

LAU JAMES K
Form 4
February 24, 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 *
LAU JAMES K

2. Issuer Name and Ticker or Trading Symbol
NETWORK APPLIANCE INC
[NTAP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
495 EAST JAVA DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/23/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Executive Vice President,

SUNNYVALE, CA 94089
(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	(D)	Price			
Common Stock	02/23/2006		S ⁽¹⁾		35,000	D	\$ 32.8751 <u>(2)</u>	4,133,933	I	by Trust3 <u>(3)</u>
Common Stock								3,651	D	
Common Stock								52,600	I	by GRAT1 <u>(4)</u>
Common Stock								52,600	I	by GRAT2 <u>(5)</u>

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- (3) Shares held in trust by James K. Lau and Katherine S. Lau, trustees to the KNSK Trust UDT 9/18/00
- (4) Shares held in grantor retained annuity trust by Nextgen-K1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (5) Shares held in grantor retained annuity trust by Nextgen-J1 Trust U/I DTD Jan 30 2003, James K. Lau, Trustee
- (6) Shares held in trust by Koon H. Lau, trustee to The Jason A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.
- (7) Shares held in trust by Koon H. Lau, trustee to The Jonathan A. Lau 1998 Trust. Reporting person disclaims beneficial ownership of such shares.

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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