#### PARADYNE NETWORKS INC

Form 4 September 07, 2005

# FORM 4

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

**OMB** 3235-0287

Check this box if no longer subject to

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES** 

Number: January 31, Expires:

2005

**OMB APPROVAL** 

Section 16. Form 4 or Form 5 obligations

may continue.

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

burden hours per response... 0.5

Estimated average

See Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person ** BELANGER SEAN E			2. Issuer Name <b>and</b> Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
			PARADYNE NETWORKS INC [PDYN]	(Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)	_X_ Director 10% Owner _X_ Officer (give title Other (specify below) below)		
8545 126TH AVENUE NORTH			09/01/2005	President and CEO		
(Street)			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
LARGO, FL 33773				_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		
(City)	(State)	(Zip)	Table I - Non-Derivative Securities Ac	canired. Disposed of, or Reneficially Owner		

1.Title of Security	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if	3. Transactio	4. Securities Acquired on(A) or Disposed of	5. Amount of Securities	6. Ownership Form: Direct	7. Nature of Indirect
(Instr. 3)		any	Code	(D)	Beneficially	(D) or	Beneficial
		(Month/Day/Year)	(Instr. 8) (Instr. 3, 4 and 5)		Owned	Indirect (I)	Ownership
					Following	(Instr. 4)	(Instr. 4)
				( )	Reported		
				(A)	Transaction(s)		
			Code V	or Amount (D) Price	(Instr. 3 and 4)		

Common	09/01/2005	D	34,777 D	(1)	0	D
Stock	09/01/2003	ע	34,777 D	Ш	U	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 I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

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)	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 Ar Underlying Se (Instr. 3 and 4)
				Code V (	(A) (D)	Date Exercisable	Expiration Date	Title
Non-Qualified Stock Option (Right to Buy)	\$ 2	09/01/2005		D	120,000	(2)	10/28/2007	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 28.06	09/01/2005		D	80,000	(3)	10/06/2009	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 25	09/01/2005		D	850,000	<u>(4)</u>	04/05/2010	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.63	09/01/2005		D	1,072,500	<u>(5)</u>	12/08/2010	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 2	09/01/2005		D	24,739	<u>(6)</u>	06/04/2011	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 2.3	09/01/2005		D	424,739	<u>(7)</u>	07/29/2012	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.64	09/01/2005		D	424,700	(8)	08/11/2013	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.71	09/01/2005		D	212,350	<u>(9)</u>	02/06/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.3	09/01/2005		D	106,175	(10)	03/23/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.46	09/01/2005		D	106,175	(11)	10/13/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.8	09/01/2005		D	424,700	(12)	06/30/2015	Common Stock

## **Reporting Owners**

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

BELANGER SEAN E

8545 126TH AVENUE NORTH X President and CEO

**LARGO, FL 33773** 

# **Signatures**

/s/ Pat Flood, Attorney-in-Fact 09/06/2005

\*\*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).
- The shares were disposed of pursuant to the merger agreement between Zhone Technologies, Inc. ("Zhone") and the issuer in exchange for 1.0972 shares of Zhone common stock per share of issuer common stock. The Zhone common stock had a market value of \$2.65 per share on the effective date of the merger.
- The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 131,664 shares of Zhone common stock for \$1.83 per share.
- (3) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 87,776 shares of Zhone common stock for \$25.58 per share.
- The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 932,620 shares of Zhone common stock for \$22.79 per share.
- (5) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 1,176,747 shares of Zhone common stock for \$1.49 per share.
- The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 27,143 shares of Zhone common stock for \$1.83 per share.
- (7) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 466,023 shares of Zhone common stock for \$2.10 per share.
- (8) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 465,980 shares of Zhone common stock for \$1.50 per share.
- (9) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 232,990 shares of Zhone common stock for \$3.39 per share.
- (10) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 116,495 shares of Zhone common stock for \$3.01 per share.
- (11) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 116,495 shares of Zhone common stock for \$3.16 per share.
- (12) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 465,980 shares of Zhone common stock for \$1.65 per share.

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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