

Johnson Gary
Form 4
January 31, 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 *
Johnson Gary

(Last) (First) (Middle)
70 W. PLUMERIA DRIVE
(Street)

SAN JOSE, CA 95134

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PortalPlayer, Inc. [PLAY]

3. Date of Earliest Transaction
(Month/Day/Year)
01/31/2006

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)
President and CEO

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 | 01/31/2006 | | M | | 10,000 | A | \$ 0.45 71,833 | D | |
| Common Stock | 01/31/2006 | | S | | 10,000 (1) | D | \$ 29.691 61,833 | D | |
| Common Stock | 01/31/2006 | | M | | 10,000 | A | \$ 0.45 71,833 | D | |
| Common Stock | 01/31/2006 | | S | | 10,000 (1) | D | \$ 29.7298 61,833 | D | |
| Common Stock | | | | | | | | 31,553 | I |

By
Benhall Trust (2)

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| | | | |
|--------------|--------|---|---------------------------------|
| Common Stock | 11,167 | I | By TST FBO C Johnson <u>(3)</u> |
| Common Stock | 11,167 | I | By TST FBO M Johnson <u>(4)</u> |
| Common Stock | 31,553 | I | By Welby TST <u>(5)</u> |

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)

| 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 Amount or Number of Shares |
| Incentive Stock Option (right to buy) | \$ 0.45 | 01/31/2006 | | M | 10,000 | 12/07/2003 04/30/2013 | Common Stock 10,000 |
| Incentive Stock Option (right to buy) | \$ 0.45 | 01/31/2006 | | M | 10,000 | 12/07/2003 04/30/2013 | Common Stock 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| | X | | President and CEO | |

Johnson Gary
70 W. PLUMERIA DRIVE
SAN JOSE, CA 95134

Signatures

By: Pulay Mohun, Attorney-in-fact For: Gary
Johnson

01/31/2006

__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) The sales reported on this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 26, 2005.
- (2) By Benhall - (A) Annuity Trust dated June 9, 2004.
By Johnson Childrens Trust F/B/O Claire Johnson. The shares are held in a trust for the benefit of the reporting person's children. Joel Silberman is the trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.
- (4) By Johnson Childrens Trust F/B/O Matthew Johnson. The shares are held in a trust for the benefit of the reporting person's children. Joel Silberman is the trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.
- (5) By Welby - (A) Annuity Trust dated June 9, 2004. The shares are held in a trust for the benefit of the reporting person's wife. The reporting person's wife is trustee of the trust. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or any other purpose.

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.