

SAIC, Inc.

Form 4

October 18, 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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Prior Lawrence B III

(Last) (First) (Middle)

1710 SAIC DRIVE

(Street)

MCLEAN, VA 22102

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
SAIC, Inc. [SAI]

3. Date of Earliest Transaction
(Month/Day/Year)
10/16/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

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

GROUP PRESIDENT

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

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	(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 (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and A Underlying Se (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D) (Instr. 3, 4, and 5)	(A)	(D)	Date Exercisable	Expiration Date	Title
Class A Preferred Stock ⁽¹⁾	<u>(2)</u>	10/16/2006	A	19,139.1968			<u>(2)</u>	<u>(3)</u>	Common Stock
Class A Preferred Stock ⁽¹⁾	<u>(2)</u>	10/16/2006	A	2,934			<u>(2)</u>	<u>(3)</u>	Common Stock
Stock Option (Right to Buy) ⁽¹⁾	\$ 12.7133	10/16/2006	A	35,999			11/12/2005 ⁽⁵⁾	11/11/2009	Class A Preferred Stock ⁽²⁾
Stock Option (Right to Buy) ⁽¹⁾	\$ 13.5166	10/16/2006	A	3,293			02/16/2006 ⁽⁵⁾	02/15/2010	Class A Preferred Stock ⁽²⁾
Stock Option (Right to Buy) ⁽¹⁾	\$ 13.5166	10/16/2006	A	74,996			03/31/2006 ⁽⁵⁾	03/30/2010	Class A Preferred Stock ⁽²⁾
Stock Option (Right to Buy) ⁽¹⁾	\$ 14.64	10/16/2006	A	120,000			03/21/2007 ⁽⁵⁾	03/20/2011	Class A Preferred Stock ⁽²⁾

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Prior Lawrence B III 1710 SAIC DRIVE MCLEAN, VA 22102	GROUP PRESIDENT

Signatures

By: N. Walker,
Attorney-in-fact
10/18/2006

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).

(1)

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On October 16, 2006, SAIC, Inc. became the successor to Science Applications International Corporation pursuant to a merger. The merger resulted in SAIC, Inc. becoming the parent holding company of Science Applications International Corporation, but did not alter the proportionate interests of security holders.

(2) Class A Preferred Stock is convertible into Common Stock on a 1 for 1 basis on and after the following dates and in the proportionate amounts for each Series: 20% allocated to Series A-1 and convertible on January 11, 2007; 20% allocated to Series A-2 and convertible on April 11, 2007; 30% allocated to Series A-3 and convertible on July 10, 2007; 30% allocated to Series A-4 and convertible on October 8, 2007.

(3) Class A Preferred Stock has no expiration date.

(4) Received in a reorganization merger with Science Applications International Corporation ("Old SAIC"). On the effective date of the merger, the closing price for SAIC, Inc.'s common stock (into which the Class A preferred shares will become convertible on a one-for-one basis) was \$18.11 per share; the securities of Old SAIC were not listed on any securities exchange.

(5) The option is exercisable according to the following annual vesting schedule: 20% in years 1, 2 and 3, and 40% in year 4. The date exercisable set forth above is the first anniversary of the date of grant of each option and represents the date on which the option first became exercisable with respect to 20% of the underlying shares in accordance with the aforementioned vesting schedule.

(6) Received in a reorganization merger with Old SAIC in exchange for an option to purchase shares of Old SAIC common stock.

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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