

HUGHES PENELOPE L
Form 4
May 04, 2009

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 *
HUGHES PENELOPE L

2. Issuer Name and Ticker or Trading Symbol
GAP INC [GPS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/29/2009

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

(Street)

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 | (A) or (D) | Price |
| Common Stock | 04/29/2009 | | M | | 15,000 | A | \$ 9.54 |
| Common Stock | 04/29/2009 | | S ⁽²⁾ | | 10,090 | D | \$ 15.5152 |
| Common Stock | 04/29/2009 | | M | | 1,316 | A | \$ 3.66 |
| Common Stock | 04/29/2009 | | S ⁽²⁾ | | 461 | D | \$ 15.5152 |
| Common Stock | 04/29/2009 | | M | | 1,666 | A | \$ 4.1 |
| Common Stock | 04/29/2009 | | S ⁽²⁾ | | 624 | D | |

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| | | | | | | | |
|--------------|------------|------------------|-------|---|------------|---------|---|
| Common Stock | | | | | \$ | 15.5152 | |
| Common Stock | 04/29/2009 | M | 1,307 | A | \$ 4.46 | 10,113 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 515 | D | \$ 15.5152 | 9,958 | D |
| Common Stock | 04/29/2009 | M | 1,430 | A | \$ 4.78 | 11,028 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 589 | D | \$ 15.5152 | 10,439 | D |
| Common Stock | 04/29/2009 | M | 1,730 | A | \$ 4.63 | 12,169 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 699 | D | \$ 15.5152 | 11,470 | D |
| Common Stock | 04/29/2009 | M | 1,230 | A | \$ 5.56 | 12,700 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 559 | D | \$ 15.5152 | 12,141 | D |
| Common Stock | 04/29/2009 | M | 1,155 | A | \$ 5.63 | 13,296 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 530 | D | \$ 15.5152 | 12,766 | D |
| Common Stock | 04/29/2009 | M | 1,260 | A | \$ 5.03 | 14,206 | D |
| Common Stock | 04/29/2009 | S ⁽²⁾ | 536 | D | \$ 15.5152 | 13,491 | D |

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) | | Title |

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| | | | | | | Date Exercisable | Expiration Date | | Amount or Number of Shares |
|--|---------|------------|---|--------|-----|---------------------|--------------------|--------|-------------------------------------|
| Employee Stock Option (Right to Buy) | \$ 9.54 | 04/29/2009 | M | 15,000 | (1) | 10/03/2012 | Common Stock | 15,000 | |
| Employee Stock Option (Right to Buy) | \$ 3.66 | 04/29/2009 | M | 1,316 | (1) | 01/31/2010 | Common Stock | 1,316 | |
| Employee Stock Option (Right to Buy) | \$ 4.1 | 04/29/2009 | M | 1,666 | (1) | 05/02/2010 | Common Stock | 1,666 | |
| Employee Stock Option (Right to Buy) | \$ 4.46 | 04/29/2009 | M | 1,307 | (1) | 08/01/2010 | Common Stock | 1,307 | |
| Employee Stock Option (Right to Buy) | \$ 4.78 | 04/29/2009 | M | 1,430 | (1) | 10/31/2010 | Common Stock | 1,430 | |
| Employee Stock Option (Right to Buy) | \$ 4.63 | 04/29/2009 | M | 1,730 | (1) | 01/30/2011 | Common Stock | 1,730 | |
| Employee Stock Option (Right to Buy) | \$ 5.56 | 04/29/2009 | M | 1,230 | (1) | 04/30/2011 | Common Stock | 1,230 | |
| Employee Stock Option (Right to Buy) | \$ 5.63 | 04/29/2009 | M | 1,155 | (1) | 07/30/2011 | Common Stock | 1,155 | |
| Employee Stock Option | \$ 5.03 | 04/29/2009 | M | 1,260 | (1) | 10/29/2011 | Common Stock | 1,260 | |

(Right to Buy)

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HUGHES PENELOPE L | | | X | |

Signatures

| | |
|-----------------------------------|------------|
| Thomas J. Lima, Power of Attorney | 05/03/2009 |
|-----------------------------------|------------|

| | |
|---------------------------------|------|
| **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) These options are fully vested and exercisable.
 - (2) Ms. Hughes exercised stock options and sold enough shares to cover the exercise price and tax withholding.

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.