

BARRON'S

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Editors Note: A previous version of this story referred incorrectly to the percentage of shares sold by Daniel Warmenhoven.

WITH HIS COMPANY'S shares just now climbing out of a hole they had languished in for months, NetApp (ticker: NTAP) Chief Executive Officer Daniel Warmenhoven has sold more than 10% of his stake in the company.

Warmenhoven entered into a selling plan in March and has already disposed of \$21 million in shares this month, most -- if not all -- of them acquired through options. Since April 3, he has sold 1.25 million shares that he owns through a trust at an average per-share price of \$17.08. Warmenhoven still holds more than six million shares, or about 2% of the company's stock.

Before this most recent selling spree, he had sold less than \$8 million in shares during the prior two years, according to data from research Website InsiderScore.com.

NetApp has compensated Warmenhoven with options for years -- in 2008, option awards accounted for \$3.3 million of his estimated \$5.9 million package, according to company filings. He holds more than three million exercisable options.

The company said in a response to questions that "Mr. Warmenhoven had options that are expiring in May 2009...Warmenhoven has been with NetApp for almost 15 years, and historical options have a 10-year life span."

NetApp stock is up about 30% in the past three months, though still well off the 52-week high of \$27.49 it hit last May. Shares closed Wednesday at \$18.84, up 4.4%.

Observers differed on the significance of Warmenhoven's sales.

Mark Kelleher, an analyst at Brigantine Advisors who rates the company at Hold, says in an interview that Warmenhoven's sales should not alarm investors. His long tenure at the company, large stock and options ownership, and the fact that the CEO entered into a planned selling agreement instead of suddenly dumping his shares make it seem unlikely he is selling in haste, he says.

"It would make sense that he would look to diversify his holdings given that he's been with the company so long, and he's acquired so many shares over the years," Kelleher says. "I would not look at it as a particularly ominous sign."

But Jason Raznick, a vice president at StreetInsider.com, called the sales "alarming," because he is "selling such an immense amount of stock."

NetApp has been rumored as a possible takeover target (see "[NetApp's Cheap Price Beckons All Sorts of Buyers](#)," Feb. 9, 2009), but Raznick thinks the selling could indicate that "no acquisition or deal is imminent."

Despite the recent increase in its share price, the company faces a difficult operating environment, Kelleher says. Its data-storage systems appeal to midmarket customers who are being wooed by numerous other competitors offering either cheaper products or more advanced ones, he says.

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.
Hansen Medical	F. Moll	CEO	\$300,001	92,308
3.25	Apr. 17, 2009			
Meridian Bioscience	L. Baldini	O	153,800	10,000
15.38	Apr. 17, 2009			
Patrick Industries	T. Cleveland	CEO	35,520	81,000
0.42-0.45	Apr. 17-20, 2009			
Washington Federal	J. Doud	D	23,060	2,000
11.53	Apr. 21, 2009			
Willamette Valley Vineyards	J. Bernau	CEO	18,047	6,942
2.47-2.63	Apr. 3-13, 2009			
WD 40	P. Bewley	D	12,162	500
24.28-24.35	Apr. 21, 2009			
WD 40	P. Bewley	D	11,998	500
23.94-24.04	Apr. 20, 2009			
Greenbrier	W. Furman	CEO	10,106	1,400
7.21-7.23	Apr. 21, 2009			
Keithley Instruments	J. Keithley	CEO	9,909	3,020
3.19-3.37	Apr. 20-21, 2009			
Methode Electronics	J. Colgate	D	5,600	1,000
5.60	Apr. 21, 2009			

COMPANY NAME	INSIDERS NAME	TITLE	\$ VALUE	NO. OF SHARES IN TRANS.
Fossil	T. Kartsothis	CB	\$4,686,394	261,000
17.43-18.20	Apr. 16-20, 2009			
Boston Scientific	J. Abele	D	2,660,400	300,000
8.76-8.98	Apr. 17-20, 2009			
Fossil	K. Kartsothis	CEO	1,071,418	60,000
17.46-18.10	Apr. 17-21, 2009			
Sourcefire	T. McDonough	P	599,680	60,000
9.84-10	Apr. 17-21, 2009			
Darden Restaurants	C. Richmond	CFO	585,102	15,000
39.01	Apr. 17, 2009			
Clorox	F. Tataseo	O	566,436	10,162
55.74	Apr. 20, 2009			
American Eagle Outfitters (New)	R. Markfield	OD	554,025	38,272
14.48	Apr. 20, 2009			
Community Trust Bancorp	M. Gooch	O	410,168	14,641
28.02	Apr. 20, 2009			
Adtran	R. Schansman	O	408,420	20,000
20.42	Apr. 20, 2009			
Lumber Liquidators	T. Sullivan	CB	336,981	25,000
13.25-14.40	Apr. 20, 2009			

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