

GUNDY RICHARD
Form 4
March 20, 2006

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
GUNDY RICHARD

2. Issuer Name and Ticker or Trading Symbol
FOSSIL INC [FOSL]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
2280 N. GREENVILLE AVE.

3. Date of Earliest Transaction (Month/Day/Year)
03/16/2006

____ Director
____ Officer (give title below) Other (specify below)
Former Advisory Director

(Street)
RICHARDSON, TX 75082

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

(City) (State) (Zip)

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	(D)	Price
Common Stock	03/16/2006		M		31,499	A	\$ 9.2223
					42,925	(1)	D
Common Stock	03/16/2006		S		31,499	D	\$ 17.6448
					11,426	(1)	D

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

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SEC 1474
(9-02)

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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 or Number of Shares
Stock Options (Right to buy)	\$ 4.9723					10/25/2003	10/25/2010	Common Stock	39,375
Stock Options (Right to buy)	\$ 11.6667					02/24/2004	02/24/2013	Common Stock	38,250
Stock Options (Right to buy)	\$ 9.2223	03/16/2006		M	31,499	01/14/2003	01/14/2012	Common Stock	31,499

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GUNDY RICHARD 2280 N. GREENVILLE AVE. RICHARDSON, TX 75082				Former Advisory Director

Signatures

RICHARD H
GUNDY

03/20/2006

**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).

After giving effect to the transactions reported herein, this beneficial ownership amount includes 7,500 shares of restricted stock, 112 (1) shares held through an IRA account and 3,814 shares held indirectly through a 401(k) plan account. In connection with Mr. Gundy's termination of employment, he forfeited 22,500 shares of restricted stock previously reported.

(2) Not applicable.

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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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