

BENTLEY PHARMACEUTICALS INC
 Form 4
 March 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 *
MURPHY JAMES R

2. Issuer Name and Ticker or Trading Symbol
BENTLEY PHARMACEUTICALS INC [BNT]

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

(Last) (First) (Middle)
BENTLEY PARK, 2 HOLLAND WAY
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
03/23/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman & CEO

EXETER, NH 03833

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Price | | | |
| Common Stock, \$.02 par value | 03/23/2006 | | M | 200,000 A \$ 4.73 | 532,425 | D | |
| Common Stock, \$.02 par value | 03/23/2006 | | F | 119,197 (1) D \$ 12.985 | 413,228 | D | |
| Common Stock, \$.02 par | | | | | 100 | I (2) | By Son |

value

Common
Stock,
\$.02 par
value

9,563

I

Company-Sponsored
401(k) Plan

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

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 | Amount |
| Right to purchase | \$ 4.73 | 03/23/2006 | | M | 200,000 | 01/06/2000 ⁽³⁾ 04/19/2006 | Common Stock, \$.02 par value | 200,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|----------------|-------|
| | Director | 10% Owner | Officer | Other |
| MURPHY JAMES R BENTLEY PARK 2 HOLLAND WAY EXETER, NH 03833 | X | | Chairman & CEO | |

Signatures

James R.
Murphy 03/27/2006

**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) Represents (i) mature shares tendered to the Company by the reporting person in connection with the exercise of vested stock options and (ii) shares withheld by the Company at the direction of the reporting person to satisfy minimum tax withholding requirements.
- (2) Represents 100 shares of Common Stock held by Mr. Murphy's son, as to which Mr. Murphy disclaims beneficial ownership.

Options to purchase 600,000 shares of Common Stock were granted pursuant to terms approved by the Company's shareholders at the

- (3) Annual Meeting of Shareholders on June 14, 1996. These options became exercisable in three equal installments on 6/12/1996, 12/10/1999, and 1/6/2000 at exercise prices of \$2.89, \$3.68, and \$4.73, respectively.

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.