

NEXTEST SYSTEMS CORP

Form 4

January 25, 2008

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
Foster Craig Z

2. Issuer Name **and** Ticker or Trading
Symbol
NEXTEST SYSTEMS CORP
[NEXT]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
875 EMBEDDED WAY
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/24/2008

____ Director ____ 10% Owner
____X____ Officer (give title ____ Other (specify
below) below)
Vice President of Engineering

SAN JOSE, CA 95138

4. If Amendment, Date Original
Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	01/24/2008		U		270,000	D	\$ 20 56,000
Common Stock	01/24/2008		D		56,000	D	(3) 0

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

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information contained in this form are not
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(9-02)

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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)	Amount or Number of Shares
Employee Stock Option	\$ 1	01/24/2008		D	17,500	07/23/2007 ⁽¹⁾ 10/23/2013	Common Stock	17,500
Employee Stock Option	\$ 1	01/24/2008		D	52,500	⁽²⁾ 10/17/2012	Common Stock	52,500

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Foster Craig Z 875 EMBEDDED WAY SAN JOSE, CA 95138	Vice President of Engineering

Signatures

/s/ James P. Moniz,
Attorney-in-Fact 01/25/2008

__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) This option, which provided for vesting on July 23, 2007, was assumed by Teradyne, Inc. in the merger and replaced with an option to purchase 37,618 shares of Teradyne common stock for \$0.4652 per share.

(2) This option, which provided for vesting in three equal annual installments beginning July 18, 2004, was assumed by Teradyne, Inc. in the merger and replaced with an option to purchase 112,854 shares of Teradyne common stock for \$0.4652 per share.

(3) Disposed of pursuant to merger agreement between issuer and Teradyne, Inc. and replaced with 120,377 Teradyne restricted stock units.

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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