

WIRELESS FACILITIES INC
 Form 5
 February 13, 2006

FORM 5

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).
 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
 DEMARCO ERIC M

2. Issuer Name and Ticker or Trading Symbol
 WIRELESS FACILITIES INC
 [WFII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
 12/30/2005

Director 10% Owner
 Officer (give title below) Other (specify below)
 President and CEO

4810 EASTGATE MALL

(Street)

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

6. Individual or Joint/Group Reporting

(check applicable line)

SAN DIEGO, CA 92121

(City) (State) (Zip)

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) (A) or (D) Price | 5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|
|---------------------------------|--------------------------------------|--|--------------------------------|---|--|--|--|

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

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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 | 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) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|

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| Derivative Security | (A) | (D) | Date Exercisable | Expiration Date |
|---|------------|-----------|------------------|-----------------|
| Employee Stock Options (right-to-buy) \$ 12.8 | 12/30/2005 | 31,248 | (1) | (1) |
| Employee Stock Options (right-to-buy) \$ 6.19 | 12/30/2005 | 31,248 | 12/30/2005(2) | 11/16/2013(2) |
| Employee Stock Options (right-to-buy) \$ 12.8 | 12/30/2005 | 1,218,752 | (1) | (1) |
| Employee Stock Options (right-to-buy) \$ 6.19 | 12/30/2005 | 1,218,752 | 12/30/2005(2) | 11/16/2013(2) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------|-------|
| | Director | 10% Owner | Officer | Other |
| DEMARCO ERIC M 4810 EASTGATE MALL SAN DIEGO, CA 92121 | X | | President and CEO | |

Signatures

Eric M. DeMarco, by Matthew G. Colvin,
Attorney-In-Fact

02/13/2006

__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) Employee Stock Option grant cancelled as part of a re-pricing of all outstanding employee stock options originally granted by the issuer at exercise prices higher than 120% of the closing market price of issuer's common stock on December 29, 2005, effective December 30, 2005.
- (2) Employee Stock Option granted on December 30, 2005 as part of a re-pricing of all outstanding employee stock options originally granted at prices higher than 120% of issuer's closing market price on December 29, 2005. The vesting of the stock option grant corresponds to that of the original cancelled grant, which was granted on November 17, 2003 and became fully vested on May 18, 2005 as part of an acceleration of vesting by issuer of all outstanding employee stock option grants at exercise prices higher than \$10/share.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.