

Virgin Mobile USA, Inc.
Form 4
October 18, 2007

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 *
SCHULMAN DANIEL H

(Last) (First) (Middle)

10 INDEPENDENCE BLVD, 2ND FLOOR

(Street)

WARREN, NJ 07059

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Virgin Mobile USA, Inc. [VM]

3. Date of Earliest Transaction (Month/Day/Year)
10/16/2007

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)

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Class A Common Stock ⁽¹⁾	10/16/2007		M ⁽¹⁾		352,101	A	<u>(1)</u> 352,101

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)

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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 Amount of Underlying Security (Instr. 3 and 4)	Amount of Underlying Security (Instr. 3 and 4)	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount
Class D Units of Virgin Mobile USA, LLC ⁽¹⁾ ₍₂₎	<u>(1)</u>	10/16/2007		M ⁽¹⁾		<u>(2)</u>	<u>(2)</u>	Class A Common Stock	352
Options to Purchase Class D Units (right to buy) ⁽³⁾	\$ 8.79	10/16/2007		M ⁽³⁾	1 ⁽³⁾	<u>(4)</u>	09/27/2012	Class A Common Stock	1,066
Options to Purchase Class A Common Stock (right to buy) ⁽³⁾	\$ 8.79	10/16/2007		M ⁽³⁾	1,066,973	<u>(4)</u>	09/27/2012	Class A Common Stock	1,066,973

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
SCHULMAN DANIEL H 10 INDEPENDENCE BLVD, 2ND FLOOR WARREN, NJ 07059	Chief Executive Officer

Signatures

/s/ Nathan Marinoff,
Attorney-in-Fact 10/18/2007

 **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).

- Mr. Schulman's aggregate of 825 restricted Class D Units of Virgin Mobile USA, LLC ("Class D Units") were exchanged for Class A Common Stock of Virgin Mobile USA, Inc. ("Class A Common Stock"), pursuant to the Reorganization and Purchase Agreement, dated as of October 10, 2007, by and among the Company, Virgin Mobile USA, LLC and other parties thereto (the "Reorganization Agreement"). 85,358 of these restricted shares will vest on August 1, 2009; 266,743 of these restricted shares will vest 50% on May 23, 2009 and 50% on May 23, 2010.
- (1) as of October 10, 2007, by and among the Company, Virgin Mobile USA, LLC and other parties thereto (the "Reorganization Agreement"). 85,358 of these restricted shares will vest on August 1, 2009; 266,743 of these restricted shares will vest 50% on May 23, 2009 and 50% on May 23, 2010.
 - (2) Not applicable.
 - (3) Mr. Schulman's options to purchase Class D Units were exchanged for options to purchase shares of Class A Common Stock pursuant to the Reorganization Agreement.
 - (4) These options are fully vested.

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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