SEC Form 4

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person* | 2. Issuer Name **and** Ticker or Trading Symbol | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) |
|---|---|---|
| ALLEN JEFFRY R | NETWORK APPLIANCE INC [ NTAP ] | |

1. Name and Address of Reporting Person*

ALLEN JEFFRY R

(Last)  (First)  (Middle)

495 EAST JAVA DRIVE

(Street)

SUNNYVALE   CA   94089

(City)  (State)  (Zip)

2. Issuer Name **and** Ticker or Trading Symbol

NETWORK APPLIANCE INC [ NTAP ]

3. Date of Earliest Transaction (Month/Day/Year)
11/17/2005

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

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

X  Director        10% Owner

Officer (give title below)        Other (specify below)

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 Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 11/17/2005 | | M | | 200,000 | A | $11.25 | 268,520 | D | |
| Common Stock | 11/17/2005 | | M | | 4,962 | A | $20.16 | 273,482 | D | |
| Common Stock | 11/18/2005 | | S | | 204,962 | D | $29.126[1] | 68,520 | D | |

**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 Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Incentive Stock Option (right to buy) | $20.16 | 11/17/2005 | | M | | | 4,962 | [2] | 04/25/2011 | Common Stock | 4,962 | $0 | 0 | D | |
| Non-Qualified Stock Option (right to buy) | $11.25 | 11/17/2005 | | M | | | 200,000 | [3] | 05/24/2009 | Common Stock | 200,000 | $0 | 171,684 | D | |

**Explanation of Responses:**

1. The sale prices for the reported transaction were in a range of $28.81 to $29.83 per share.

2. Option vests with respect to 25% of the option shares on the first anniversary of the grant date and the balance in a series of equal monthly installments over the next 36 months of service thereafter.

3. Option vests with respect to 10% of the option shares on the first anniversary of the grant date; 20% of the shares in equal monthly installments over the next 12 months of service; 30% of the shares in equal monthly installments over the following 12 months of service; and 40% of the shares in equal monthly installments over the final 12 months of service.

By: Janice Mahoney by Power of Attorney For: Jeffry R. Allen        11/21/2005

** Signature of Reporting Person        Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

**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 Number.**