

NETGEAR, INC
Form 4
November 03, 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 *
PEQUOT CAPITAL MANAGEMENT INC

(Last) (First) (Middle)

500 NYALA FARM ROAD

(Street)

WESTPORT, CT 06880

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
NETGEAR, INC [NTGR]

3. Date of Earliest Transaction (Month/Day/Year)
11/01/2006

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)

See Footnote 1

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 | 11/01/2006 | | M | | 15,000 (1) (3) A \$ 18.97 15,000 (1) (3) | D | |
| Common Stock | 11/01/2006 | | M | | 15,000 (1) (2) A \$ 12.75 30,000 (1) (2) | D | |
| Common Stock | 11/01/2006 | | S | | 30,000 (1) D \$ 26.2039 0 (1) | D | |

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

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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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Stock Option (Right-to-buy) | \$ 18.97 | 11/01/2006 | | M | 15,000 (1) (3) | (3) 05/18/2015 | Common Stock | 15,000 (1) |
| Stock Option (Right-to-buy) | \$ 12.75 | 11/01/2006 | | M | 15,000 (1) (2) | (2) 06/16/2014 | Common Stock | 15,000 (1) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------------------|
| | Director | 10% Owner | Officer | Other |
| PEQUOT CAPITAL MANAGEMENT INC 500 NYALA FARM ROAD WESTPORT, CT 06880 | | | | See Footnote 1 |
| ROSSMAN GREGORY J 500 NYALA FARM ROAD WESTPORT, CT 06880 | X | | | |

Signatures

Aryeh Davis, GC & COO, Pequot Capital Management, Inc. 11/03/2006
 **Signature of Reporting Person Date

Gregory J. Rossmann, Director (1) 11/03/2006
 **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) Gregory J. Rossmann is an employee of Pequot Capital Management, Inc. ("Pequot") and serves on the Board of Directors of the Issuer. Pequot is an investment advisor registered under Section 203 of the Investment Advisors Act of 1940 and disclaims any obligation to file this report. Pequot also disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that Pequot is, for the purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of such securities.

(2)

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Gregory J. Rossmann received an option to purchase 15,000 shares of Common Stock of the Issuer (the "2004 Option") as compensation for his service as a director on the Board of Directors of the Issuer on June 14, 2004. The 2004 Option is 100% vested and became exercisable on June 16, 2005 at an exercise price of \$12.75.

- (3) Gregory J. Rossmann received an option to purchase 15,000 shares of Common Stock of the Issuer (the "2005 Option") as compensation for his service as a director on the Board of Directors of the Issuer on May 18, 2005. The 2005 Option is 100% vested and became exercisable on May 23, 2006 at an exercise price of \$18.97.

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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