

ENTROPIC COMMUNICATIONS INC
Form 4
April 16, 2012

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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 *
FARESE MICHAEL J.

2. Issuer Name and Ticker or Trading Symbol
ENTROPIC COMMUNICATIONS INC [ENTR]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
6290 SEQUENCE DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
04/13/2012

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr VP Engineering & Ops

SAN DIEGO, CA 92121
(City) (State) (Zip)

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | 04/13/2012 | | M | 2,400 A | \$ 0 2,400 | D | |
| Common Stock | 04/13/2012 | | F(1) | 981 D | \$ 5.1 1,419 | D | |

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

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 control number.

SEC 1474 (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 Underlying Security (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 5.1 | 04/13/2012 | | A | 69,000 | <u>(2)</u> | 04/13/2022 | Common Stock |
| Restricted Stock Unit | <u>(3)</u> | 04/13/2012 | | A | 18,400 | <u>(4)</u> | <u>(4)</u> | Common Stock |
| Restricted Stock Unit | <u>(5)</u> | 04/13/2012 | | M | 2,400 | <u>(6)</u> | <u>(6)</u> | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| FARESE MICHAEL J. 6290 SEQUENCE DRIVE SAN DIEGO, CA 92121 | | | Sr VP Engineering & Ops | |

Signatures

By: Lance W. Bridges, as attorney-in-fact For: Michael R. Farese 04/16/2012

__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) Shares have been surrendered to the issuer to satisfy the reporting person's tax withholding obligation due on vesting of restricted stock units.
1/4th of the shares vest one year after the Vesting Commencement Date beginning 4/13/12. 1/48th of the shares vest monthly thereafter
- (2) over the next three years. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.
- (3) Each restricted stock unit represents a contingent right to receive one share of the Issuer's Common Stock.
The shares vest over a four year period, with 25% vesting on the first quarterly vesting date following the 1st, 2nd, 3rd and 4th
- (4) anniversary of the grant date. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.
- (5) Each restricted stock unit represents a contingent right to receive one share of the Issuer's Common Stock.
- (6)

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The shares vest in four equal annual installments, beginning one year after the Vesting Commencement Date of April 13, 2011. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.

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.