

COLEMAN DON
Form 4
December 09, 2008

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 *
COLEMAN DON

2. Issuer Name and Ticker or Trading Symbol
CPI INTERNATIONAL, INC.
[CPII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
811 HANSEN WAY
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/05/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Vice President

PALO ALTO, CA 94303

(City) (State) (Zip)

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

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 (D) Price			
Common Stock, par value \$0.01 per share	12/05/2008		A(1)(2)(3)	4,000 A \$ 0 8,000		D	

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

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(9-02)

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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 Security (Instr. 3 and 4)	8. Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 10	12/05/2008		A ⁽⁴⁾⁽⁵⁾⁽⁶⁾	12,000	⁽⁵⁾⁽⁶⁾ 12/05/2018	Common Stock	12,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
COLEMAN DON 811 HANSEN WAY PALO ALTO, CA 94303			Vice President	

Signatures

/s/ Amanda Mogin, Attorney in Fact
12/09/2008

__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).
- (1) Represents restricted common stock granted under the issuer's 2006 Equity and Performance Incentive Plan.
Grant subject to time vesting and performance vesting. For time vesting, 25% vests on the third day following the issuance of issuer's press release reporting first quarter financial results in February of each of 2010, 2011, 2012 and 2013, but no later than the end of February in each year.
- (2) Performance vesting occurs upon the achievement of specified price thresholds by the issuer's common stock: 50% of the restricted common stock granted is subject to a \$13.50 stock price threshold and 50% is subject to a \$16.00 stock price threshold. In order for vesting to occur, the average closing share price of the issuer's common stock for 20 consecutive trading days must be at or above the applicable threshold amount at any time starting the 20th day following the date of grant and ending in February 2019. If the threshold is achieved, the corresponding performance vesting will occur on the third day after the issuance of the issuer's next press release publicly reporting quarterly or annual financial results.
- (3) Represents options to purchase common stock granted under the issuer's 2006 Equity and Performance Incentive Plan.
- (4) Grant subject to time vesting and performance vesting. For time vesting, 25% vests on each of the first four anniversaries of the date of grant.
- (5)

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- Performance vesting occurs upon the achievement of specified price thresholds by the issuer's common stock: 50% of the options granted are subject to a \$13.50 stock price threshold and 50% are subject to a \$16.00 stock price threshold. In order for vesting to occur, the
- (6) average closing share price of the issuer's common stock for 20 consecutive trading days must be at or above the applicable threshold amount at any time starting the 20th day following the date of grant and ending on the 10th anniversary of the date of grant. If the threshold is achieved, the corresponding performance vesting will occur as soon as the threshold is achieved.

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.