

WELDON LEE G
Form 4
March 01, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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 *
WELDON LEE G

2. Issuer Name and Ticker or Trading Symbol
NATURAL ALTERNATIVES INTERNATIONAL INC [NAII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1185 LINDA VISTA DRIVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/25/2010

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

SAN MARCOS, CA 92078
(City) (State) (Zip)

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

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 Indirect Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	02/25/2010		M	10,000 A \$ 2.16 (2)	49,880 (5)	D	
Common Stock	02/25/2010		M	861 (4) A \$ 7.722	50,741	D	
Common Stock					17,000 (5)	I	By self and Judith W. Weldon as trustees of the Weldon Family

Trust

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

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(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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares	
					Acquired (A)	or Disposed of (D)	Date Exercisable	Expiration Date			
Non-Qualified Stock Option (right to buy)	\$ 2.16	02/25/2010		M	V	(A)	(D)	(1)	02/28/2010	Common Stock	10,000
Non-Qualified Stock Option (right to buy)	\$ 7.722	02/25/2010		M	V	(A)	(D)	(3)	04/26/2010	Common Stock	10,000 (4)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WELDON LEE G 1185 LINDA VISTA DRIVE SAN MARCOS, CA 92078		X		

Signatures

/s/ Ken Wolf on behalf of Mr. Weldon under a Power of Attorney
Date: 03/01/2010

__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).

(1) The securities vested 34% on March 1, 2001 and an additional 33% on March 1, 2002 and March 1, 2003.

(2) This transaction represents an exercise of non-qualified stock options.

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- (3) The securities were fully vested upon issuance on April 27, 2005.

Stock option exercise was accomplished using a cashless, net exercise method that resulted in the issuance to Mr. Weldon of a number of shares of common stock that was less than the total number of shares exercised pursuant to the option. The remaining shares underlying the option were cancelled as payment for the exercise price based on a fair market value equal to the last reported sale price for the common stock as reported by Nasdaq on February 25, 2010.

- (5) In addition to the transaction reported, the total direct holdings have been adjusted from the amount previously reported to deduct 17,000 shares held indirectly by the Weldon Family Trust but that were previously reported as held by Mr. Weldon directly.

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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