SMITH MICRO SOFTWARE INC
Form 4
September 08, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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 * Schmidt Andrew C	2. Issuer Name **and** Ticker or Trading Symbol SMITH MICRO SOFTWARE INC [SMSI]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
(Last) (First) (Middle) 51 COLUMBIA, SUITE 200 (Street)	3. Date of Earliest Transaction (Month/Day/Year) 09/06/2006	_____ Director _____ 10% Owner __X__ Officer (give title _____ Other (specify below) below) Chief Financial Officer
ALISO VIEJO, CA 92656	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ 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	09/06/2006		M		8,667	A	$ 4.95	45,000	D	
Common Stock	09/06/2006		S		8,667	D	$ 13.7116	45,000	D	
Common Stock	09/08/2006		S		10,000	D	$ 14.015	45,000	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)

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)		8. D S (I
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V	(A)	(D)					
Employee Stock Option (right to buy)	$ 4.95	09/06/2006		M		8,667		(1)	07/27/2015	Common Stock	8,667	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Schmidt Andrew C 51 COLUMBIA, SUITE 200 ALISO VIEJO, CA 92656			Chief Financial Officer	

Signatures

/s/ Diane Gulling, Attorney in Fact for Andrew C. Schmidt	09/08/2006
**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)   25% exercisable on 01/28/2006; balance exercisable in 18 successive equal monthly installments.

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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