ATHEROGENICS INC

Form 4

August 01, 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

2. Issuer Name and Ticker or Trading

ATHEROGENICS INC [AGIX]

(Print or Type Responses)

1. Name and Address of Reporting Person *

Gaynor Joseph M Jr

(Last)

(First) (Middle)

8995 WESTSIDE PARKWAY

(Street)

4. If Amendment, Date Original

3. Date of Earliest Transaction

Filed(Month/Day/Year)

(Month/Day/Year)

07/31/2006

Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Check all applicable)

OMB

Number:

Expires:

response...

Estimated average

burden hours per

OMB APPROVAL

3235-0287

January 31,

2005

0.5

Director 10% Owner Other (specify

X_ Officer (give title below)

Sr Vice Pres & General Counsel 6. Individual or Joint/Group Filing(Check

Applicable Line)

X 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

(City) (State) (Zip)

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) (Instr. 3)

ALPHARETTA, GA 30004

Execution Date, if (Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code (Instr. 8)

Disposed of (D) (Instr. 3, 4 and 5)

Code V Amount (D) Price

(A)

5. Amount of Securities Beneficially Owned Following Reported

(Instr. 3 and 4)

Transaction(s)

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial (T) (Instr. 4)

Ownership (Instr. 4)

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 II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security

Conversion or Exercise

3. Transaction Date 3A. Deemed

(Month/Day/Year) Execution Date, if any

4. 5. Number of Transaction Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amoun Underlying Securiti (Instr. 3 and 4)

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(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Acquired (A) Derivative or Disposed of Security (D) (Instr. 3, 4, and 5)

> Code V (A) (D) Date Expiration Title Amou Exercisable Date or

Numb

of Sh

Non-qualified

stock option \$ 13.18 07/31/2006 (right to buy)

Common A 10,000 (1) 07/31/2016 10,0 stock

Reporting Owners

Relationships Reporting Owner Name / Address

> Director 10% Owner Officer Other

Gaynor Joseph M Jr 8995 WESTSIDE PARKWAY ALPHARETTA, GA 30004

Sr Vice Pres & General Counsel

Signatures

/s/JOSEPH M. 08/01/2006 GAYNOR, JR.

**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).
- 25% of these options vest on 7/31/2007, the first anniversary of the date of grant. Following that date, the remaining options vest at a rate of 2%-3% per month over the next 36 months.

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.

Reporting Owners 2