

AETHER HOLDINGS INC
 Form 4
 October 31, 2006

FORM 4

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

OMB APPROVAL

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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 *
BEESE J CARTER JR

(Last) (First) (Middle)

C/O AETHER HOLDINGS, 621 E. PRATT STREET, SUITE 601

(Street)

BALTIMORE, MD 21202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

AETHER HOLDINGS INC [AETH]

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

10/31/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Beneficial Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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

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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 | 2. Conversion or Exercise | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any | 4. Transaction Code | 5. Number of Derivative Securities Acquired | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Security (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|---|--|---|

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| (Instr. 3) | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) | (A) or Disposed of (D) (Instr. 3, 4, and 5) | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------|------------------|------------------|--|--------|------------------|-----------------|--------------|----------------------------|
| | | | | Code | V | | | | |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | D ⁽¹⁾ | | 12,600 | <u>(1)</u> | 01/29/2007 | Common Stock | 12,600 |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | A ⁽¹⁾ | | 12,600 | <u>(1)</u> | 10/25/2009 | Common Stock | 12,600 |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | D ⁽¹⁾ | | 4,000 | <u>(1)</u> | 01/29/2007 | Common Stock | 4,000 |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | A ⁽¹⁾ | | 4,000 | <u>(1)</u> | 10/25/2009 | Common Stock | 4,000 |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | D ⁽¹⁾ | | 4,000 | <u>(1)</u> | 01/29/2007 | Common Stock | 4,000 |
| Employee Stock Option (right to buy) | \$ 16 | 10/31/2006 | A ⁽¹⁾ | | 4,000 | <u>(1)</u> | 10/25/2009 | Common Stock | 4,000 |
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | D ⁽²⁾ | | 18,000 | <u>(2)</u> | 01/29/2007 | Common Stock | 18,000 |
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | A ⁽²⁾ | | 18,000 | <u>(2)</u> | 07/25/2011 | Common Stock | 18,000 |

| | | | | | | | | |
|--------------------------------------|---------|------------|------------------|-------|-----|------------|--------------|-------|
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | D ⁽²⁾ | 5,000 | (2) | 01/29/2007 | Common Stock | 5,000 |
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | A ⁽²⁾ | 5,000 | (2) | 07/25/2011 | Common Stock | 5,000 |
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | D ⁽²⁾ | 5,000 | (2) | 01/29/2007 | Common Stock | 5,000 |
| Employee Stock Option (right to buy) | \$ 8.54 | 10/31/2006 | A ⁽²⁾ | 5,000 | (2) | 07/25/2011 | Common Stock | 5,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| BEESE J CARTER JR C/O AETHER HOLDINGS 621 E. PRATT STREET, SUITE 601 BALTIMORE, MD 21202 | X | | | |

Signatures

/s/ J. Carter
Beese, Jr. 10/31/2006

**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).

The six reported transactions involve amendments to outstanding options originally granted on October 25, 1999 at a strike price of \$16.00. The exercise period of each of these options has been amended to provide that the options shall become exercisable on or after January 1, 2009 and shall remain exercisable until midnight on October 25, 2009.

The six reported transactions involve amendments to outstanding options originally granted on July 25, 2001 at a strike price of \$8.54. The exercise period of each of these options has been amended to provide that the options shall become exercisable on or after January 1, 2011 and shall remain exercisable until midnight on July 25, 2011.

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.