

EBAY INC
Form 4
May 11, 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 *
DUTTA RAJIV

(Last) (First) (Middle)

C/O EBAY INC., 2145 HAMILTON AVE

(Street)

SAN JOSE, CA 95125

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/10/2006

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)

President, Skype

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 05/10/2006 | | M | | 30,000 | A | \$ 10.0157 |
| Common Stock | 05/10/2006 | | S | | 30,000 | D | \$ 32.2686 |
| | | | | | (1) | | |

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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|--------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount |
| Non-Qualified Stock Option (right to buy) | \$ 10.0157 | 05/10/2006 | | M | 30,000 | <u>(2)</u> | 01/12/2011 | Common Stock | 30,000 |
| Non-Qualified Stock Option (right to buy) | \$ 14.5125 | | | | | <u>(3)</u> | 02/12/2012 | Common Stock | 500 |
| Non-Qualified Stock Option (right to buy) | \$ 14.9297 | | | | | <u>(4)</u> | 08/30/2009 | Common Stock | 40,000 |
| Non-Qualified Stock Option (right to buy) | \$ 19.3875 | | | | | <u>(5)</u> | 03/03/2013 | Common Stock | 500 |
| Non-Qualified Stock Option (right to buy) | \$ 34.615 | | | | | <u>(6)</u> | 03/01/2014 | Common Stock | 330 |
| Non-Qualified Stock Option (right to buy) | \$ 39.9 | | | | | <u>(7)</u> | 03/01/2013 | Common Stock | 175 |
| Non-Qualified Stock Option (right to buy) | \$ 42.58 | | | | | <u>(8)</u> | 03/01/2015 | Common Stock | 185 |
| Non-Qualified Stock Option (right to buy) | \$ 46.71 | | | | | <u>(9)</u> | 11/25/2015 | Common Stock | 200 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DUTTA RAJIV C/O EBAY INC. 2145 HAMILTON AVE SAN JOSE, CA 95125 | | | President, Skype | |

Signatures

Rajiv Dutta

05/11/2006

**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 sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan.
 - (2) The options become exercisable beginning 08/20/02 and 1/48th per month thereafter over 4 years.
 - (3) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 8/12/02 and 1/48th per month thereafter.
 - (4) Options become exercisable as to 25% on the one year anniversary date of the grant and 1/48th monthly thereafter.
 - (5) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/01/03 and 1/48th per month thereafter.
 - (6) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/04 and 1/48th per month thereafter.
 - (7) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/06 and 1/48th per month thereafter.
 - (8) The option grant is subject to a four-year vesting schedule, vesting 12.5% on 9/1/05 and 1/48th per month thereafter.
 - (9) The option grant is subject to a four-year vesting schedule, vesting 50% on 11/22/07 and 1/48th per month 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.