

Sasson Gideon
Form 4
October 27, 2006

FORM 4

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

OMB APPROVAL

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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 *
Sasson Gideon

2. Issuer Name and Ticker or Trading Symbol
SCHWAB CHARLES CORP [SCH]

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
C/O THE CHARLES SCHWAB CORPORATION, 120 KEARNY STREET
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/27/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP and CIO

SAN FRANCISCO, CA 94108

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount or Price | | |
| Common Stock | 10/27/2006 | | M | | 184,992 A \$ 8.73 | 439,339 | D |
| Common Stock | 10/27/2006 | | M | | 22,923 A \$ 8.73 | 462,262 | D |
| Common Stock | 10/27/2006 | | S | | 3,167 D \$ 17.72 | 459,095 | D |
| Common Stock | 10/27/2006 | | S | | 2,927 D \$ 17.71 | 456,168 | D |
| Common Stock | 10/27/2006 | | S | | 108,408 D \$ 17.7 | 347,760 | D |

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Common Stock 10/27/2006 S 55,498 D \$ 17.69 292,262 ⁽¹⁾ D

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

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Non-Qualified Stock Option (right to buy) | \$ 8.73 | 10/27/2006 | | M | 184,992 | 02/23/1999 02/23/2008 | Common Stock |
| Incentive Stock Option (right to buy) | \$ 8.73 | 10/27/2006 | | M | 22,923 | 02/23/1999 02/23/2008 | Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Sasson Gideon
C/O THE CHARLES SCHWAB CORPORATION
120 KEARNY STREET
SAN FRANCISCO, CA 94108

EVP
and CIO

Signatures

Jane E. Fry,
Attorney-in-fact 10/27/2006

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) As of the date of this report, the reporting person also had an indirect beneficial ownership interest 10,000 shares held in a trust, 1,361 shares held in a custodial account for his daughter, 1011 shares held in a custodial account for his son, 7,710 shares held in an ESOP, and

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159 held in a 401(k).

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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