

AVIALL INC

Form 4

September 22, 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

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(Print or Type Responses)

1. Name and Address of Reporting Person *
MURPHY JEFFREY J

(Last) (First) (Middle)

2750 REGENT BLVD.

(Street)

DFW AIRPORT, TX 75261

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
AVIALL INC [AVL]

3. Date of Earliest Transaction
(Month/Day/Year)
09/20/2006

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 below) ____ Other (specify below)

Senior VP and General Counsel

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 Ownership (Instr. 4)
Common Stock	09/20/2006		D	37,611	D (1)	0	D (1)
Common Stock	09/20/2006		D	3,695	D (2)	0	D
Common Stock	09/20/2006		D	2,880	D (3)	0	D
Common Stock	09/20/2006		D	2,175	D (4)	0	D

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 (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 Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date Date	Title Amount or Number of Shares
Stock Appreciation Right	\$ 32.43	09/20/2006		D	16,200	<u>(5)</u> <u>(5)</u>	Common Stock 16,200
Employee Stock Option (right to buy)	\$ 10.9375	09/20/2006		D	8,112	<u>(6)</u> 03/18/2007	Common Stock 8,112
Employee Stock Option (right to buy)	\$ 10.9375	09/20/2006		D	26,888	<u>(7)</u> 03/18/2007	Common Stock 26,888
Employee Stock Option (right to buy)	\$ 14.7813	09/20/2006		D	23,036	<u>(8)</u> 03/16/2008	Common Stock 23,036
Employee Stock Option (right to buy)	\$ 14.7813	09/20/2006		D	6,964	<u>(9)</u> 03/16/2008	Common Stock 6,964
Employee Stock Option (right to buy)	\$ 11.0625	09/20/2006		D	9,039	<u>(10)</u> 01/25/2009	Common Stock 9,039
Employee Stock Option (right to buy)	\$ 11.0625	09/20/2006		D	25,961	<u>(11)</u> 01/25/2009	Common Stock 25,961
Employee Stock Option (right to buy)	\$ 8.9375	09/20/2006		D	6,667	<u>(12)</u> 03/14/2010	Common Stock 6,667
Employee Stock Option (right to buy)	\$ 8.9375	09/20/2006		D	13,333	<u>(13)</u> 03/14/2010	Common Stock 13,333

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Employee Stock Option (right to buy)	\$ 6.1875	09/20/2006	D	9,969	<u>(14)</u>	01/19/2011	Common Stock	9,969
Employee Stock Option (right to buy)	\$ 6.1875	09/20/2006	D	15,031	<u>(15)</u>	01/19/2011	Common Stock	15,031
Employee Stock Option (right to buy)	\$ 7.1	09/20/2006	D	6,600	<u>(16)</u>	01/29/2012	Common Stock	6,600
Employee Stock Option (right to buy)	\$ 7.1	09/20/2006	D	13,400	<u>(17)</u>	01/29/2012	Common Stock	13,400
Employee Stock Option (right to buy)	\$ 7.46	09/20/2006	D	5,867	<u>(18)</u>	01/30/2009	Common Stock	5,867
Employee Stock Option (right to buy)	\$ 7.46	09/20/2006	D	73	<u>(19)</u>	01/30/2009	Common Stock	73
Employee Stock Option (right to buy)	\$ 7.46	09/20/2006	D	5,940	<u>(20)</u>	01/30/2010	Common Stock	5,940
Employee Stock Option (right to buy)	\$ 7.46	09/20/2006	D	6,120	<u>(21)</u>	01/30/2011	Common Stock	6,120
Employee Stock Option (right to buy)	\$ 15.6	09/20/2006	D	4,839	<u>(22)</u>	01/28/2010	Common Stock	4,839
Employee Stock Option (right to buy)	\$ 15.6	09/20/2006	D	474	<u>(23)</u>	01/28/2010	Common Stock	474
Employee Stock Option (right to buy)	\$ 15.6	09/20/2006	D	1,830	<u>(24)</u>	01/28/2011	Common Stock	1,830
Employee Stock Option (right to buy)	\$ 15.6	09/20/2006	D	3,483	<u>(25)</u>	01/28/2011	Common Stock	3,483
Employee Stock Option (right to buy)	\$ 15.6	09/20/2006	D	5,474	<u>(26)</u>	01/28/2012	Common Stock	5,474
Employee Stock Option (right to buy)	\$ 22.7	09/20/2006	D	6,270	<u>(27)</u>	01/27/2011	Common Stock	6,270
Employee Stock Option	\$ 22.7	09/20/2006	D	6,270	<u>(28)</u>	01/27/2012	Common Stock	6,270

(right to buy)

Employee

Stock Option	\$ 22.7	09/20/2006	D	6,460	(29)	01/27/2013	Common Stock	6,460
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(right to buy)

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
MURPHY JEFFREY J 2750 REGENT BLVD. DFW AIRPORT, TX 75261	Senior VP and General Counsel

Signatures

/s/ R. Sean Elliott, Attorney-in-Fact for Jeffrey J. Murphy	09/21/2006
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__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) Disposed of pursuant to the Agreement and Plan of Merger, dated as of April 30, 2006, by and among The Boeing Company ("Boeing"), Boeing-Avenger, Inc. and Aviall, Inc. (the "Merger Agreement") in exchange for a cash payment of \$1,805,328, or \$48.00 per share. Includes 10,782 shares of common stock held for the account of Mr. Murphy under Aviall's 401(k) Plan.

