BASS BARBARA Form 4 October 27, 2006

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

January 31, Expires: 2005 Estimated average

Form 5 obligations may continue. See Instruction

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

SECURITIES

burden hours per response... 0.5

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * BASS BARBARA	2. Issuer Name and Ticker or Trading Symbol BEBE STORES INC [BEBE]	5. Relationship of Reporting Person(s) to Issuer		
(Last) (First) (Middle)	3. Date of Earliest Transaction	(Check all applicable)		
400 VALLEY DRIVE	(Month/Day/Year) 10/25/2006	X Director 10% Owner Officer (give title below) Other (specification)		
(Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
BRISBANE, CA 94005-1208		Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tabl	le I - Non-I	Derivative	Secur	ities Acqu	iired, Disposed of	f, or Beneficial	ly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securition(A) or Di (Instr. 3,	sposed	of (D)	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)
Common Stock	10/25/2006		M	10,000	A	\$ 0	10,000	D	
Common Stock	10/25/2006		S(1)	10,000	D	\$ 26.66	0	D	

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

Persons who respond to the collection of **SEC 1474** information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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. 5. Number of TransactionDerivative Code Securities (Month/Day/Year) (Instr. 8) Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			7. Title and Au Underlying Se (Instr. 3 and 4	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (right to buy)	\$ 0.53	10/25/2006		M	10,000	06/26/2001(2)	06/26/2007	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships						
	Director	10% Owner	Officer	Other			
BASS BARBARA 400 VALLEY DRIVE	X						
BRISBANE, CA 94005-1208	21						

Signatures

Barbara Bass 10/27/2006

**Signature of 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) Transaction executed as a part of a pre-arranged stock trading plan adopted in accordance with the requirements of Rule 10b5-1 of the Securities and Exchange Act of 1934.
- (2) The Option becomes exercisable at the rate of 20% in the first year, 20% in the second year and 30% in each of the third and fourth years. 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.

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