

MING JENNY J
Form 4
December 23, 2005

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 *
MING JENNY J

2. Issuer Name and Ticker or Trading Symbol
GAP INC [GPS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O GAP INC., TWO FOLSOM ST

3. Date of Earliest Transaction (Month/Day/Year)
12/22/2005

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

President, Old Navy Division

(Street)
SAN FRANCISCO, CA 94105-1205

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) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (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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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired (A) or | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|--|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | | Disposed of (D) | | Date Exercisable | Expiration Date | Title | Am Nur Sha |
|---|------------------------------|------------------|------------|---|-----------------|-----|------------------|-----------------|--------------|------------------|
| | | | Code | V | (A) | (D) | | | | |
| Stock Option (right to buy) ⁽¹⁾ ₍₂₎ | \$ 6.55 | 12/22/2005 | D | | 100,000 | | ⁽³⁾ | 09/09/2012 | Common Stock | 10 |
| Stock Option (right to buy) ⁽¹⁾ ₍₂₎ | \$ 13.1 | 12/22/2005 | A | | 100,000 | | ⁽³⁾ | 09/09/2012 | Common Stock | 10 |
| Stock Option (right to buy) ⁽⁴⁾ ₍₅₎ | \$ 11.02 | 12/22/2005 | D | | 100,000 | | ⁽⁶⁾ | 04/12/2014 | Common Stock | 10 |
| Stock Option (right to buy) ⁽⁴⁾ ₍₅₎ | \$ 17.62 | 12/22/2005 | A | | 100,000 | | ⁽⁶⁾ | 04/12/2014 | Common Stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MING JENNY J C/O GAP INC. TWO FOLSOM ST SAN FRANCISCO, CA 94105-1205 | | | President, Old Navy Division | |

Signatures

Frank Garcia by Power of Attorney
12/23/2005

**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) On Dec 22, 2005, pursuant to the issuer option exchange program, 100,000 options granted to the reporting person on Sep 9, 2002 were canceled.
- (2)

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In exchange for the canceled option, the reporting person receives: 1) 100,000 options with an exercise price equal to the fair market value of the issuer common stock on the original grant date and 2) a promise for cash payment on Sep 9, 2008.

- (3) The canceled and new option will vest on Sep 9, 2008.
- (4) On Dec 22, 2005, pursuant to the issuer option exchange program, 100,000 options granted to the reporting person on Apr 12, 2004 were canceled.
- (5) In exchange for the canceled option, the reporting person receives: 1) 100,000 options with an exercise price equal to the fair market value of the issuer common stock on Dec 22, 2005 and 2) a promise for future cash payments on each of the vest dates.
- (6) The canceled and new option will vest in two (2) equal annual installments of 50,000 shares beginning on Apr 12, 2006.

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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