

HUGHES PENELOPE L
 Form 4
 May 20, 2009

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 *
 HUGHES PENELOPE L

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 05/19/2009

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

(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

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/19/2009		M		11,001	A	\$ 0
							29,429
Common Stock	05/19/2009		M		339	A	\$ 0
							29,768
Common Stock	05/19/2009		F		1,701	D	\$ 15.98
							28,067

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. Amount or Number of Shares
Stock Units ⁽¹⁾	\$ 0	05/19/2009		M	11,001	<u>(2)</u> <u>(2)</u>	Common Stock	11,001
Div. Equiv. Rghts. ⁽³⁾	<u>(3)</u>	05/19/2009		A	236	05/19/2009 <u>(5)</u>	Common Stock	236
Div. Equiv. Rghts. ⁽³⁾	<u>(3)</u>	05/19/2009		M	339	<u>(4)</u> <u>(4)</u>	Common Stock	339

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HUGHES PENELOPE L			X	

Signatures

Thomas J. Lima, Power of Attorney 05/20/2009

^{**}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).
- Each stock unit represents a contingent right to receive one share of Gap Inc. Common Stock. Shares are delivered to the reporting person
- (1) no sooner than 3 years from the date of grant, unless further deferred, or immediately upon resignation or retirement from the Board, if earlier. The reporting person's service on the Board ended May 19, 2009.
 - (2) 11,001 shares were delivered on 5/19/2009.
- The dividend equivalent rights accrued on stock units originally granted on June 3, 2008 and June 6, 2007 and are immediately vested.
- (3) Each equivalent right is the economic equivalent of one share of Gap Inc. Common Stock. Shares are delivered to the reporting person no sooner than 3 years from the date of grant, unless further deferred, or immediately upon resignation or retirement from the Board, if earlier. The reporting person's service on the Board ended May 19, 2009.
 - (4) 339 shares were delivered on 5/19/2009.

Edgar Filing: HUGHES PENELOPE L - Form 4

(5) 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.