

CADENCE DESIGN SYSTEMS INC
 Form 4
 December 16, 2008

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 *
 TAN LIP BU

2. Issuer Name and Ticker or Trading Symbol
 CADENCE DESIGN SYSTEMS INC [CDNS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 2655 SEELY AVENUE, BLDG 5
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/15/2008

____ Director _____ 10% Owner
 ____ Officer (give title below) ____ Other (specify below)
 Interim Office of Chief Exec.

SAN JOSE, CA 95134

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 X Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

(City) (State) (Zip)

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 | 12/15/2008 | | P | 20,000 A \$ 2.74 | 31,000 | I | By Trust |
| Common Stock | 12/16/2008 | | P | 20,000 A \$ 2.6796 | 51,000 | I | By Trust |

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

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SEC 1474 (9-02)

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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 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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Am Nur Sha |
| Non-Qualified Stock Option (right to buy) | \$ 2.61 | 12/15/2008 | | A | 100,000 | <u>(1)</u> | 12/15/2015 | Common Stock | 10 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| TAN LIP BU 2655 SEELY AVENUE, BLDG 5 SAN JOSE, CA 95134 | | | Interim Office of Chief Exec. | |

Signatures

James J. Cowie, Attorney-in-Fact for
Lip-Bu Tan

12/16/2008

__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).
- 100% of the shares will vest on the earlier of (i) January 15, 2009 and (ii) the first day of employment of a CEO of the Issuer as (1) determined by the Compensation Committee of the Issuer, provided that the reporting person is a member of the Interim Office of the Chief Executive as of the day immediately prior to the vesting date.

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.