

NEXTEST SYSTEMS CORP
 Form 4
 January 25, 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 *
 Moriarty Tim

2. Issuer Name and Ticker or Trading Symbol
 NEXTEST SYSTEMS CORP
 [NEXT]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 875 EMBEDDED WAY
 (Street)

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

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

SAN JOSE, CA 95138
 (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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/24/2008		U		203,000	D	\$ 20 46,000
Common Stock	01/24/2008		U		6,000	D	\$ 20 40,000
Common Stock	01/24/2008		U		40,000	D	0

As custodian of minor daughter

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

Persons who respond to the collection of information contained in this form are not

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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)	Amount of Underlying Security
Employee Stock Option	\$ 12.46	01/24/2008		D	250,000	(2) 03/07/2017	Common Stock	250,000
Employee Stock Option	\$ 0.02	01/24/2008		D	100,000	(4) 01/15/2010	Common Stock	100,000
Employee Stock Option	\$ 1	01/24/2008		D	17,500	07/23/2007(5) 10/17/2012	Common Stock	17,500

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Moriarty Tim 875 EMBEDDED WAY SAN JOSE, CA 95138			President	

Signatures

/s/ James Moniz 01/25/2008

**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) Disposed of pursuant to merger agreement between issuer and Teradyne, Inc. and replaced with 85,984 Teradyne restricted stock units.
 - (2) This option, which provided for vesting in five equal annual installments beginning July 1, 2007, was assumed by Teradyne, Inc. in the merger and replaced with an option to purchase 567,400 shares of Teradyne common stock for \$5.7964 per share.
 - (3) This option was assumed by Teradyne, Inc. in the merger and replaced with an option to purchase 214,960 shares of Teradyne common stock for \$0.0093 per share.

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- (4) The options vested beginning on July 15, 2001. All options have been vested as of July 15, 2005.
- (5) This option was assumed by Teradyne, Inc. in the merger and replaced with an option to purchase 37,618 shares of Teradyne common stock at \$0.4652 per share.

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.