

Xie Ken
Form 4
June 08, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
Xie Ken

2. Issuer Name and Ticker or Trading Symbol
FORTINET INC [FTNT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
06/07/2011

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

President & CEO

C/O FORTINET, INC. 1090 KIFER ROAD

(Street)

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

SUNNYVALE, CA 94086

(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 (D) Price			
Common Stock	06/07/2011		S ⁽¹⁾	V 120,000 D \$ 23.909 ⁽²⁾	12,503,898 ^{(3) (4)}	D	
Common Stock	06/07/2011		G	V 24,000 D \$ 0	12,479,898	D	
Common Stock					2,403,144 ^{(3) (5)}	I	See footnote (6)
Common Stock					2,403,144 ^{(3) (7)}	I	See footnote (8)

Edgar Filing: Xie Ken - Form 4

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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 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)	8. F...	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 3.735 <u>(3) (9)</u>					<u>(10)</u> 02/07/2015	Common Stock	150,000 <u>(3) (9)</u>	
Employee Stock Option (right to buy)	\$ 3.735 <u>(3) (11)</u>					<u>(12)</u> 07/31/2015	Common Stock	300,000 <u>(3) (11)</u>	
Employee Stock Option (right to buy)	\$ 3.735 <u>(3) (13)</u>					<u>(14)</u> 01/28/2016	Common Stock	200,000 <u>(3) (13)</u>	
Employee Stock Option (right to buy)	\$ 8.43 <u>(3)</u> <u>(15)</u>					<u>(16)</u> 02/10/2017	Common Stock	100,000 <u>(3) (15)</u>	
Employee Stock Option (right to buy)	\$ 20.235 <u>(3) (17)</u>					<u>(18)</u> 02/08/2018	Common Stock	100,000 <u>(3) (17)</u>	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Xie Ken C/O FORTINET, INC. 1090 KIFER ROAD SUNNYVALE, CA 94086	X	X	President & CEO	

Signatures

/s/ John Whittle, by power of attorney
06/08/2011

__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) The sale reported on this Form 4 was effected pursuant to a Rule 10b5-1 trading plan adopted by the Reporting Person on February 23, 2011.
The sale price reported in column 4 of Table I represents the weighted average sale price of the shares sold ranging from \$23.395 to \$24.26 per share. Upon request by the Commission staff, the Issuer, or a security holder of the Issuer, the Reporting Person will provide full information regarding the number of shares sold at each separate price.
 - (2) On June 1, 2011, the common stock of the Issuer split 2-for-1, in the form of a 100% stock dividend, to all stockholders of record as of the close of business on May 9, 2011 (the "Stock Split").
 - (3) As a result of the Stock Split, the Reporting Person's ownership includes 6,311,949 additional shares of common stock.
 - (4) As a result of the Stock Split, ownership by The Ken Xie 2009 Grantor Retained Annuity Trust dated September 10, 2009 for which the Reporting Person serves as trustee (the "Xie 2009 GRAT") includes 1,201,572 additional shares of common stock.
 - (5) Shares held directly by the Xie 2009 GRAT.
As a result of the Stock Split, ownership by The Winnie Hiu-Yin Lee 2009 Grantor Retained Annuity Trust dated September 10, 2009 for which the Reporting Person's spouse serves as trustee (the "Lee 2009 GRAT") includes 1,201,572 additional shares of common stock.
 - (6) Shares held directly by the Lee 2009 GRAT.
 - (7) This option was previously reported as covering 75,000 shares at an exercise price of \$7.47 per share, but was adjusted to reflect the Stock Split.
 - (8) One-fourth of the shares subject to the option vested on May 4, 2008 and one forty-eighth of the shares shall vest monthly thereafter.
 - (9) This option was previously reported as covering 150,000 shares at an exercise price of \$7.47 per share, but was adjusted to reflect the Stock Split.
 - (10) One-fourth of the shares subject to the option vested on July 31, 2009 and one forty-eighth of the shares shall vest monthly thereafter.
 - (11) This option was previously reported as covering 100,000 shares at an exercise price of \$7.47 per share, but was adjusted to reflect the Stock Split.
 - (12) One-fourth of the shares subject to the option vested on January 28, 2010 and one forty-eighth of the shares shall vest monthly thereafter.
 - (13) This option was previously reported as covering 50,000 shares at an exercise price of \$16.86 per share, but was adjusted to reflect the Stock Split.
 - (14) One-fourth of the shares subject to the option vested on February 10, 2011 and one forty-eighth of the shares shall vest monthly thereafter.
 - (15)
 - (16)
 - (17)

Edgar Filing: Xie Ken - Form 4

This option was previously reported as covering 50,000 shares at an exercise price of \$40.47 per share, but was adjusted to reflect the Stock Split.

(18) One-fourth of the shares subject to the option vest on February 8, 2012 and one forty-eighth of the shares shall vest monthly thereafter.

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.