(2) Represents restricted stock units granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan, which were granted on January 28, 2004 and provided for vesting on January 27, 2007, that were disposed of pursuant to the Merger Agreement in exchange for a cash payment of \$177,360, or \$48.00 per share.

(3) Represents restricted stock units granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan, which were granted on January 27, 2005 and provided for vesting on January 26, 2008, that were disposed of pursuant to the Merger Agreement in exchange for a cash payment of \$138,240, or \$48.00 per share.

(4) Represents restricted stock units granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan, which were granted on January 26, 2006 and provided for vesting on January 25, 2009, that were disposed of pursuant to the Merger Agreement in exchange for a cash payment of \$104,400, or \$48.00 per share.

(5) The Stock Appreciation Rights, which were granted on January 26, 2006 and provided for vesting as follows: vesting as to 5,346 shares on January 26, 2007 and expiring with respect to those shares on January 26, 2012; vesting as to 5,346 shares on January 26, 2008 and expiring with respect to those shares on January 26, 2013; and vesting as to 5,508 shares on January 26, 2009 and expiring with respect to those shares on January 26, 2014, were all cancelled immediately prior to the effective time of the merger in exchange for stock appreciation rights of Boeing, equal to the product of the number of cancelled Aviall, Inc. stock appreciation rights and the quotient obtained by dividing \$48.00 by the closing price of a share of Boeing common stock listed on the New York Stock Exchange for the last trading day that preceded the effective time of the merger.

(6) This option, granted pursuant to the Aviall, Inc. 1993 Stock Incentive Plan which provided for vesting as follows: vesting as to 2,676 shares on March 19, 1998; vesting as to 2,677 shares on March 19, 1999; and vesting as to 2,759 shares on March 19, 2000, was cancelled in the merger in exchange for a cash payment of approximately \$300,651, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

(7) This option, granted pursuant to the Aviall, Inc. 1993 Stock Incentive Plan which provided for vesting as follows: vesting as to 8,873 shares on March 19, 1998; vesting as to 8,873 shares on March 19, 1999; and vesting as to 9,142 shares on March 19, 2000, was cancelled in the merger in exchange for a cash payment of approximately \$996,537, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

(8)

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This option, granted pursuant to the Aviall, Inc. 1993 Stock Incentive Plan which provided for vesting as follows: vesting as to 9,801 shares on March 17, 1999; vesting as to 10,000 shares on March 17, 2000; and vesting as to 3,235 shares on March 17, 2001, was cancelled in the merger in exchange for a cash payment of approximately \$765,226, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (9) This option, granted pursuant to the Aviall, Inc. 1993 Stock Incentive Plan which provided for vesting as follows: vesting as to 199 shares on March 17, 1999 and vesting as to 6,765 shares on March 17, 2001, was cancelled in the merger in exchange for a cash payment of approximately \$231,335, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (10) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 26, 2002, was cancelled in the merger in exchange for a cash payment of approximately \$333,878, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (11) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting as follows: vesting as to 11,666 shares on January 26, 2000; vesting as to 11,667 shares on January 26, 2001; and vesting as to 2,628 shares on January 26, 2002, was cancelled in the merger in exchange for a cash payment of approximately \$958,934, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (12) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on March 14, 2003, was cancelled in the merger in exchange for a cash payment of approximately \$260,430, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (13) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting as follows: vesting as to 6,667 shares on March 14, 2001 and vesting as to 6,666 shares on March 14, 2002, was cancelled in the merger in exchange for a cash payment of approximately \$520,820, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (14) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting as follows: vesting as to 8,250 shares on January 19, 2002 and vesting as to 1,719 shares on January 19, 2003, was cancelled in the merger in exchange for a cash payment of approximately \$416,829, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (15) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting as follows: vesting as to 6,531 shares on January 19, 2003 and vesting as to 8,500 shares on January 19, 2004, was cancelled in the merger in exchange for a cash payment of approximately \$628,484, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (16) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 29, 2003, was cancelled in the merger in exchange for a cash payment of approximately \$269,940, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (17) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting as follows: vesting as to 6,600 shares on January 29, 2004 and vesting as to 6,800 shares on January 29, 2005, was cancelled in the merger in exchange for a cash payment of approximately \$548,060, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (18) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 30, 2004, was cancelled in the merger in exchange for a cash payment of approximately \$237,848, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (19) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 30, 2004, was cancelled in the merger in exchange for a cash payment of approximately \$2,959, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (20) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 30, 2005, was cancelled in the merger in exchange for a cash payment of approximately \$240,808, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (21) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 30, 2006, was cancelled in the merger in exchange for a cash payment of approximately \$248,105, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (22) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 28, 2005, was cancelled in the merger in exchange for a cash payment of approximately \$156,784, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

(23)

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This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 28, 2005, was cancelled in the merger in exchange for a cash payment of approximately \$15,358, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (24) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 28, 2006, was cancelled in the merger in exchange for a cash payment of approximately \$59,292, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (25) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 28, 2006, was cancelled in the merger in exchange for a cash payment of approximately \$112,849, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (26) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 28, 2007, was cancelled in the merger in exchange for a cash payment of approximately \$177,358, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (27) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 27, 2006, was cancelled in the merger in exchange for a cash payment of approximately \$158,631, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (28) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 27, 2007, was cancelled in the merger in exchange for a cash payment of approximately \$158,631, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

- (29) This option, granted pursuant to the Aviall, Inc. 1998 Stock Incentive Plan which provided for vesting on January 27, 2008, was cancelled in the merger in exchange for a cash payment of approximately \$163,438, which is equal to the excess of \$48.00 per share over the per share exercise price subject to such option.

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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