SEC Form 4

FORM 4

☐ Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* **Smith Theoren P III** (Last) (First) (Middle) **1710 SAIC DRIVE** (Street) **MCLEAN** **VA** **22102** (City) (State) (Zip)	2. Issuer Name **and** Ticker or Trading Symbol **SAIC, Inc.** [SAI] 3. Date of Earliest Transaction (Month/Day/Year) **10/16/2006** 4. If Amendment, Date of Original Filed (Month/Day/Year) **10/18/2006**

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)
- Director
- X Officer (give title below)
- 10% Owner
- Other (specify below)

EVP & Chief Technology Officer

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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 Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Class A Preferred Stock[1]	[2]	10/16/2006		A		34,379.9454		[2]	[3]	Common Stock	34,379.9454	[4]	34,379.9454	D	
Class A Preferred Stock[1]	[2]	10/16/2006		A		12,052		[2]	[3]	Common Stock	12,052	[4]	12,052	I	By Key Executive Stock Deferral Plan
Class A Preferred Stock[1]	[2]	10/16/2006		A		1,122		[2]	[3]	Common Stock	1,122	[4]	1,122	I	By SAIC Retirement Plan
Stock Option (Right to Buy)[1]	$9.6333	10/16/2006		A		78,207		10/04/2003[5]	10/03/2007	Class A Preferred Stock[2]	78,207	[6]	78,207	D	
Stock Option (Right to Buy)[1]	$9.5333	10/16/2006		A		44,999		03/25/2004[5]	03/24/2008	Class A Preferred Stock[2]	44,999	[6]	44,999	D	
Stock Option (Right to Buy)[1]	$12.1733	10/16/2006		A		44,999		03/31/2005[5]	03/30/2009	Class A Preferred Stock[2]	44,999	[6]	44,999	D	
Stock Option (Right to Buy)[1]	$13.5166	10/16/2006		A		74,996		03/31/2006[5]	03/30/2010	Class A Preferred Stock[2]	74,996	[6]	74,996	D	
Stock Option (Right to Buy)[1]	$14.4633	10/16/2006		A		42,597		11/22/2006[5]	11/21/2010	Class A Preferred Stock[2]	42,597	[6]	42,597	D	
Stock Option (Right to Buy)[1]	$14.64	10/16/2006		A		120,000		03/21/2007[5]	03/20/2011	Class A Preferred Stock[2]	120,000	[6]	120,000	D	

Explanation of Responses:

1. On October 16, 2006, SAIC, Inc. became the successor to Science Applications International Corporation pursuant to a merger. The merger resulted in SAIC, Inc. becoming the parent holding company of Science Applications International Corporation, but did not alter the proportionate interests of security holders.

2. Class A Preferred Stock is convertible into Common Stock on a 1 for 1 basis on and after the following dates and in the proportionate amounts for each Series: 20% allocated to Series A-1 and convertible on January 11, 2007; 20% allocated to Series A-2 and convertible on April 11, 2007; 30% allocated to Series A-3 and convertible on July 10, 2007; 30% allocated to Series A-4 and convertible on October 8, 2007.

3. Class A Preferred Stock has no expiration date.

4. Received in a reorganization merger with Science Applications International Corporation ("Old SAIC"). On the effective date of the merger, the closing price for SAIC, Inc.'s common stock (into which the Class A preferred shares will become convertible on a one-for-one basis) was $18.11 per share; the securities of Old SAIC were not listed on any securities exchange.

5. The option is exercisable according to the following annual vesting schedule: 20% in years 1, 2 and 3, and 40% in year 4. The date exercisable set forth above is the first anniversary of the date of grant of each option and represents the date on which the option first became exercisable with respect to 20% of the underlying shares in accordance with the aforementioned vesting schedule.

6. Received in a reorganization merger with Old SAIC in exchange for an option to purchase shares of Old SAIC common stock.

Remarks:

By: N. Walker, Attorney-in-fact   05/01/2007

** Signature of Reporting Person   Date

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