

SCHNEIDER JAMES M
Form 4
October 08, 2010

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 *
SCHNEIDER JAMES M

(Last) (First) (Middle)

C/O GAP, INC., 2 FOLSOM ST.

(Street)

SAN FRANCISCO, CA 94105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
GAP INC [GPS]

3. Date of Earliest Transaction
(Month/Day/Year)
10/06/2010

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) | | 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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------------------|---|--|-----------------------------------|
| | | | | Code | V Amount (D) Price | | | |
| Common Stock | 10/06/2010 | | G | V | 1,000 | D \$ 0 | 12,550 | D |
| Common Stock | 10/08/2010 | | M | | 17,160 | A \$ 0 | 29,170 | D |
| Common Stock | 10/08/2010 | | M | | 385 | A \$ 0 | 30,095 | D |

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

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SEC 1474 (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. De | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Units ⁽¹⁾ | \$ 0 | 10/08/2010 | | M | | <u>(2)</u> | <u>(2)</u> | Common Stock | 17,160 |
| Div. Equiv. Rights ⁽³⁾ | <u>(3)</u> | 10/08/2010 | | A | 96 | 10/08/2010 | <u>(4)</u> | Common Stock | 96 |
| Div. Equiv. Rights ⁽³⁾ | <u>(3)</u> | 10/08/2010 | | M | 385 | <u>(5)</u> | <u>(5)</u> | Common Stock | 385 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| SCHNEIDER JAMES M C/O GAP, INC. 2 FOLSOM ST. SAN FRANCISCO, CA 94105 | | X | | |

Signatures

David Jedrzejek, Power of Attorney
10/08/2010
**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).

- Each stock unit represents a contingent right to receive one share of Gap Inc. common stock. Shares will be delivered to the reporting person no sooner than 3 years from the date of grant, unless further deferred or immediately upon resignation or retirement from the Board if earlier. The reporting person's service on the Board ended October 8, 2010.
- (1) person no sooner than 3 years from the date of grant, unless further deferred or immediately upon resignation or retirement from the Board if earlier. The reporting person's service on the Board ended October 8, 2010.
- (2) 17,160 shares were delivered on October 8, 2010.

- The dividend equivalent rights accrued on stock units originally granted on June 3, 2008, June 30, 2009 and June 30, 2010, and are immediately vested. Each equivalent right is the economic equivalent of one share of Gap Inc. common stock. Shares are delivered to the reporting person no sooner than 3 years from the date of grant, unless further deferred, or immediately upon resignation or retirement from the Board, if earlier. The reporting person's service on the Board ended October 8, 2010.
- (3) reporting person no sooner than 3 years from the date of grant, unless further deferred, or immediately upon resignation or retirement from the Board, if earlier. The reporting person's service on the Board ended October 8, 2010.

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(4) Not applicable.

(5) 385 shares were delivered on October 8, 2010.

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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