

GAP INC
Form 4
March 21, 2008

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 *
Shanahan Lauri M

(Last) (First) (Middle)
GAP INC., 2 FOLSOM STREET
(Street)

SAN FRANCISCO, CA 94105

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
GAP INC [GPS]

3. Date of Earliest Transaction (Month/Day/Year)
03/19/2008

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)
EVP, Chief Legal&Admin Officer

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/19/2008	03/19/2008	M		42,187	A	\$ 20.2083
Common Stock	03/19/2008	03/19/2008	S		17,556	D	\$ 20.7
Common Stock	03/19/2008	03/19/2008	S		800	D	\$ 20.71
Common Stock	03/19/2008	03/19/2008	S		100	D	\$ 20.715
Common Stock	03/19/2008	03/19/2008	S		9,031	D	\$ 20.72

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Common Stock	03/19/2008	03/19/2008	S	300	D	\$ 20.725	17,140.28	D
Common Stock	03/19/2008	03/19/2008	S	1,800	D	\$ 20.73	15,340.28	D
Common Stock	03/19/2008	03/19/2008	S	100	D	\$ 20.7325	15,240.28	D
Common Stock	03/19/2008	03/19/2008	S	400	D	\$ 20.737	14,840.28	D
Common Stock	03/19/2008	03/19/2008	S	4,200	D	\$ 20.74	10,640.28	D
Common Stock	03/19/2008	03/19/2008	S	1,300	D	\$ 20.7425	9,340.28	D
Common Stock	03/19/2008	03/19/2008	S	200	D	\$ 20.745	9,140.28	D
Common Stock	03/19/2008	03/19/2008	S	3,300	D	\$ 20.75	5,840.28	D
Common Stock	03/19/2008	03/19/2008	S	1,500	D	\$ 20.76	4,340.28	D
Common Stock	03/19/2008	03/19/2008	S	100	D	\$ 20.81	4,240.28	D
Common Stock	03/19/2008	03/19/2008	S	100	D	\$ 20.815	4,140.28	D
Common Stock	03/19/2008	03/19/2008	S	1,400	D	\$ 20.82	2,740.28	D

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

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(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 Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		

Stock Option (right to buy)	\$ 20.2083	03/19/2008		M	42,187	<u>(1)</u>	03/31/2008	Common Stock	42,187
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Reporting Owners

Reporting Owner Name / Address	Relationships			Other
	Director	10% Owner	Officer	
Shanahan Lauri M GAP INC. 2 FOLSOM STREET SAN FRANCISCO, CA 94105			EVP, Chief Legal&Admin Officer	

Signatures

/s/ Ingrid Freire, Power of Attorney 03/21/2008

**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) These options are fully vested and exercisable.

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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