

DIPIANO MICHAEL A  
Form 4  
January 31, 2006

**FORM 4**

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

OMB APPROVAL

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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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
DIPIANO MICHAEL A

2. Issuer Name and Ticker or Trading Symbol  
NUTRI SYSTEM INC /DE/ [NTRI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
500 NORTH GULPH ROAD, SUITE 500  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
01/27/2006

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

KING OF PRUSSIA, PA 19406

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			
Common Stock	01/27/2006		M	2,866 <sup>(1)</sup> A \$ 0.73	1,410,476	D	
Common Stock	01/27/2006		S	2,866 <sup>(2)</sup> D \$ 46.5004	1,407,610	D	
Common Stock	01/27/2006		M	717 <sup>(1)</sup> A \$ 0.73	1,408,327	D	
Common Stock	01/27/2006		S	717 <sup>(2)</sup> D \$ 47.5038	1,407,610	D	
Common Stock	01/27/2006		S	133,333 <sup>(3)</sup> D \$ 46.5004	1,274,277	I	Mr. DiPiano is a principal

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Common Stock	01/27/2006	S	33,350 <u>(3)</u>	D	\$ 47.5038	1,240,927	I	of the beneficial owner of the subject securities <u>(4)</u> Mr. DiPiano is a principal of the beneficial owner of the subject securities <u>(4)</u>
Common Stock	01/30/2006	M	2,149 <u>(1)</u>	A	\$ 0.73	1,243,076	D	
Common Stock	01/30/2006	S	2,149 <u>(2)</u>	D	\$ 47.5405	1,240,927	D	
Common Stock	01/30/2006	S	99,983 <u>(3)</u>	D	\$ 47.5405	1,140,944	I	Mr. DiPiano is a principal of the beneficial owner of the subject securities <u>(4)</u>
Common Stock	01/31/2006	M	2,866 <u>(1)</u>	A	\$ 0.73	1,143,810	D	
Common Stock	01/31/2006	S	2,866 <u>(2)</u>	D	\$ 48.5165	1,140,944	D	
Common Stock	01/31/2006	S	133,334 <u>(3)</u>	D	\$ 48.5165	1,007,610	I	Mr. DiPiano is a principal of the beneficial owner of the subject securities <u>(4)</u>

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

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(9-02)

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**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)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 0.73	01/27/2006		M	2,866	03/04/2003 03/04/2013	Common Stock	2,866
Stock Option (right to buy)	\$ 0.73	01/27/2006		M	717	03/04/2003 03/04/2013	Common Stock	717
Stock Option (right to buy)	\$ 0.73	01/30/2006		M	2,149	03/04/2003 03/04/2013	Common Stock	2,149
Stock Option (right to buy)	\$ 0.73	01/31/2006		M	2,866	03/04/2003 03/04/2013	Common Stock	2,866

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DIPIANO MICHAEL A 500 NORTH GULPH ROAD SUITE 500 KING OF PRUSSIA, PA 19406	X			

## Signatures

Michael A.  
DiPiano 01/31/2006

\*\*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).

These shares represent a portion of the shares granted to Mr. Michael A. DiPiano on March 4, 2003 for his services as a director of the issuer. Mr. DiPiano is the managing director of NewSpring Ventures, L.P. ("NewSpring"). Mr. DiPiano has agreed to exercise these

- (1) options if and when directed by NewSpring Capital, LLC, the Management Company for NewSpring ("NewSpring Capital"), at NewSpring Capital's expense, and to contribute the initial stock grant and any shares acquired upon exercise of these options to NewSpring Capital. Mr. DiPiano disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (2) This sale was effected pursuant to a Rule 10b5-1 trading plan of NewSpring Capital which became effective on September 16, 2005.
- (3) This sale was effected pursuant to a Rule 10b5-1 trading plan of NewSpring which became effective on September 16, 2005.

Mr. DiPiano is the CEO of Progress Capital II, Inc., the general partner of the general partner of NewSpring and the CEO of NewSpring

- (4) Capital; therefore, he may be deemed to beneficially own these securities. Mr. DiPiano disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- (5) This is an option grant for which there was no purchase price.

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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