

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<br>(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 <sup>(2)</sup> |

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

**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 control number.**

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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                                                                                  | <sup>(3)</sup>                                           | 10/15/2012      | Common Stock                                                  | 87,500               |
| Employee Stock Option (right to buy)       | \$ 1.91                                                | 05/01/2006                           |                                                    | M                              | 10,250                                                                                  | <sup>(4)</sup>                                           | 07/01/2014      | Common Stock                                                  | 10,250               |
| Employee Stock Option (right to buy)       | \$ 1.91                                                | 05/02/2006                           |                                                    | M                              | 33,500                                                                                  | <sup>(4)</sup>                                           | 07/01/2014      | Common Stock                                                  | 33,500               |

buy)

## Reporting Owners

| Reporting Owner Name / Address                                          | Relationships |           |                 |       |
|-------------------------------------------------------------------------|---------------|-----------|-----------------|-------|
|                                                                         | Director      | 10% Owner | Officer         | Other |
| SMITH WILLIAM W JR<br>51 COLUMBIA<br>SUITE 200<br>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

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