

JAKKS PACIFIC INC
 Form 4
 June 13, 2007

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 *
FRIEDMAN JACK

(Last) (First) (Middle)

**C/O JAKKS PACIFIC, INC., 22619
 PACIFIC COAST HIGHWAY**

(Street)

MALIBU, CA 90265

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
JAKKS PACIFIC INC [JAKK]

3. Date of Earliest Transaction
 (Month/Day/Year)
06/11/2007

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)
Chairman 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | | |
| | | | | | (A) or (D) | | |
| | | | | | Price | | |
| Common Stock | 06/11/2007 | | M | | 175,000 (1) | A | \$ 16.25 (2) |
| | | | | | 776,904 (5) | (4) | D |
| Common Stock | 06/11/2007 | | F | | 107,637 (1) | D | \$ 26.42 (3) |
| | | | | | 669,267 (5) | (4) | D |

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

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Options | \$ 16.25 | 06/11/2007 | | M | 175,000 | (6) 07/11/2007 | Common Stock | 175,000 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| FRIEDMAN JACK C/O JAKKS PACIFIC, INC. 22619 PACIFIC COAST HIGHWAY MALIBU, CA 90265 | X | | Chairman and CEO | |

Signatures

/s/ Jack Friedman 06/13/2007

**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 Holder exercised an option to purchase 175,000 shares of the Issuer's common stock and, in accordance with the terms of the Issuer's 1995 Employee Stock Option Plan, as amended and restated, paid the \$2,843,750 exercise price therefor through the surrender of 107,637 shares of the Issuer's common stock.
- (2) Represents the option exercise price.
- (3) Represents the closing price of the Issuer's common stock on 6/11/07, as reported by Nasdaq.
- (4) See Remarks
- (5) The Holder has agreed with the Issuer that the shares of common stock obtained through the exercise of the option reported herein shall be subject to the following restrictions on resale: none of such shares may be sold prior to June 11, 2009 and not more than 50% (i.e., 87,500) of such shares may be sold prior to June 11, 2010.
- (6) Currently exercisable.

Remarks:

4. Includes 120,000 shares issued pursuant to the terms of Holder's Employment Agreement with the Issuer and are further subject to the terms of that certain January 1, 2007 Restricted Stock Award Agreement (the "Agreement") by and between the

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Holder and the Issuer. The Agreement provides that the Holder will forfeit his rights to all 120,000 shares unless certain conditions precedent are met prior to January 1, 2008, including the condition that the Issuer's Pre-Tax Income (as defined in the Agreement) for 2007 exceeds \$2,000,000, whereupon the forfeited shares will become authorized but unissued shares of the Issuer's common stock. The Agreement prohibits the Holder from selling, assigning, transferring, pledging or otherwise encumbering (a) 60,000 of the 120,000 shares prior to January 1, 2008 and (b) the remaining 60,000 shares prior to January 1, 2009; provided, however, that if the Issuer's Pre-Tax Income for 2007 exceeds \$2,000,000 and the Issuer's Adjusted EPS Growth (as defined in the Agreement) for 2007 increases by certain percentages as set forth in the Agreement, the vesting of some or all of the 60,000 shares that would otherwise vest on January 1, 2009 will be accelerated to the date the Adjusted EPS Growth is determined. Also, includes 30,000 shares of restricted stock which do not vest until January 1, 2008 pursuant to that certain January 1, 2006 Restricted Stock Award Agreement by and between the Holder and the Issuer.

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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