

Johnson Gary
Form 4
September 09, 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 *
Johnson Gary

2. Issuer Name and Ticker or Trading Symbol
PortalPlayer, Inc. [PLAY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
70 W. PLUMERIA DRIVE

3. Date of Earliest Transaction (Month/Day/Year)
09/07/2005

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

(Street)
SAN JOSE, CA 95134

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 | 09/07/2005 | | M | | 10,000 A \$ 0.45 | 11,833 | D |
| Common Stock | 09/07/2005 | | S | | 10,000 (1) D \$ 26.6068 | 1,833 | D |
| Common Stock | 09/07/2005 | | S | | 10,000 (1) D \$ 26.6068 | 21,553 | I By Welby TST |
| Common Stock | | | | | | 31,553 | I By Benhall Trust (2) |
| Common Stock | | | | | | 71,464 | I By Johnson |

| | | | | Tst 10-99 (3) |
|--------------|--|--------|---|-----------------------------------|
| Common Stock | | 11,167 | I | By TST FBO C Johnson (4) |
| Common Stock | | 11,167 | I | By TST FBO M Johnson (5) |

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 Security (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am or Num of S |
| Non-Qualified Stock Option (right to buy) | \$ 0.45 | 09/07/2005 | | M | 10,000 | 05/19/2004 | 04/30/2013 | Common Stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Johnson Gary 70 W. PLUMERIA DRIVE SAN JOSE, CA 95134 | X | | President and CEO | |

Signatures

By: Pulay Mohun, Attorney-in-fact For: Gary Johnson

09/08/2005

**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) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on February 25, 2005.

(2) By Benhall - (A) Annuity Trust dated June 9, 2004.

(3) By Johnson Revocable Trust dated October 11, 1999.

By Johnson Childrens Trust F/B/O Claire Johnson. The shares are held in a trust for the benefit of the reporting person's children. Joel Silberman is the trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.

By Johnson Childrens Trust F/B/O Matthew Johnson. The shares are held in a trust for the benefit of the reporting person's children. Joel Silberman is the trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.

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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