

NETGEAR, INC
Form 4
October 03, 2006

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 *
MERRILL MARK G

(Last) (First) (Middle)

**NETGEAR, INC., 4500 GREAT
AMERICA PARKWAY**

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
NETGEAR, INC [NTGR]

3. Date of Earliest Transaction
(Month/Day/Year)
10/02/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Technology Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 <u>(6)</u>	10/02/2006		M		10,000	A	\$ 4.51
Common Stock <u>(6)</u>	10/02/2006		S		10,000	D	\$ 20.2193

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

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SEC 1474
(9-02)

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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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy) ⁽⁶⁾	\$ 4.51	10/02/2006		M	10,000	⁽¹⁾ 04/05/2010	Common Stock 10,000
Employee Stock Option (right to buy)	\$ 6					⁽²⁾ 10/30/2012	Common Stock 22,001
Restricted Stock Units	⁽³⁾					⁽⁴⁾ ⁽⁵⁾	Common Stock 8,000

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
MERRILL MARK G NETGEAR, INC. 4500 GREAT AMERICA PARKWAY SANTA CLARA, CA 95054	Chief Technology Officer

Signatures

/s/ Mark Merrill 10/02/2006
 **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) This stock option was granted under the NETGEAR, Inc. 2000 Option Plan on December 9, 2000, and is fully-vested and exercisable at this time.

(2)

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This stock option was granted under the NETGEAR, Inc. 2000 Option Plan on October 30, 2002, and is fully-vested and exercisable at this time.

- (3) Converts to common stock on a one-for-one basis.
- (4) Stock units will be paid in an equal number of shares of the Issuer's common stock upon vesting of the units. 25% of the units will cliff vest on each anniversary of 5/23/06, the vest start date, so that all of the units will have vested on 5/23/10.
- (5) Not applicable.
- (6) This transaction is made pursuant to a Rule 10b5-1 Plan that was adopted in November 2005.

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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