

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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* <b>BURRILL STEVEN</b>  (Last) (First) (Middle) <b>C/O TARGACEPT, INC.</b> <b>200 EAST FIRST STREET, SUITE 300</b>  (Street) <b>WINSTON- SALEM NC 27101</b>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>TARGACEPT INC [ TRGT ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner Officer (give title below) Other (specify below)
	3. Date of Earliest Transaction (Month/Day/Year) <b>03/05/2007</b>	
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	03/05/2007		M		1,000	A	\$0.075	2,000	I	By Burrill & Company LLC <sup>(1)</sup>
Common Stock								778,062	I	By Burrill Biotechnology Capital Fund L.P. <sup>(2)</sup>

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Stock Option (Right to Buy)	\$0.075	03/05/2007		M		1,000		06/07/2006	(3)	Common Stock	1,000	\$0	0	I	By Burrill & Company LLC <sup>(1)</sup>

**Explanation of Responses:**

- The reporting person is the chief executive officer of Burrill & Company LLC. The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- The reporting person is the managing member of Burrill & Company (Biotechnology GP), LLC, the general partner of Burrill Biotechnology Capital Fund L.P. The reporting person disclaims beneficial ownership of these securities except to the extent of his pecuniary interest therein.
- This stock option would have expired on the later of (1) the date that is two and one-half months following the end of Burrill & Company LLC's first taxable year during which the option vested, or (2) the date that is two and one-half months following the end of the issuer's taxable year in which the option vested, and in no event after March 15, 2007.

**Remarks:**

/s/ Peter A. Zorn, Attorney-in-Fact      03/07/2007

\*\* 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 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.