

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2006-01-05** | Period of Report: **2006-01-03**

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ISSUER

TRIDENT MICROSYSTEMS INC

CIK: **859475** | IRS No.: **770156584** | State of Incorporation: **DE** | Fiscal Year End: **0630**
SIC: **3674** Semiconductors & related devices

Mailing Address
1090 E ARQUES AVENUE
SUNNYVALE CA 94085-4601

Business Address
1090 E ARQUES AVENUE
SUNNYVALE CA 94085-4601
4089918800

REPORTING OWNER

LIN FRANK C

CIK: **903768**
Type: **4** | Act: **34** | File No.: **000-20784** | Film No.: **06511895**

Mailing Address
1090 E ARQUES AVENUE
SUNNYVALE CA 94085-4601

Business Address
C/O TRIDENT
MICROSYSTEMS INC
189 NORTH BERNARDO
AVENUE
MOUNTAIN VIEW CA 94043
4089918800

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person LIN FRANK C			2. Issuer Name and Ticker or Trading Symbol TRIDENT MICROSYSTEMS INC [TRID]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) CEO and Chairman		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/03/2006					
1090 EAST ARQUES AVENUE			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
(Street)								
SUNNYVALE, CA 94085-4601								
(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	01/03/2006		<u>M</u>		866	A	\$0.785	292,088	D	
Common Stock	01/03/2006		<u>M</u>		49,134	A	\$1.1667	341,222	D	
Common Stock	01/04/2006		<u>M</u>		50,000	A	\$1.1667	391,222	D	
Common Stock	01/03/2006		<u>S</u>		50,000 ⁽¹⁾	D	\$18.9829	341,222	D	
Common Stock	01/04/2006		<u>S</u>		50,000 ⁽¹⁾	D	\$19.7703	291,222	D	
Common Stock								45,000	I	By son
Common Stock								40,000	I	By son
Common Stock								31,500	I	By spouse

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee Stock Option (right to buy)	\$0.785 ⁽²⁾	01/03/2006		<u>M</u>		866 ⁽²⁾		08/28/2005 ⁽³⁾	08/28/2013	Common Stock	866 ⁽²⁾	\$ 0	0	D	
Employee Stock Option (right to buy)	\$1.1667 ⁽⁴⁾	01/03/2006		<u>M</u>		49,134 ⁽⁴⁾		07/21/1998 ⁽⁵⁾	10/12/2008	Common Stock	49,134 ⁽⁴⁾	\$ 0	119,054 ⁽⁴⁾	D	

Employee Stock Option (right to buy)	\$1.1667 ⁽⁴⁾	01/04/2006		<u>M</u>			50,000 ⁽⁴⁾	07/21/1998 ⁽⁵⁾	10/12/2008	Common Stock	50,000 ⁽⁴⁾	\$ 0	69,054 ⁽⁴⁾	D	
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Explanation of Responses:

1. The shares were sold pursuant to a 10b5-1 trading plan.
2. This option was previously reported as an option for 353,600 shares at an exercise price of \$1.57 per share, but has been adjusted to reflect a 2-for-1 stock split on 11/18/05.
3. Option vests in three annual installments beginning on 8/28/05 with 163,200 shares vesting on 8/28/05, 272,000 shares vesting on 8/28/06 and 272,000 shares vesting on 8/28/07.
4. This option was previously reported as an option for 60,000 shares at an exercise price of \$3.50 per share, but has been adjusted to reflect a 3-for-2 stock split on 12/12/03 and a 2-for-1 stock split on 11/18/05.
5. Option vests in four annual installments beginning on 7/21/98 with 45,000 shares vesting on 7/21/98, 45,000 shares vesting on 11/21/99, 45,000 shares vesting on 11/21/00 and 45,000 shares vesting on 11/21/01.

Signatures

Frank Lin

** Signature of Reporting Person

01/05/2006

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.