stock	8,400	
Stock Option (Right to Buy)	\$ 4.5					07/02/2003 <sup>(5)</sup> 12/01/2011	Common Stock	72,000	
Stock Option (Right to Buy)	\$ 25.33					02/10/2005 <sup>(6)</sup> 02/10/2014	Common Stock	30,000	
	\$ 44.29					07/01/2006 <sup>(7)</sup> 07/01/2015		12,000	

Stock  
Option  
(Right to  
Buy)

Common  
Stock

Stock  
Option \$ 28.66  
(Right to  
Buy)

02/02/2007<sup>(8)</sup> 02/02/2016

Common  
Stock 21,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ANDREWS MARK L ESQ 2277 FAIR OAKS BOULEVARD, SUITE 440 SACRAMENTO, CA 95825			Chief Legal Officer	

## Signatures

Mark L.  
Andrews 08/31/2006

\_\_Signature of Date  
Reporting Person

## 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) Represents the weighted average sale price of 12 sales on 8/29/2006.
- (2) Represents the weighted average sale price of 7 sales on 8/30/2006.
- (3) Represents the weighted average sale price of 13 sales on 8/31/2006.
- (4) 4,000 of the 10,000 shares vest in 1,000 share increments on each of 7/1/2007, 7/1/2008, 7/1/2009, and 7/1/2010. 1,000 of the shares are fully vested and freely transferable. 5,000 shares are fully vested but subject to a restriction on transfer until 8/2/2007.
- (5) The options became fully exercisable upon the closing of the initial public offering of the issuer in July 2003.
- (6) The options vest in one-third increments on each of 2/10/2005, 2/10/2006, and 2/10/2007.
- (7) The options vest in one-third increments on each of 7/1/2006, 7/1/2007, and 7/1/2008.
- (8) The options vest in one-third increments on each of 2/2/2007, 2/2/2008, and 2/2/2009.

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.