

PALMER JAMES F
Form 4
February 19, 2010

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

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
PALMER JAMES F

2. Issuer Name **and** Ticker or Trading
Symbol
NORTHROP GRUMMAN CORP
/DE/ [NOC]

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)
1840 CENTURY PARK EAST
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
02/16/2010

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Corp. VP & CFO

LOS ANGELES, CA 90067

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 Indirect Beneficial Ownership (Instr. 4)
Common Stock	02/16/2010		F	V Amount (A) or (D) Price 7,958 D \$ 59.56	92,392 ⁽¹⁾	D	
Common Stock	02/16/2010		J ⁽²⁾	2,600 D ⁽²⁾ 59.56	89,792 ⁽¹⁾	D	
Common Stock	02/16/2010		A	31,600 A \$ 59.56	121,392 ⁽³⁾	D	
Common Stock	02/16/2010		A	42,000 A \$ 59.56	163,392 ⁽⁴⁾	D	

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

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SEC 1474
(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 S (Instr. 3 and
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
Stock Option (Right-to-Buy)	\$ 59.56	02/16/2010		A	133,600	02/16/2011 ⁽⁵⁾	02/16/2017 Common Stock
Stock Option (Right-to-Buy)	\$ 59.56	02/16/2010		A	258,800	02/16/2013 ⁽⁶⁾	02/16/2017 Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
PALMER JAMES F 1840 CENTURY PARK EAST LOS ANGELES, CA 90067	Corp. VP & CFO

Signatures

Kathleen M. Salmas, Attorney-in-fact for James F. Palmer 02/19/2010

__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).

- Total amount includes 17,900 unvested Restricted Performance Stock Rights ("RPSRs") granted pursuant to the Northrop Grumman 2001 Long-Term Incentive Stock Plan (LTISP) on 2/27/08 with the valuation of performance measurement period ("measurement period")
- ending on 12/31/10; 20,000 remaining unvested Restricted Stock Rights ("RSRs") granted pursuant to the 2001 LTISP on 3/12/07 with next scheduled 25% annual installment vesting on 3/12/10; and 28,000 unvested RPSRs granted under the 2001 LTISP on 2/17/09 with the measurement period ending on 12/31/11. Grants awarded pursuant to Rule 16b-3(d).
 - The measurement period for this installment of Restricted Performance Stock Rights (RPSRs) ended on 12/31/09, and the decrease in the number of shares represent a payout below the target for the 2009 performance period.
 - Total amount includes 17,900 unvested Restricted Performance Stock Rights ("RPSRs") granted pursuant to the Northrop Grumman 2001 Long-Term Incentive Stock Plan (LTISP) on 2/27/08 with the valuation of performance measurement period ("measurement period") ending on 12/31/10; 20,000 remaining unvested Restricted Stock Rights ("RSRs") granted pursuant to the 2001 LTISP on 3/12/07 with

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next scheduled 25% annual installment vesting on 3/12/10; 28,000 unvested RPSRs granted under the 2001 LTISP on 2/17/09 with the measurement period ending on 12/31/11; and 31,600 RPSRs granted under the 2001 LTISP on 2/16/10 with the measurement period ending on 12/31/12. Grants awarded pursuant to Rule 16b-3(d).

Total amount includes 17,900 unvested Restricted Performance Stock Rights ("RPSRs") granted pursuant to the Northrop Grumman 2001 Long-Term Incentive Stock Plan (LTISP) on 2/27/08 with the valuation of performance measurement period ("measurement period") ending on 12/31/10; 20,000 remaining unvested Restricted Stock Rights ("RSRs") granted pursuant to the 2001 LTISP on 3/12/07 with

- (4) next scheduled 25% annual installment vesting on 3/12/10; and 28,000 unvested RPSRs granted under the 2001 LTISP on 2/17/09 with the measurement period ending on 12/31/11; 31,600 RPSRs granted under the 2001 LTISP on 2/16/10 with the measurement period ending on 12/31/12; and 42,000 RSRs granted pursuant to the 2001 LTISP on 2/16/10 and cliff vests four years from date of grant on 2/16/14. Grants awarded pursuant to Rule 16b-3(d).
- (5) The option vests over a period of three years to the extent of one-third (33%) annual equal installments on 2/16/11, 2/16/12 and 2/16/13.
- (6) The option vests 50% in years 3 and 4 of grant.

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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