

AETHER HOLDINGS INC  
 Form 4  
 October 31, 2006

**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 \*  
**BEESE J CARTER JR**

(Last) (First) (Middle)

C/O AETHER HOLDINGS, 621 E. PRATT STREET, SUITE 601

(Street)

BALTIMORE, MD 21202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

AETHER HOLDINGS INC [AETH]

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

10/31/2006

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)

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 Beneficial Ownership (Instr. 4)	
				(A) or (D)	Price			
				Code	V	Amount	(D)	Price

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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	(A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
				Code	V					(A)
Employee Stock Option (right to buy)	\$ 16	10/31/2006	D <sup>(1)</sup>			12,600	<u>(1)</u>	01/29/2007	Common Stock	12,600
Employee Stock Option (right to buy)	\$ 16	10/31/2006	A <sup>(1)</sup>			12,600	<u>(1)</u>	10/25/2009	Common Stock	12,600
Employee Stock Option (right to buy)	\$ 16	10/31/2006	D <sup>(1)</sup>			4,000	<u>(1)</u>	01/29/2007	Common Stock	4,000
Employee Stock Option (right to buy)	\$ 16	10/31/2006	A <sup>(1)</sup>			4,000	<u>(1)</u>	10/25/2009	Common Stock	4,000
Employee Stock Option (right to buy)	\$ 16	10/31/2006	D <sup>(1)</sup>			4,000	<u>(1)</u>	01/29/2007	Common Stock	4,000
Employee Stock Option (right to buy)	\$ 16	10/31/2006	A <sup>(1)</sup>			4,000	<u>(1)</u>	10/25/2009	Common Stock	4,000
Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	D <sup>(2)</sup>			18,000	<u>(2)</u>	01/29/2007	Common Stock	18,000
Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	A <sup>(2)</sup>			18,000	<u>(2)</u>	07/25/2011	Common Stock	18,000

Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	D <sup>(2)</sup>	5,000	(2)	01/29/2007	Common Stock	5,000
Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	A <sup>(2)</sup>	5,000	(2)	07/25/2011	Common Stock	5,000
Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	D <sup>(2)</sup>	5,000	(2)	01/29/2007	Common Stock	5,000
Employee Stock Option (right to buy)	\$ 8.54	10/31/2006	A <sup>(2)</sup>	5,000	(2)	07/25/2011	Common Stock	5,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BEESE J CARTER JR C/O AETHER HOLDINGS 621 E. PRATT STREET, SUITE 601 BALTIMORE, MD 21202		X		

## Signatures

/s/ J. Carter  
 Beese, Jr. 10/31/2006

\*\*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).

The six reported transactions involve amendments to outstanding options originally granted on October 25, 1999 at a strike price of \$16.00. The exercise period of each of these options has been amended to provide that the options shall become exercisable on or after January 1, 2009 and shall remain exercisable until midnight on October 25, 2009.

The six reported transactions involve amendments to outstanding options originally granted on July 25, 2001 at a strike price of \$8.54. The exercise period of each of these options has been amended to provide that the options shall become exercisable on or after January 1, 2011 and shall remain exercisable until midnight on July 25, 2011.

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.