

MENDOZA THOMAS F
Form 4
December 27, 2005

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 *
MENDOZA THOMAS F

2. Issuer Name and Ticker or Trading Symbol
NETWORK APPLIANCE INC
[NTAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
495 EAST JAVA DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
12/23/2005

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

SUNNYVALE, CA 94089

(City) (State) (Zip)

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

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 Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/23/2005		M		16,151	A	\$ 9.99	1,229,749	D	
Common Stock	12/23/2005		M		41,140	A	\$ 9.99	1,270,889	D	
Common Stock	12/23/2005		M		15,554	A	\$ 1.407	207,931	I	by Spouse

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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)	Amount or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 9.99	12/23/2005		M	16,151	<u>(1)</u> 10/31/2012	Common Stock	16,151
Non-Qualified Stock Option (right to buy)	\$ 9.99	12/23/2005		M	41,140	<u>(1)</u> 10/31/2012	Common Stock	41,140
Non-Qualified Stock Option (right to buy)	\$ 1.407	12/23/2005		M	15,554	<u>(2)</u> 01/05/2008	Common Stock	15,554

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MENDOZA THOMAS F 495 EAST JAVA DRIVE SUNNYVALE, CA 94089			President	

Signatures

By: Janice Mahoney by Power of Attorney For: Thomas F. Mendoza 12/27/2005

__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) Option vests in a series of equal monthly installments over 48 months of service beginning with the one-month anniversary of the grant date.
- (2) Option vests with respect to 1/12 of the option shares on 1/31/98 and the balance in a series of equal month installments over the next 11 months thereafter.

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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