

CHIRON CORP
Form 4
April 19, 2006

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 *
PENHOET EDWARD

(Last) (First) (Middle)
4560 HORTON STREET
(Street)
EMERYVILLE, CA 94608

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CHIRON CORP [CHIR]

3. Date of Earliest Transaction (Month/Day/Year)
04/19/2006

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) (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 | 04/19/2006 | | D ⁽¹⁾ | V | 214,357 ⁽²⁾ | D | |
| | | | | | \$ 48 0 | | |

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

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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| 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (Right to Buy) | \$ 35.8075 | 04/19/2006 | | D ⁽³⁾ | 15,000 | <u>(4)</u> | 04/19/2006 | Common Stock | 15,000 |
| Share Rights Award | <u>(5)</u> | 04/19/2006 | | A ⁽⁶⁾ | 3,233 | <u>(7)</u> | 04/19/2006 | Common Stock | 3,233 |
| Share Rights Award | <u>(5)</u> | 04/19/2006 | | D ⁽⁸⁾ | 3,233 | <u>(7)</u> | 04/19/2006 | Common Stock | 3,233 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| PENHOET EDWARD 4560 HORTON STREET EMERYVILLE, CA 94608 | | X | | |

Signatures

Edward E. Penhoet by Naima Robinson as Atty-in-Fact 04/19/2006

**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) The disposition was effected pursuant to the terms of the merger agreement between the Issuer and Novartis AG dated as of October 30, 2005 and as subsequently amended April 3, 2006 (the "Merger Agreement"), and involved the exchange of each share for a cash payment in the amount of \$48. The disposition was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(2) Includes share right awards covering 11,815 shares of the Issuer's common stock which were also exchanged for a cash payment pursuant to the Merger Agreement.

(3) The option was cancelled pursuant to the terms of the Merger Agreement in exchange for a cash payment per cancelled option share equal to \$48 less the exercise price per share in effect for that option. Such disposition of the option was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(4) The option was vested and fully exercisable as to all the shares at the time of cancellation.

(5) One-for-One

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- (6) Represents a share rights award for 3,233 vested shares of the Issuer's common stock made to the Reporting Person in a transaction exempt under SEC Rule 16b-3(d).
- (7) The share rights were vested and fully exercisable as to all the shares at the time of cancellation.
The share rights were cancelled pursuant to the terms of the Merger Agreement in exchange for a cash payment equal to \$48 per share of the Issuer's common stock underlying the cancelled share rights. Such disposition of the share rights was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).
- (8)

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.