

SCHWAB CHARLES CORP
 Form 4
 November 01, 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 *
 Bettinger Walter W

(Last) (First) (Middle)

C/O THE CHARLES SCHWAB CORPORATION, 120 KEARNY STREET

(Street)

SAN FRANCISCO, CA 94108

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 SCHWAB CHARLES CORP [SCHW]

3. Date of Earliest Transaction (Month/Day/Year)
 10/30/2006

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)
 EVP - Schwab Investor Services

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| Common Stock | 10/30/2006 | | A | (A) or (D) Amount 41,842 (1) | Price \$ 0 | 179,913 (2) | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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 | 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 Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|---------------------|---|--|---|
| | | | | Code V (A) (D) | | Date Exercisable Expiration Date | Title |
| Non-Qualified Stock Option (Right to Buy) | \$ 19.186 ⁽³⁾ | 10/30/2006 | | A | 135,135 | 10/30/2007 ⁽⁴⁾ 10/30/2013 | Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Bettinger Walter W
C/O THE CHARLES SCHWAB CORPORATION
120 KEARNY STREET
SAN FRANCISCO, CA 94108

EVP - Schwab Investor Services

Signatures

Jane E. Fry,
Attorney-in-fact 11/01/2006

**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 award vests in increments of 25% on November 1, 2007, 2008, 2009, and 2010 based on the company achieving a performance target related to return on equity for the one-year performance period ending on the day immediately prior to each vesting date.
- (2) As of the date of this report, the reporting person also had an indirect beneficial ownership interest in 2,013 shares held by his spouse and 5,060 shares held by an ESOP.
- (3) Shares under the option have an exercise price of \$19.186, which is 106% of the closing price of the company's common stock on the date of grant (\$18.10).
- (4) The option vests 25% on each of the first, second, third, and fourth anniversary of the grant date and has a term of seven years.

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.