

NETGEAR INC
Form 4
May 25, 2006

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 *
SOARES DAVID

(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)
05/23/2006

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)

Senior VP, Worldwide Sales

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | | | | (A) or (D) Price | 7,997 | D | |

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)

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| 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) | \$ 15.35 | | | | | <u>(1)</u> 03/11/2015 | Common Stock 35,000 |
| Employee Stock Option (Right to Buy) | \$ 4.51 | | | | | <u>(2)</u> 04/05/2010 | Common Stock 60,000 |
| Employee Stock Option (Right to Buy) | \$ 8.57 | | | | | <u>(3)</u> 10/24/2010 | Common Stock 14,000 |
| Employee Stock Option (Right to Buy) | \$ 11 | | | | | <u>(4)</u> 07/11/2013 | Common Stock 20,000 |
| Employee Stock Option (Right to Buy) | \$ 14.79 | | | | | <u>(5)</u> 02/26/2014 | Common Stock 20,000 |
| Employee Stock Option (Right to Buy) | \$ 9.26 | | | | | <u>(6)</u> 07/23/2014 | Common Stock 30,000 |
| Employee Stock Option (Right to Buy) | \$ 22.68 | 05/23/2006 | | A | 10,000 | <u>(7)</u> 05/23/2016 | Common Stock 10,000 |
| | <u>(8)</u> | 05/23/2006 | | A | 4,000 | <u>(9)</u> <u>(10)</u> | 4,000 |

Restricted
Stock
Units

Common
Stock

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SOARES DAVID NETGEAR, INC. 4500 GREAT AMERICA PARKWAY SANTA CLARA, CA 95054 | | | Senior VP, Worldwide Sales | |

Signatures

/s/ David Soares 05/23/2006

__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) 100% of this option grant is exercisable on 3/11/05, the grant date. Shares underlying the option are restricted from transfer, with the restriction lapsing with respect to 25% of the shares on each subsequent anniversary of the grant date, so that all underlying shares will be free from transfer restrictions on 3/11/09.
 - (2) 25% of the option grant is exercisable on 04/05/01, and 1/48 of the option grant is exercisable each month thereafter.
 - (3) 25% of the option grant is exercisable on 10/24/2001, and 1/48 of the option grant is exercisable each month thereafter.
 - (4) 25% of the option grant is exercisable on 7/11/2004, and 1/48 of the option grant is exercisable each month thereafter.
 - (5) 25% of the option grant is exercisable on 02/26/2005, and 1/48 of the option grant is exercisable each month thereafter.
 - (6) 25% of the option grant is exercisable on 07/23/2005, and 1/48 of the option grant is exercisable each month thereafter.
 - (7) 25% of the option grant is exercisable on 05/23/2007, and 1/48 of the option grant is exercisable each month thereafter.
 - (8) Converts to common stock on a one-for-one basis.
 - (9) 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.
 - (10) Not applicable.

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.