

SMITH MICRO SOFTWARE INC  
 Form 4  
 July 26, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
 SZABO GREGORY J

2. Issuer Name and Ticker or Trading Symbol  
 SMITH MICRO SOFTWARE INC [SMSI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

51 COLUMBIA, SUITE 200

(Street)

ALISO VIEJO, CA 92656

(City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/24/2006

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

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of 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.

**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.**

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 | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|
|---------------------------------|---------------------------|--------------------------------------|-----------------------------------|---------------------|------------------------------------|--|---|

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| (Instr. 3)                                 | Price of Derivative Security | (Month/Day/Year) | (Instr. 8) Acquired (A) or Disposed of (D)<br>(Instr. 3, 4, and 5) | Code | V | (A)   | (D) | Date Exercisable          | Expiration Date | Title        | Amount or Number of Shares |
|--|------------------------------|------------------|--|------|---|-------|-----|---------------------------|-----------------|--------------|----------------------------|
| Stock Option (right to buy) <sup>(1)</sup> | \$ 13.97                     | 07/24/2006       | A <sup>(1)</sup>   |      |   | 5,000 |     | 07/24/2006 <sup>(2)</sup> | 07/23/2016      | Common Stock | 5,000                      |

## Reporting Owners

| Reporting Owner Name / Address                                       | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| SZABO GREGORY J<br>51 COLUMBIA<br>SUITE 200<br>ALISO VIEJO, CA 92656 |               | X         |         |       |

## Signatures

/s/ Diane Gulling Attorney in Fact for Gregory J. Szabo      07/26/2006

\_\_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) Automatic grant to non-employee director
- Immediately exercisable. Shares issued on exercise are subject to a right of repurchase by the Company. Shares vest 100%, and the
- (2) Company's right of repurchase lapses, upon optionee's completion of one year of service as a member of the Board measured from the grant date.

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.