

Lyle David  
 Form 4  
 December 16, 2010

**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 \*  
 Lyle David

2. Issuer Name and Ticker or Trading Symbol  
 ENTROPIC COMMUNICATIONS INC [ENTR]

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

(Last) (First) (Middle)  
 6290 SEQUENCE DRIVE  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 12/15/2010

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Chief Financial Officer

SAN DIEGO, CA 92121  
 (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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
COMMON STOCK	12/15/2010		S <sup>(1)</sup>		35,447 D \$ 11.1735 (2)	0	D
COMMON STOCK	12/15/2010		M		7,583 A \$ 0.4284	7,583	D
COMMON STOCK	12/15/2010		S <sup>(1)</sup>		7,583 D \$ 11.1735 (2)	0	D
COMMON STOCK	12/15/2010		M		1,209 A \$ 0.4284	1,209	D
	12/15/2010		S <sup>(1)</sup>		1,209 D	0	D

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COMMON STOCK						\$ 11.1735 <u>(2)</u>	
COMMON STOCK	12/15/2010	M	31,395	A	\$ 0.4284	31,395	D
COMMON STOCK	12/15/2010	<u>S(1)</u>	31,395	D	\$ 11.1735 <u>(2)</u>	0	D
COMMON STOCK	12/15/2010	M	26,209	A	\$ 0.4284	26,209	D
COMMON STOCK	12/15/2010	<u>S(1)</u>	26,209	D	\$ 11.1735 <u>(2)</u>	0	D
COMMON STOCK	12/15/2010	M	81,760	A	\$ 1.0491	81,760	D
COMMON STOCK	12/15/2010	<u>S(1)</u>	81,760	D	\$ 11.1735 <u>(2)</u>	0	D
COMMON STOCK	12/15/2010	M	1,844	A	\$ 1.99	1,844	D
COMMON STOCK	12/15/2010	<u>S(1)</u>	1,844	D	\$ 11.1735 <u>(2)</u>	0	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 Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
INCENTIVE STOCK OPTION	\$ 0.4284	12/15/2010		M	7,583	<u>(3)</u>	08/19/2015	COMMON STOCK

(RIGHT TO BUY)								
INCENTIVE STOCK OPTION (RIGHT TO BUY)	\$ 0.4284	12/15/2010	M	1,209	<u>(4)</u>	08/19/2015	COMMON STOCK	
INCENTIVE STOCK OPTION (RIGHT TO BUY)	\$ 0.4284	12/15/2010	M	31,395	<u>(4)</u>	08/19/2015	COMMON STOCK	
INCENTIVE STOCK OPTION (RIGHT TO BUY)	\$ 0.4284	12/15/2010	M	26,209	<u>(5)</u>	10/13/2016	COMMON STOCK	
INCENTIVE STOCK OPTION (RIGHT TO BUY)	\$ 1.0491	12/15/2010	M	81,760	<u>(6)</u>	05/18/2017	COMMON STOCK	
NON-QUALIFIED STOCKOPTION (RIGHT TO BUY)	\$ 1.99	12/15/2010	M	1,844	<u>(7)</u>	03/19/2018	COMMON STOCK	

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lyle David 6290 SEQUENCE DRIVE SAN DIEGO, CA 92121			Chief Financial Officer	

## Signatures

LANCE W. BRIDGES, AS ATTORNEY-IN-FACT FOR DAVID B. LYLE  
12/16/2010

\_\_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 in the Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 28, 2009.  
The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$10.96 to \$11.39, per share. The reporting person undertakes to provide to Entropic Communications (the "Company"), any security holder of the Company or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within the ranges set forth in this footnote.
- (3) 1/4th of the shares vest one year after the Vesting Commencement Date beginning 8/19/05. 1/48th of the shares vest monthly thereafter over the next three years. The options may be early exercised prior to vesting but any exercised and unvested shares are subject to a right of repurchase on behalf of the Issuer. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.
- (4) Vesting began once Reporting Person met certain milestones which occurred on 8/19/05. 1/48th of the shares vest monthly thereafter over the next four years. The options may be early exercised prior to vesting but any exercised and unvested shares are subject to a right of repurchase on behalf of the Issuer. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.

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(5) Vesting began once Reporting Person met certain milestones which occurred on 10/13/06. 1/48th of the shares vest monthly thereafter over the next four years. The options may be early exercised prior to vesting but any exercised and unvested shares are subject to a right of repurchase on behalf of the Issuer. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.

(6) 1/4th of the shares vest one year after the Vesting Commencement Date beginning 5/18/07. 1/48th of the shares vest monthly thereafter over the next three years. The options may be early exercised prior to vesting but any exercised and unvested shares are subject to a right of repurchase on behalf of the Issuer. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.

(7) 18,055 of the options will become exercisable on May 15, 2010. The remainder of the options become exercisable in equal monthly installments beginning June 19, 2010 until fully vested on March 19, 2012. Additionally, grant is subject to accelerated vesting on the terms and conditions set forth in such individual's Change of Control Agreement.

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.