

BEBE STORES INC
Form 4
September 13, 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 *
RACHMAN MARK

(Last) (First) (Middle)
400 VALLEY DRIVE
(Street)

BRISBANE, CA 94005-1208

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
BEBE STORES INC [BEBE]

3. Date of Earliest Transaction
(Month/Day/Year)
09/11/2006

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)
VP Mfg/Sourcing

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) | (A) or (D) | 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 | Price | | |
| Common Stock | 09/11/2006 | | M | | 484 | \$ 0 | 484 | D |
| Common Stock | 09/11/2006 | | S | | 484 | \$ 21.82 | 0 | D |
| Common Stock | 09/11/2006 | | M | | 15,280 | \$ 0 | 15,280 | D |
| Common Stock | 09/11/2006 | | S | | 15,280 | \$ 21.82 | 0 | D |
| Common Stock | 09/11/2006 | | M | | 451 | \$ 0 | 451 | D |

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| | | | | | | | |
|--------------|------------|---|-------|---|----------|-------|---|
| Common Stock | 09/11/2006 | S | 451 | D | \$ 21.82 | 0 | D |
| Common Stock | 09/11/2006 | M | 6,094 | A | \$ 0 | 6,094 | D |
| Common Stock | 09/11/2006 | S | 6,094 | D | \$ 21.82 | 0 | D |
| Common Stock | 09/12/2006 | M | 5,000 | A | \$ 0 | 5,000 | D |
| Common Stock | 09/12/2006 | S | 5,000 | D | \$ 22.31 | 0 | D |
| Common Stock | 09/12/2006 | M | 1,433 | A | \$ 0 | 1,433 | D |
| Common Stock | 09/12/2006 | S | 1,433 | D | \$ 22.31 | 0 | D |
| Common Stock | 09/12/2006 | M | 3,567 | A | \$ 0 | 3,567 | D |
| Common Stock | 09/12/2006 | S | 3,567 | D | \$ 22.25 | 0 | 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 Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Incentive Stock Option (right to buy) | \$ 6.58 | 09/11/2006 | | M | 484 | 07/11/2007 ⁽¹⁾ | 07/11/2013 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 6.58 | 09/12/2006 | | M | 3,567 | 07/11/2007 ⁽¹⁾ | 07/11/2013 | Common Stock |

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| | | | | | | | |
|---|---------|------------|---|--------|---------------------------|------------|--------------|
| Incentive Stock Option (right to buy) | \$ 6.94 | 09/11/2006 | M | 15,280 | 09/15/2007 ⁽¹⁾ | 09/15/2013 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 7.16 | 09/11/2006 | M | 451 | 12/10/2007 ⁽¹⁾ | 12/10/2013 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 8.02 | 09/11/2006 | M | 6,094 | 01/15/2008 ⁽¹⁾ | 01/15/2014 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 8.63 | 09/12/2006 | M | 5,000 | 02/17/2008 ⁽¹⁾ | 02/17/2014 | Common Stock |
| Non-Qualified Stock Option (right to buy) | \$ 8.63 | 09/12/2006 | M | 1,433 | 02/17/2008 ⁽¹⁾ | 02/17/2014 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------|-------|
| | Director | 10% Owner | Officer | Other |
| RACHMAN MARK 400 VALLEY DRIVE BRISBANE, CA 94005-1208 | | | VP Mfg/Sourcing | |

Signatures

Mark Rachman 09/13/2006

**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) The Option becomes exercisable at the rate of 20% in the first year, 20% in the second year and 30% in each of the third and fourth years.

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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