

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person * Kim Lee (Last) (First) (Middle)	2. Date of Event Requiring Statement (MM/DD/YYYY) 11/29/2006	3. Issuer Name and Ticker or Trading Symbol NETLIST INC [NLST]
C/O NETLIST, INC., 475 GODDARD	4. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) VP, CFO and Secretary /	
IRVINE, CA 92618 (City) (State) (Zip)	5. If Amendment, Date Original Filed (MM/DD/YYYY)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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Table II - Derivative Securities Beneficially Owned (e.g. , puts, calls, warrants, options, convertible securities)

1. Title of Derivate Security (Instr. 4)	2. Date Exercisable and Expiration Date (MM/DD/YYYY)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Employee Stock Option (right to buy)	<u>(1)</u>	1/13/2016	Common Stock	127500	\$2.55	D	
Employee Stock Option (right to buy)	<u>(2)</u>	8/7/2016	Common Stock	85000	\$7.00	D	

Explanation of Responses:

- (1) The option vests as to 31,875 shares on January 13, 2007. Thereafter, the option vests in 36 equal monthly installments. The first such installment of 2,656 shares will vest on February 13, 2007.
- (2) The option vests in sixteen equal quarterly installments. The first such installment of 5,313 shares vested on November 7, 2006.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kim Lee C/O NETLIST, INC. 475 GODDARD IRVINE, CA 92618			VP, CFO and Secretary	

Signatures

/s/ David Kuo, by Power of Attorney

11/29/2006

**Signature of Reporting Person

Date

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

* If the form is filed by more than one reporting person, *see* Instruction 5(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).

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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