

NETGEAR, INC  
Form 4  
November 09, 2006

**FORM 4**

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

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

## OMB APPROVAL

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

(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)  
11/09/2006

4. If Amendment, Date Original  
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

Sr. Vice President, Operations

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ 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					6,999	D	
Common Stock <u>(8)</u>	11/09/2006		M		208	A	\$ 16.53
Common Stock <u>(8)</u>	11/09/2006		S		208	D	\$ 27.21

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. Date of Acquisition or Disposition (Instr. 3, 4, and 5)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 6							<u>(1)</u>	11/04/2012	Common Stock	664
Employee Stock Option (Right to Buy) <sup>(8)</sup>	\$ 16.53	11/09/2006		M		208		<u>(2)</u>	02/09/2014	Common Stock	208
Employee Stock Option (Right to Buy)	\$ 15.35							<u>(3)</u>	03/11/2015	Common Stock	15,000
Employee Stock Option (Right to Buy)	\$ 22.68							<u>(4)</u>	05/23/2016	Common Stock	15,000
Restricted Stock Units	<u>(5)</u>							<u>(6)</u>	<u>(7)</u>	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

11/09/2006

\_\_\_\_\_  
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.

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.