# FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287

Estimated average burden
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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 or Section 30(h) of the Investment Company Act of 1940

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	d Address of IRWIN M	Reporting Person						r or Tradin E [QCOI	-	ol		X_ Director	(Che			
5775 MO	) PREHOUS	(First) E DR.		3. Date o		liest Tı	ransact	ion (Month	/Day/Ye	ear)			give title below		ner (specify be	elow)
SAN DIF	EGO. CA 9	(Street) 02121-1714	4	4. If Ame	ndme	ent, Da	ite Orig	ginal Filed(	Month/Day	//Year)		_ Form filed	by One Reporti	roup Filing(Che ing Person ine Reporting Pers	• • •	Line)
(City		(State)	(Zip)			Ta	ble I -	Non-Deriv	ative Se	ecurit	ies Acquire	d, Dispose	ed of, or Be	neficially Ow	ned	
1.Title of So (Instr. 3)	ecurity		2. Transaction Date (Month/Day/Year)	2A. Dee Executionary (Month/	n Da	ite, if	3. Trai	nsaction 4	. Securit A) or Dis Instr. 3,	ties Ac	cquired d of (D) Bo	Amount o	of Securities Owned Fol ansaction(s)	lowing	6. Ownership Form: Direct (D)	7. Nature of Indirect Beneficial Ownership
				(		/	Code	e V A	Amount	(A) c (D)	or		,		or Indirect (I) (Instr. 4)	
Common	Stock		09/25/2006				G	V 1	3,500	D	\$ 0 13	3,473,60	0		[	by Trust
Common	Stock										6,	,894,899		:	[	By GRAT
Common	Stock										6,	,894,899		-	Í	by GRAT S
Reminder: I	Report on a s	eparate line for each	ch class of securities  Table II - 1					Persor contain form d	s who ned in the splays	his fo	ond to the orm are no rrently val	t require id OMB o	d to respo	nd unless t		1474 (9-02)
1. Title of Derivative Security (Instr. 3)	Conversion	3. Transaction Date (Month/Day/Year	3A. Deemed Execution Date, i	4. if Transa Code	, call	5. Num of Deri Secu Acqu (A)	nber vative urities uired or posed D) r. 3,	6. Date Exand Expira (Month/Date)	ercisable ation Dat	e te		l Amount ing		9. Number of Derivative Securities Beneficially Owned Following Reported Transaction ((Instr. 4)	Owners Form of Derivat Security Direct ( or Indir	Owners (Instr. 4 D) ect
				Code	· V	(A)	(D)	Date Exercisable	Expire Date	ration	Title	Amount or Number of Shares				
Phantom		09/29/2006		A		465		<u>(4)</u>	(	5)	Common	465	\$	135,043.4	3 I	by Granto

### **Reporting Owners**

			Relationships	
Reporting Owner Name / Address	Director	10% Owner	Officer	Other
JACOBS IRWIN M 5775 MOREHOUSE DR. SAN DIEGO, CA 92121-1714	X		Chairman of the Board	

## **Signatures**

By: Noreen E. Burns, Attorney-in-Fact For: Irwin M. Jacobs	10/03/2006	6																						)6	6	6	6	5	6	6	,									6	6			6	)														•	6	6	6	5	6	6	5	Ó	•															
<sup>**</sup> 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) Securities held by Irwin M. Jacobs & Joan Klein Jacobs as Trustees of the Irwin Mark Jacobs & Joan Klein Jacobs Family Trust UTA dtd 6/2/80, as amended 6/30/92.
- (2) Securities held by Joan Klein Jacobs, Trustee of the Joan Klein Jacobs's Grantor Retained Annuity Trust.
- (3) The common stock issued under the terms of the Company's Executive Retirement Matching Contribution Plan, a tax conditioned plan, is exempt under Rule 16b-3. The shares are held in a grantor trust and stock is the only permissable form of distribution under the Plan.
- The rights awarded under the Company's Executive Retirement Matching Contribution Plan will be eligible for distribution upon termination and vest according to the following (4) schedule: 100% at age 65 with acceleration provisions (1) at the rate of 25% per year for each subsequent year of participation, (2) after the individual reaches age 61, or (3) if they have more than 10 years of service.
- (5) The rights awarded under the Company's Executive Retirement Matching Contribution Plan will be eligible for distribution upon termination.

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.