

Khemani Rajiv
 Form 4
 January 08, 2010

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 *
 Khemani Rajiv

2. Issuer Name and Ticker or Trading Symbol
 CAVIUM NETWORKS, INC.
 [CAVM]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/06/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP & GM, Networking & Comm.

C/O CAVIUM NETWORKS,
 INC., 805 E. MIDDLEFIELD
 ROAD

(Street)

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

MOUNTAIN VIEW, CA 94043

(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)
				(A) or (D)	Code V Amount (D) Price		

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)
Stock option right to buy	\$ 24.16 ⁽¹⁾	01/06/2010		A	75,000	07/06/2010 ⁽²⁾ 01/06/2017	Common Stock 75,000
Restricted Stock Units	\$ 0 ⁽³⁾	01/06/2010		A	30,000	⁽⁴⁾ ⁽⁴⁾	Common Stock 30,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Khemani Rajiv C/O CAVIUM NETWORKS, INC. 805 E. MIDDLEFIELD ROAD MOUNTAIN VIEW, CA 94043			VP & GM, Networking & Comm.	

Signatures

/s/ Arthur Chadwick with Power of Attorney 01/08/2010

**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) This is the closing price of the issuer's stock on NASDAQ on January 6, 2010.
- (2) 1/8th of the shares subject to the option vest on the six month anniversary of the vesting commencement date and 1/48th of the shares vest monthly thereafter over the next three and one half years.
- (3) Each restricted stock unit represents a contingent right to receive one share of Cavium Networks common stock.
- (4) 25% of the restricted stock units will be vested annually on each of January 30, 2011, January 30, 2012, January 30, 2013 and January 30, 2014. Vested shares will be delivered to the reporting person on the applicable vesting date or, if a scheduled delivery date falls on a date that is not a business day, on the next following business day; provided, however, that if a scheduled delivery date does not occur during an open "window period" under the issuer's insider trading policy, then the vested shares will instead be delivered on the first business day of the next open "window period" but in no event later than the later of: (i) December 31st of the calendar year of the scheduled delivery date, or (ii) the fifteenth (15th) day of the third calendar month following the scheduled delivery date.

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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