

Murphy Glenn
Form 4
March 08, 2013

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 *
Murphy Glenn

(Last) (First) (Middle)
GAP INC., 2 FOLSOM STREET
(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)
03/07/2013

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)
Chairman and CEO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 03/07/2013 | | M ⁽¹⁾ | | 337,035 | A | \$ 16.44 |
| Common Stock | | | | | 301,261 | I | By Murphy Family Trust |
| Common Stock | 03/07/2013 | | S ⁽¹⁾ | | 250,000 | D | \$ 35 |
| Common Stock | | | | | 301,261 | I | By Murphy Family |

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| Common Stock | Transaction Date | Code | Quantity | Disposition | Price | Value | Expiration Date | By |
|--------------|------------------|------------------|----------|-------------|----------|---------|-----------------|---------------------------------|
| Common Stock | 03/07/2013 | S ⁽¹⁾ | 87,035 | D | \$ 36 | 0 | D | Trust |
| Common Stock | | | | | | 301,261 | I | By Murphy Family Trust |
| Common Stock | 03/08/2013 | M ⁽¹⁾ | 162,965 | A | \$ 16.44 | 162,965 | D | |
| Common Stock | | | | | | 301,261 | I | By Murphy Family Trust |
| Common Stock | 03/08/2013 | S ⁽¹⁾ | 162,965 | D | \$ 36 | 0 | D | |
| Common Stock | | | | | | 301,261 | I | By Murphy Family Trust |

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.

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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 Security (Instr. 3 and 4) | Amount of Underlying Security | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|-------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount of Underlying Security |
| Non-Qualified Stock Option (Right to Buy) | \$ 16.44 | 03/07/2013 | | M ⁽¹⁾ | 337,035 | <u>(2)</u> | 08/03/2017 | Common Stock | 337,035 |
| Non-Qualified Stock Option (Right to Buy) | \$ 16.44 | 03/08/2013 | | M ⁽¹⁾ | 162,965 | <u>(2)</u> | 08/03/2017 | Common Stock | 162,965 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Murphy Glenn GAP INC. 2 FOLSOM STREET SAN FRANCISCO, CA 94105 | X | | Chairman and CEO | |

Signatures

| | |
|---------------------------------|------------|
| Marie Ma, Power of Attorney | 03/08/2013 |
| **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) The exercises and sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on November 20, 2012.
 - (2) 950,000 options remain exercisable under this grant. The remaining 400,000 unvested options under this grant will become exercisable on August 3, 2013.

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.