

NETGEAR, INC  
Form 4  
October 06, 2006

**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 \*  
FALCON MICHAEL F

(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)  
10/04/2006

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)  
Sr. Vice President, Operations

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)
			Code	V	Amount	(A) or (D)	Price
Common Stock					8,208	D	
Common Stock	10/04/2006 <sup>(8)</sup>		M		2,188	A	\$ 6
Common Stock	10/04/2006 <sup>(9)</sup>		S		1,816	D	\$ 20.22

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**

SEC 1474 (9-02)

number.

**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. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 6	10/04/2006		M	2,188	(1) 11/04/2012	Common Stock	2,188
Employee Stock Option (Right to Buy)	\$ 16.53					(2) 02/09/2014	Common Stock	14,378
Employee Stock Option (Right to Buy)	\$ 15.35					(3) 03/11/2015	Common Stock	17,500
Employee Stock Option (Right to Buy)	\$ 22.68					(4) 05/23/2016	Common Stock	15,000
Restricted Stock Units	(5)					(6) (7)	Common Stock	4,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FALCON MICHAEL F NETGEAR, INC.			Sr. Vice President, Operations	

4500 GREAT AMERICA PARKWAY  
SANTA CLARA, CA 95054

## Signatures

/s/ Michael F.

Falcon

10/04/2006

\*\*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 November 4, 2002. Such option becomes exercisable at a rate of 1/4th of the option on November 4, 2003 and 1/48th of the shares on each one-month anniversary thereafter.
- (2) This stock option was granted under the NETGEAR, Inc. 2003 Option Plan on February 9, 2004. Such option becomes exercisable at a rate of 1/4th of the option on February 9, 2005 and 1/48th of the shares on each one-month anniversary thereafter.  
100% of this option grant is exercisable on 3/11/05, the grant date. Shares underlying the option are restricted from transfer, with the  
(3) 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.
- (4) 25% of the option grant is exercisable on 05/23/2007, and 1/48 of the option grant is exercisable each month thereafter.
- (5) Converts to common stock on a one-for-one basis.
- (6) 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.
- (7) Not applicable.
- (8) This transaction is made pursuant to a Rule 10b5-1 Plan that was adopted in August 2005.
- (9) 1,444 shares were sold pursuant to a 10b5-1 plan adopted in August 2005, and 372 shares were sold pursuant to a 10b5-1 plan adopted in August 2006.

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.