

FRIEDMAN JACK
Form 4
January 04, 2006

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 *
FRIEDMAN JACK

2. Issuer Name and Ticker or Trading Symbol
JAKKS PACIFIC INC [JAKK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O JAKKS PACIFIC, INC., 22619
PACIFIC COAST HIGHWAY

3. Date of Earliest Transaction
(Month/Day/Year)
01/01/2006

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

(Street)
MALIBU, CA 90265

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 01/01/2006 | | A | | \$ 120,000 (1) (2) 20.94 (3) | 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)

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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 (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. Price or Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Options | \$ 16.25 | | | | (4) | 07/11/2007 | Common Stock | 175,000 |
| Options | \$ 7.875 | | | | (5) | 06/22/2006 | Common Stock | 18,955 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| FRIEDMAN JACK C/O JAKKS PACIFIC, INC. 22619 PACIFIC COAST HIGHWAY MALIBU, CA 90265 | X | | Chairman and CEO | |

Signatures

/s/ Jack Friedman 01/03/2006

**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).

Such 120,000 shares were issued pursuant to the terms of Holder's Employment Agreement with the Issuer and are further subject to the terms of that certain January 1, 2006 Restricted Stock Award Agreement (the "Agreement") by and between the Holder and the Issuer.

(1) The Agreement provides that the Holder will forfeit his rights to all 120,000 shares unless certain conditions precedent are met prior to January 1, 2007, including the condition that the Issuer's Pre-Tax Income (as defined in the Agreement) for 2006 exceeds \$2,000,000, whereupon the forfeited shares will become authorized but unissued shares of the Issuer's common stock.

The Agreement prohibits the Holder from selling, assigning, transferring, pledging or otherwise encumbering (a) 60,000 of the 120,000 shares prior to January 1, 2007 and (b) the remaining 60,000 shares prior to January 1, 2008; provided, however, that if the Issuer's

(2) Pre-Tax Income for 2006 exceeds \$2,000,000 and the Issuer's Adjusted EPS Growth (as defined in the Agreement) for 2006 increases by certain percentages as set forth in the Agreement, the vesting of some or all of the 60,000 shares that would otherwise vest on January 1, 2007 will be accelerated to the date the Adjusted EPS Growth is determined.

(3) Represents the closing price of the Issuer's common stock on 12/30/05, as reported by Nasdaq.

(4) This option is immediately exercisable, except as follows: 52,500 shares become exercisable on 7/12/06.

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(5) This option is immediately exercisable.

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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