

CAPSTONE TURBINE CORP
 Form 4
 August 14, 2006

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 *
TUCKER JOHN R

2. Issuer Name and Ticker or Trading Symbol
**CAPSTONE TURBINE CORP
 [cpst]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
21211 NORDHOFF STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/01/2006

____ Director
 ____ Officer (give title below) Other (specify below)
Former President & CEO

CHATSWORTH, CA 91311

(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 Ownership: Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	08/01/2006	08/01/2006	D		125,000 (1)	D	\$ 0.001
					375,000	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)

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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
Employee Stock Option (Right-to-Buy)	\$ 2.63	08/01/2006	08/01/2006	D	300,000 <u>(1)</u>	06/12/2004 06/12/2016	Common Stock	
Employee Stock Option (Right-to-Buy)	\$ 1.18	08/01/2006	08/01/2006	D	500,000 <u>(1)</u>	08/01/2004 08/01/2013	Common Stock	
Employee Stock Option (Right to Buy)	\$ 2.58	08/01/2006	08/01/2006	D	200,000 <u>(1)</u>	07/01/2006 ⁽²⁾ 06/22/2016	Common Stock	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
TUCKER JOHN R 21211 NORDHOFF STREET CHATSWORTH, CA 91311			Former President & CEO	

Signatures

John Tucker 08/14/2006

__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 restricted stock and options were cancelled in connection with Mr. Tucker's resignation as President, Chief Executive Officer and Director of the Company as partial consideration for the Consulting Agreement between Mr. Tucker and the Company.
- (2) 4,167 shares vested on this date. The remaining shares would have vested over a period of 47 months.

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.