

SMITH MICRO SOFTWARE INC
 Form 4
 May 03, 2006

FORM 4

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

OMB APPROVAL

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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 *
 SMITH WILLIAM W JR

2. Issuer Name and Ticker or Trading Symbol
 SMITH MICRO SOFTWARE INC [SMIS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 51 COLUMBIA, SUITE 200
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/01/2006

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

ALISO VIEJO, CA 92656
 (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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/01/2006		M		52,250	A	\$ 1.01
Common Stock	05/01/2006		M		100,000	A	\$ 0.95
Common Stock	05/01/2006		M		87,500	A	\$ 0.24
Common Stock	05/01/2006		M		10,250	A	\$ 1.91
Common Stock	05/01/2006		S		250,000 (1)	D	\$ 12.2223

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Common Stock	05/02/2006	M	33,500	A	\$ 1.91	80,000	D
Common Stock	05/02/2006	S	33,500	D	\$ 12.355	80,000	D ⁽²⁾

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

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(9-02)

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)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (right to buy)	\$ 1.01	05/01/2006		M	52,250	02/03/2002	08/02/2011	Common Stock	52,250
Employee Stock Option (right to buy)	\$ 0.95	05/01/2006		M	100,000	02/05/2002	02/04/2012	Common Stock	100,000
Employee Stock Option (right to buy)	\$ 0.24	05/01/2006		M	87,500	⁽³⁾	10/15/2012	Common Stock	87,500
Employee Stock Option (right to buy)	\$ 1.91	05/01/2006		M	10,250	⁽⁴⁾	07/01/2014	Common Stock	10,250
Employee Stock Option (right to buy)	\$ 1.91	05/02/2006		M	33,500	⁽⁴⁾	07/01/2014	Common Stock	33,500

buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SMITH WILLIAM W JR 51 COLUMBIA SUITE 200 ALISO VIEJO, CA 92656	X	X	President & CEO	

Signatures

/s/ Diane Gulling, Attorney in Fact for William W. Smith, Jr.

05/03/2006

__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) Of the total 93,293 shares have been sold pursuant to a marital settlement agreement
- (2) Also owns 3,472,115 shares indirect via The William W. Smith, Jr. Revocable Trust.
- (3) 25% Exercisable on 10/16/2003; balance exercisable in 36 equal monthly installments
- (4) 25% Exercisable on 07/02/2005; balance exercisable in 36 successive equal monthly installments

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.