

PARADYNE NETWORKS INC
 Form 4
 September 07, 2005

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 *
 BELANGER SEAN E

2. Issuer Name and Ticker or Trading Symbol
 PARADYNE NETWORKS INC
 [PDYN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 8545 126TH AVENUE NORTH
 (Street)

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/01/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

LARGO, FL 33773
 (City) (State) (Zip)

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

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)
				(A) or (D)			
			Code	V	Amount	(D)	Price
Common Stock	09/01/2005		D		34,777	D	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
Non-Qualified Stock Option (Right to Buy)	\$ 2	09/01/2005		D	120,000	<u>(2)</u>	10/28/2007	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 28.06	09/01/2005		D	80,000	<u>(3)</u>	10/06/2009	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 25	09/01/2005		D	850,000	<u>(4)</u>	04/05/2010	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.63	09/01/2005		D	1,072,500	<u>(5)</u>	12/08/2010	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 2	09/01/2005		D	24,739	<u>(6)</u>	06/04/2011	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 2.3	09/01/2005		D	424,739	<u>(7)</u>	07/29/2012	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.64	09/01/2005		D	424,700	<u>(8)</u>	08/11/2013	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.71	09/01/2005		D	212,350	<u>(9)</u>	02/06/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.3	09/01/2005		D	106,175	<u>(10)</u>	03/23/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 3.46	09/01/2005		D	106,175	<u>(11)</u>	10/13/2014	Common Stock
Non-Qualified Stock Option (Right to Buy)	\$ 1.8	09/01/2005		D	424,700	<u>(12)</u>	06/30/2015	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BELANGER SEAN E 8545 126TH AVENUE NORTH LARGO, FL 33773	X		President and CEO	

Signatures

/s/ Pat Flood,
Attorney-in-Fact

09/06/2005

**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 shares were disposed of pursuant to the merger agreement between Zhone Technologies, Inc. ("Zhone") and the issuer in exchange for 1.0972 shares of Zhone common stock per share of issuer common stock. The Zhone common stock had a market value of \$2.65 per share on the effective date of the merger.
 - (2) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 131,664 shares of Zhone common stock for \$1.83 per share.
 - (3) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 87,776 shares of Zhone common stock for \$25.58 per share.
 - (4) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 932,620 shares of Zhone common stock for \$22.79 per share.
 - (5) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 1,176,747 shares of Zhone common stock for \$1.49 per share.
 - (6) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 27,143 shares of Zhone common stock for \$1.83 per share.
 - (7) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 466,023 shares of Zhone common stock for \$2.10 per share.
 - (8) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 465,980 shares of Zhone common stock for \$1.50 per share.
 - (9) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 232,990 shares of Zhone common stock for \$3.39 per share.
 - (10) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 116,495 shares of Zhone common stock for \$3.01 per share.
 - (11) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 116,495 shares of Zhone common stock for \$3.16 per share.
 - (12) The option, which was fully vested or became fully vested pursuant to the merger agreement, was assumed by Zhone in the merger and replaced with an option to purchase 465,980 shares of Zhone common stock for \$1.65 per share.

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.