

FARO TECHNOLOGIES INC  
 Form 4  
 August 10, 2006

**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 \*  
 SCHIPPER NORMAN H

2. Issuer Name and Ticker or Trading Symbol  
 FARO TECHNOLOGIES INC  
 [FARO]

5. Relationship of Reporting Person(s) to Issuer  
 (Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/18/2006

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

FARO TECHNOLOGIES, 125  
 TECHNOLOGY PARK

(Street)

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

LAKE MARY, FL 32746

(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) |
|---------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------|
|                                 |                                      |                                                    |                                | (A) or (D)<br>Code V Amount (D) Price                             |                                                                                               |                                                          |                                                       |
| Common Stock                    | 05/18/2006                           |                                                    | M                              | 667 A \$ 0                                                        | 667                                                                                           | D                                                        |                                                       |
| Common Stock                    |                                      |                                                    |                                |                                                                   | 600                                                                                           | I                                                        | By Shanklin Investments                               |

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 Securities (Instr. 3 and 4) | Amount or Number of Shares |
|---------------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|----------------------------|
| Common Stock                                      | <u>(1)</u>                                             | 05/18/2006                           |                                                    | M                              | 667                                                                                     | <u>(1)</u> <u>(1)</u>                                    | Common Stock                                                  | 1,333                      |
| Non-employee Director Stock Option (right to buy) | \$ 2.21                                                |                                      |                                                    |                                |                                                                                         | 05/27/2003    05/27/2012                                 | Common Stock                                                  | 2,000                      |
| Non-employee Director Stock Option (right to buy) | \$ 4.42                                                |                                      |                                                    |                                |                                                                                         | 04/29/2004    04/29/2013                                 | Common Stock                                                  | 3,000                      |
| Non-employee Director Stock Option (right to buy) | \$ 21.56                                               |                                      |                                                    |                                |                                                                                         | 05/12/2005    05/12/2015                                 | Common Stock                                                  | 3,000                      |

## Reporting Owners

| Reporting Owner Name / Address                                                       | Relationships |           |         |       |
|--------------------------------------------------------------------------------------|---------------|-----------|---------|-------|
|                                                                                      | Director      | 10% Owner | Officer | Other |
| SCHIPPER NORMAN H<br>FARO TECHNOLOGIES<br>125 TECHNOLOGY PARK<br>LAKE MARY, FL 32746 | X             |           |         |       |

## Signatures

/s/ Martin A. Traber as Attorney In Fact for Norman H. Schipper

08/10/2006

\_\_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) Restricted stock was granted pursuant to the Company's 2004 Equity Incentive Plan and vests in three annual installments beginning one year from date of grant.

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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