

KELLNER LAWRENCE W

Form 4

October 23, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
KELLNER LAWRENCE W

2. Issuer Name **and** Ticker or Trading
Symbol
CONTINENTAL AIRLINES INC
/DE/ [CAL]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
1600 SMITH STREET, HQSEO
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
10/20/2006

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
Chief Executive Officer

HOUSTON, TX 77002

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Class B Common Stock	10/20/2006		M		329,687	A	\$ 15.78	350,480	D	
Class B Common Stock	10/20/2006		S		2,764.963	D	\$ 34.2	347,715.037 ⁽¹⁾	D	
Class B Common Stock	10/20/2006		S		2,764.963	D	\$ 34.19	344,950.074	D	
Class B Common	10/20/2006		S		3,926.247	D	\$ 34.18	341,023.8265	D	

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Stock

Class B

Common 10/20/2006

Stock

S 497.6933 D \$ 34.17 340,526.1332 D

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)

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 Number Shares
Employee Stock Option (right to buy)	\$ 15.78	10/20/2006		M	329,687	<u>(2)</u> 06/28/2007	Class B Common 329,68 Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
KELLNER LAWRENCE W 1600 SMITH STREET HQSEO HOUSTON, TX 77002	X Chief Executive Officer

Signatures

/s/ Lawrence W. Kellner by: Sarah E.
Hagy 10/23/2006

**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)

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On October 20, 2006 the reporting person sold a total of 329,687 shares at an average price of \$33.5073. This Form 4 is the 1st of 3 being filed to report these individual transactions. Following such transactions, the reporting person held a total of 20,793 shares. Such total does not include indirect ownership of an additional 200 shares held by a relative of the reporting person, as to which shares the reporting person disclaims beneficial ownership.

- The option vested as follows: 208,750 shares on June 28, 2002; 83,750 shares on April 17, 2003; 21,250 shares on April 17, 2004; and
- (2) 15,937 shares on April 17, 2005. On February 28, 2005, the reporting person forfeited to the company for no value an additional 5,313 shares that would have vested April 17, 2005.

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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