

KLING LEWIS M
Form 4
October 27, 2006

FORM 4

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

OMB APPROVAL

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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, 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 *
KLING LEWIS M

2. Issuer Name and Ticker or Trading Symbol
FLOWSERVE CORP [FLS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
**5215 N. O'CONNOR BLVD.,
SUITE 2300**

3. Date of Earliest Transaction
(Month/Day/Year)
10/26/2006

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

(Street)
IRVING, TX 75039

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 (\$1.25 par value per share) | 10/26/2006 | | G | V 159,424 D \$ 0 0 | | D | |
| Common Stock (\$1.25 par value per share) | 10/26/2006 | | G | V 159,424 A \$ 0 159,424 | | I | The Lewis Mark Kling Trust |
| Common Stock | | | | | 724.83 | I | 401(k) |

(\$1.25 par
value per
share)

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

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SEC 1474
(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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--------|--------|--|------------------|---|
| | | | | | Code | V | (A) | (D) | Date Exercisable | |
| Stock Option (right-to-buy) | \$ 23.27 | 10/26/2006 | | G ⁽¹⁾ | V | | 70,703 | <u>(2)</u> | 07/09/2014 | Common Stock |
| Stock Option (right-to-buy) | \$ 24.9 | 10/26/2006 | | G ⁽¹⁾ | V | | 12,968 | <u>(3)</u> | 02/16/2015 | Common Stock |
| Stock Option (right-to-buy) | \$ 30.95 | 10/26/2006 | | G ⁽¹⁾ | V | | 11,000 | <u>(4)</u> | 07/13/2015 | Common Stock |
| Stock Option (right-to-buy) | \$ 33.86 | 10/26/2006 | | G ⁽¹⁾ | V | | 69,748 | <u>(5)</u> | 07/28/2015 | Common Stock |
| Stock Option (right-to-buy) | \$ 48.17 | 10/26/2006 | | G ⁽¹⁾ | V | | 87,925 | <u>(6)</u> | 02/15/2016 | Common Stock |
| Stock Option (right-to-buy) | \$ 23.27 | 10/26/2006 | | G ⁽¹⁾ | V | 70,703 | | <u>(7)</u> | 07/09/2014 | Common Stock |
| Stock Option (right-to-buy) | \$ 24.9 | 10/26/2006 | | G ⁽¹⁾ | V | 12,968 | | <u>(8)</u> | 02/16/2015 | Common Stock |
| Stock Option (right-to-buy) | \$ 33.86 | 10/26/2006 | | G ⁽¹⁾ | V | 69,748 | | <u>(9)</u> | 07/28/2015 | Common Stock |

| | | | | | | | | |
|--------------------------------|----------|------------|------------------|---|--------|------|------------|-----------------|
| Stock Option (right-to-buy) | \$ 30.95 | 10/26/2006 | G ⁽¹⁾ | V | 11,000 | (4) | 07/13/2015 | Common Stock |
| Stock Option (right-to-buy) | \$ 48.17 | 10/26/2006 | G ⁽¹⁾ | V | 87,925 | (10) | 02/15/2016 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| KLING LEWIS M 5215 N. O'CONNOR BLVD., SUITE 2300 IRVING, TX 75039 | X | | President and CEO | |

Signatures

/s/ Tara D. Mackey, attorney
in fact

10/27/2006

**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) The reported transactions reflect the reporting person's transfer of options as gift to The Lewis Mark Kling Trust dated November 22, 1996.
- (2) The 70,703 non-qualified stock options and the remaining 4,297 incentive stock options vest and become exercisable on July 9, 2007.
- (3) The 12,968 non-qualified stock options vest and become exercisable as follows: 2,984 on February 16, 2006, 7,000 on February 16, 2007 and 2,984 option shares on February 16, 2008. The 8,032 remaining incentive stock options vest and become exercisable as follows: 4,016 on February 16, 2006 and 4,016 on February 16, 2008.
- (4) The 11,000 non-qualified stock options vest and become exercisable as follows: 3,667 on July 14, 2006, 3,666 on July 14, 2007 and 3,667 on July 14, 2008.
- (5) The 69,748 non-qualified stock options vest and become exercisable as follows: 23,250 on July 28, 2006, 23,249 on July 28, 2007 and 23,249 on July 28, 2008.
- (6) The 87,925 non-qualified stock options vest and become exercisable as follows: 30,000 on February 16, 2007, 30,000 on February 16, 2008 and 27,925 on February 16, 2009. The 2,075 remaining incentive stock options vest and become exercisable on February 16, 2009.
- (7) The 70,703 non-qualified stock options vest and become exercisable on July 9, 2007.
- (8) The 12,968 non-qualified stock options vest and become exercisable as follows: 2,984 on February 16, 2006, 7,000 on February 16, 2007, and 2,984 on February 16, 2008.
- (9) The 69,748 non-qualified stock options vest and become exercisable as follows: 23,250 on July 28, 2006, 23,249 on July 28, 2007 and 23,249 on July 28, 2008.
- (10)

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The 87,925 non-qualified stock options vest and become exercisable as follows: 30,000 on February 16, 2007, 30,000 on February 16, 2008 and 27,925 on February 16, 2009.

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.