ERVIN GARY W.
Form 4
May 05, 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 *
ERVIN GARY W.

(Last) (First) (Middle)

1840 CENTURY PARK EAST

(Street)

LOS ANGELES, CA 90067

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/03/2011

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Corp VP & Pres Aerospace Sys

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 | 05/03/2011 | | M | | 45,000 | A | $ 41.14 | 182,348.5 (1) | D | |
| Common Stock | 05/03/2011 | | S | | 45,000 | D | $ 64.83 (2) | 137,348.5 (1) | D | |
| Common Stock | | | | | | | | 6,528.056 | I | See footnote (3) |

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

**Persons who respond to the collection of information contained in this form are not**

SEC 1474 (9-02)

**required to respond unless the form displays a currently valid OMB control number.**

**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 A Underlying Se (Instr. 3 and 4 |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title |
| Stock Option (Right-to-Buy) | $ 41.14 | 05/03/2011 | | M | | | 45,000 | 02/17/2010(4) | 02/17/2016 | Common Stock |
| SEP Unit | (5) | | | | | | | (6) | (6) | Common Stock |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| ERVIN GARY W.<br>1840 CENTURY PARK EAST<br>LOS ANGELES, CA 90067 | | | Corp VP & Pres Aerospace Sys | |

# Signatures

| /s/ Kathleen M. Salmas, Attorney-in-Fact for Gary W. Ervin | 05/05/2011 |
|---|---|
| **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)** Total amount includes 23,953 unvested Restricted Performance Stock Rights ("RPSRs") granted under the 2001 Long-Term Incentive Stock Plan ("LTISP") on 2/17/09, with a valuation of performance measurement period ("measurement period") ending on 12/31/11; 34,562 unvested RPSRs granted under the LTISP on 2/16/10, with the measurement period ending on 12/31/12; 16,853 unvested RPSRs granted under the LTISP on 2/15/11, with the measurement period ending on 12/31/13; 16,853 Restricted Stock Rights ("RSRs") granted under the LTISP on 2/15/11 and cliff vests 100% from the fourth anniversary of the grant date on 2/15/15; and 20,224 RSRs granted under the LTISP on 2/15/11 and cliff vests from the fourth anniversary of the grant date on 2/15/15. Grants awarded pursuant to Rule 16b-3(d).

**(2)** Represents the weighted average sale price of $64.83 rounded to the nearest hundredths. The highest price at which the shares sold was $64.96 and the lowest price at which the shares sold was $64.82.

**(3)** Held in the Northrop Grumman Savings and Investment Plan, a qualified profit sharing plan, as of January 28, 2011. Share totals with respect to the Plan are based upon unit accounting and therefore may reflect a decrease in units attributable to an individual though no

disposition occurred.

**(4)** The option was first exercisable on 2/17/2010 and it has one remaining annual installment equal to one-third (33%) of the original grant, vesting on 2/17/12.

**(5)** SEP units credited under the Northrop Grumman Savings Excess Plan (the "SEP Plan"), a non-qualified deferred compensation plan, as of March 31, 2011. The value of each unit is based on the price of Issuer common stock, although share totals with respect to the SEP Plan are based upon unit accounting and therefore may reflect a decrease in units attributable to an individual though no disposition occurred.

**(6)** SEP units are payable in cash following termination of the Reporting Person's employment with 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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