

McNary Douglas F
Form 4
June 23, 2005

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 *
McNary Douglas F

2. Issuer Name and Ticker or Trading Symbol
MOTIVE INC [MOTV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
12515 RESEARCH BLVD., BUILDING 5
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
06/22/2005

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP of Corporate Development

AUSTIN, TX 78759

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) | (A) or (D) | 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 | Price | | |
| Common Stock | 06/22/2005 | | M | | 13,500 | \$ 5 | D | |
| Common Stock | 06/22/2005 | | S ⁽³⁾ | | 13,500 | \$ 10.01 | D | |
| Common Stock | 06/22/2005 | | M | | 9,000 | \$ 5 | D | |
| Common Stock | 06/22/2005 | | S ⁽³⁾ | | 9,000 | \$ 10.01 | D | |
| Common Stock | 06/22/2005 | | M | | 52,500 | \$ 5 | D | |

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| | | | | | | | |
|--------------|------------|------------------|--------|---|----------|---------|---|
| Common Stock | 06/22/2005 | S ⁽³⁾ | 52,000 | D | \$ 10 | 211,172 | D |
| Common Stock | 06/22/2005 | S ⁽³⁾ | 500 | D | \$ 10.01 | 210,672 | D |

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 Security (Instr. 3 and 4) | Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Employee Stock Option (right to buy) | \$ 5 | 06/22/2005 | | M | 13,500 | 03/21/2003 ⁽¹⁾ 03/20/2010 | Common Stock | 13,500 |
| Employee Stock Option (right to buy) | \$ 5 | 06/22/2005 | | M | 9,000 | 03/21/2003 ⁽¹⁾ 03/20/2010 | Common Stock | 9,000 |
| Employee Stock Option (right to buy) | \$ 5 | 06/22/2005 | | M | 52,500 | 11/10/2003 ⁽²⁾ 11/09/2010 | Common Stock | 52,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| McNary Douglas F 12515 RESEARCH BLVD. | | | EVP of Corporate Development | |

BUILDING 5
AUSTIN, TX 78759

Signatures

James Wesley Jones,
Attorney-In-Fact

06/23/2005

__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) 20% of the shares became vested and exercisable after 1 year from date of grant. The remaining shares vest quarterly over the following 4 years.
 - (2) 25% of the shares became vested and exercisable after 1 year from date of grant. The remaining shares vest quarterly over the following 3 years.
 - (3) This sale was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person.

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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