

Edgar Filing: PEAD PHILIP M - Form 4

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock option	\$ 16.125	01/26/2007		D		(2)	04/25/2008	Common stock	33,333
Stock option	\$ 27.1875	01/26/2007		D		(2)	07/28/2007	Common stock	8,333
Stock option	\$ 29.343	01/26/2007		D		(2)	04/15/2009	Common stock	33,333
Stock option	\$ 16.59	01/26/2007		D		(2)	07/28/2009	Common stock	13,333
Stock option	\$ 9.1875	01/26/2007		D		(2)	10/29/2009	Common stock	75,000
Stock option	\$ 10.875	01/26/2007		D		(2)	07/29/2010	Common stock	33,333
Stock option	\$ 8.7188	01/26/2007		D		(2)	10/21/2010	Common Stock	33,333
Stock option	\$ 7.625	01/26/2007		D		(2)	01/20/2011	Common stock	100,000
Stock option	\$ 6	01/26/2007		D		(2)	03/07/2012	Common stock	271,667
Stock option	\$ 6.72	01/26/2007		D		(2)	03/07/2012	Common stock	291,667
Stock option	\$ 7.53	01/26/2007		D		(2)	03/07/2012	Common stock	291,666
Stock option	\$ 12.7	01/26/2007		D		(2)	05/18/2007	Common stock	83,334
Stock option	\$ 13.97	01/26/2007		D		(2)	05/18/2015	Common stock	83,333
Stock option	\$ 15.37	01/26/2007		D		(2)	05/18/2015	Common stock	83,333

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

PEAD PHILIP M

X

Chairman, CEO & President

Signatures

Philip M. Pead

01/30/2007

 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).

- Pursuant to a merger between issuer and McKesson Corporation, each service based RSU (totaling 18,904 issuer shares) and each DSU (totaling 17,948 issuer shares) was assumed by McKesson and replaced with McKesson common stock in an amount equal to the number of underlying issuer common shares multiplied by .50053629 (the ratio of \$28 to \$55.94, the closing price of McKesson stock on the date of closing). Performance RSUs were doubled on the day of the merger for meeting a performance goal. Pursuant to the merger, each performance based RSU was cancelled in exchange for \$28 cash for each share of issuer common stock underlying the RSU (76,762 issuer shares were Performance RSUs). Number of shares disposed also includes 966 shares that were held in reporting persons 401(k) plan and which were disposed in the merger at \$28 per share. The remaining 128,315 shares held directly were exchanged for \$28 in cash.
- (1) Pursuant to a merger between the issuer and McKesson Corporation, each option was cancelled in exchange for cash equal to \$28 less the exercise price multiplied by the number of shares subject to each option grant.

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.