CALDARELLI O. JOE
Form 4
February 15, 2011

FORM 4

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

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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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
CALDARELLI O. JOE

(Last) (First) (Middle)

811 HANSEN WAY

(Street)

PALO ALTO, CA 94303

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CPI INTERNATIONAL, INC. [CPII]

3. Date of Earliest Transaction (Month/Day/Year)
02/11/2011

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
CHIEF EXECUTIVE OFFICER

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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, par value $0.01 per share	02/11/2011		D[(1)]		163,784 [(1)]	D	$ 19.5 [(1)]	0	D	

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

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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
Employee Stock Option (Right to Buy)	$ 19.33	02/11/2011		J[2]		36,000		[2]	12/01/2020	Common Stock	36,00
Employee Stock Option (Right to Buy)	$ 9.66	02/11/2011		J[3]		36,000		[3]	12/08/2019	Common Stock	36,00
Employee Stock Option (Right to Buy)	$ 10	02/11/2011		J[4]		36,000		[4]	12/05/2018	Common Stock	36,00
Employee Stock Option (Right to Buy)	$ 16.79	02/11/2011		J[5]		30,000		[5]	11/30/2017	Common Stock	30,00
Employee Stock Option (Right to Buy)	$ 14.22	02/11/2011		J[6]		45,000		12/08/2010	12/08/2016	Common Stock	45,00
Employee Stock Option (Right to Buy)	$ 18	02/11/2011		J[7]		45,000		[7]	04/27/2016	Common Stock	45,00
Employee Stock Option (Right to Buy)	$ 6.61	02/11/2011		J[8]		10,896		09/29/2008	09/29/2014	Common Stock	10,89

Employee Stock Option (Right to Buy)	$ 4.32	02/11/2011	J[9]	43,584	09/29/2008	09/29/2014	Common Stock	43,58
Employee Stock Option (Right to Buy)	$ 4.32	02/11/2011	J[10]	517,566	03/01/2008	03/01/2014	Common Stock	517,5
Employee Stock Option (Right to Buy)	$ 1.08	02/11/2011	J[11]	7,411	02/03/2008	02/03/2014	Common Stock	7,41
Employee Stock Option (Right to Buy)	$ 0.2	02/11/2011	J[12]	272,403	03/10/2007	03/10/2013	Common Stock	272,4

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CALDARELLI O. JOE 811 HANSEN WAY PALO ALTO, CA 94303	X		CHIEF EXECUTIVE OFFICER	

Signatures

/s/ Amanda Mogin, Attorney in Fact	02/15/2011
**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) Disposed of pursuant to merger agreement between issuer and CPI International Acquisition, Inc. (formerly Catalyst Holdings, Inc.) in exchange for $19.50 per share in cash. Includes 12,000 restricted stock units that were granted under the issuer's 2006 Equity and Performance Incentive Plan and were previously reported on a Form 4 as acquired by the reporting person.

(2) This option provided for vesting in four equal annual installments beginning on December 1, 2011. 25% of the option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $0.17 per option. The remaining 75% of the option was cancelled for no consideration.

(3) This option provided for vesting in four equal annual installments beginning on December 8, 2010. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $9.84 per option.

(4)

This option provided for vesting in four equal annual installments beginning on December 5, 2009. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $9.50 per option.

(5) This option provided for vesting in four equal annual installments beginning on November 30, 2008. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $2.71 per option.

(6) This option provided for vesting in four equal annual installments beginning on December 8, 2007. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $5.28 per option.

(7) This option provided for vesting in four equal annual installments beginning on April 27, 2008. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $1.50 per option.

(8) This option provided for vesting in four equal annual installments beginning on September 29, 2005. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $12.89 per option.

(9) This option provided for vesting in four equal annual installments beginning on September 29, 2005. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $15.18 per option.

(10) This option provided for vesting in four equal annual installments beginning on March 1, 2005. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $15.18 per option.

(11) This option provided for vesting in four equal annual installments beginning on February 3, 2005. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $18.42 per option.

(12) This option provided for vesting in four equal annual installments beginning on March 10, 2004. The option was cancelled following the merger in exchange for a cash payment equal to the excess of the amount payable for shares in the merger ($19.50) over the exercise price, resulting in a net payment of $19.30 per option.

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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