

ADOBE SYSTEMS INC
Form 4
January 28, 2008

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 *
COTTLE KAREN O

(Last) (First) (Middle)

**ADOBE SYSTEMS
INCORPORATED, 345 PARK
AVENUE**

(Street)

SAN JOSE, CA 95110

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ADOBE SYSTEMS INC [ADBE]

3. Date of Earliest Transaction
(Month/Day/Year)
01/24/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
SVP, Gen. Counsel & Secretary

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 or (D) Price | | |
| Common Stock | 01/24/2008 | | A | | 14,663 (1) \$ 0 | D | |
| Common Stock | 01/24/2008 | | F | | 6,708 (2) \$ 34.64 | D | |
| Common Stock | 01/24/2008 | | A | | 3,889 (3) \$ 0 | D | |
| Common Stock | 01/24/2008 | | F | | 1,945 (2) \$ 34.64 | 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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Incentive Stock Option (right to buy) | \$ 34.64 | 01/24/2008 | | A | 3,174 | <u>(4)</u> 01/24/2015 | Common Stock | 3,174 |
| Non-Qualified Stock Option (right to buy) | \$ 34.64 | 01/24/2008 | | A | 90,826 | <u>(4)</u> 01/24/2015 | Common Stock | 90,826 |
| Performance Shares | \$ 0 | 01/24/2008 | | A | V 60,000 <u>(5)</u> | <u>(6)</u> <u>(6)</u> | Common Stock | 60,000 <u>(5)</u> |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| COTTLE KAREN O ADOBE SYSTEMS INCORPORATED 345 PARK AVENUE SAN JOSE, CA 95110 | | | SVP, Gen. Counsel & Secretary | |

Signatures

/s/ Stuart Fagin, as attorney-in-fact 01/28/2008

__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).

Represents the number of shares acquired upon vesting of the Performance Share Units earned by the participant in connection with the (1) Performance Share award filed February 3, 2006. The participant earned approximately 105% of the award based on the achievement of certain pre-established performance goals during the 2006 and 2007 fiscal years.

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- (2) Shares surrendered to pay tax liability due at vesting of Performance Share Units.

Represents the number of shares acquired upon vesting of 25% of the Performance Share Units earned by the participant in connection with the Performance Share award filed January 26, 2007. The participant earned 200% of the award based on the achievement of certain pre-established performance goals during the 2007 fiscal year. The remaining Performance Share Units will vest 25% annually on the second, third, and fourth anniversary of the grant date.

- (4) Vests at a rate of 2.08% per month for 48 months.

Represents the maximum number of Performance Shares that will be earned, if at all, based on the achievement of certain pre-established performance goals during the 2008 fiscal year. Each Performance Share Unit represents a contingent right to receive one share of ADBE common stock. The maximum number represents 200% of the target payout of 30,000 shares

- (6) Vesting of the Performance Share Units will be 25% after the first anniversary of the grant date upon certification of performance goal achievement with the remaining Units vesting 25% annually on the second, third, and fourth anniversary of the grant date if the initial performance goals are achieved.

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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