

DATA I/O CORP  
Form SC 13G  
April 14, 2014

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Schedule 13G

(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULES 13d-1(b), (c), AND (d)  
AND AMENDMENTS THERETO FILED

PURSUANT TO RULE 13d-2(b)

**Under the Securities Exchange Act of 1934**

(Amendment No. \_\_\_)\*

DATA I/O CORP.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

237690102

(CUSIP Number)

**April 4, 2014**

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended ("Act"), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

1. Name of Reporting Person

I R. S. Identification No. of Above Person (entities only)  
 Mercury Fund XI, Ltd. I.R.S. Identification No. 80-0912589

2. Check the Appropriate Box if a Member of a Group\* (a)   
 (b)

3. SEC Use Only

4. Citizenship or Place of Organization Texas

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power	398,600 <sup>(1)</sup>
	6. Shared Voting Power	-0-
	7. Sole Dispositive Power	398,600 <sup>(1)</sup>
	8. Shared Dispositive Power	-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person 398,600<sup>(1)</sup>

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares\*

11. Percent of Class Represented by Amount in Row (9) 5.12%<sup>(2)</sup>

12. Type of Reporting Person\* PN

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, L.L.C.

<sup>(1)</sup> ("Mercury Management"), the General Partner of Mercury Ventures III, Ltd. ("Mercury Ventures III"), which is the General Partner of Mercury Fund XI, Ltd. ("Mercury XI").

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

1. Name of Reporting Person

I. R. S. Identification No. of Above Person (entities only)

Mercury Ventures III, Ltd. I.R.S. Identification No. 46-2489415

2. Check the Appropriate Box if a Member of a Group\*

(a) ..

(b) ..

3. SEC Use Only

4. Citizenship or Place of Organization

Texas

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power	398,600 <sup>(1)</sup>
	6. Shared Voting Power	-0-
	7. Sole Dispositive Power	398,600 <sup>(1)</sup>
	8. Shared Dispositive Power	-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person 398,600<sup>(1)</sup>

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares\* ..

11. Percent of Class Represented by Amount in Row (9) 5.12%<sup>(2)</sup>

12. Type of Reporting Person\* PN

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury Fund XI, which owns 398,600 shares of common stock ("Common Stock") of Data I/O Corp. ("Data I/O").

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

1. Name of Reporting Person

I. R. S. Identification No. of Above Person (entities only)

Mercury Management, L.L.C. I.R.S. Identification No. 75-2796232

2. Check the Appropriate Box if a Member of a Group\*

(a) ..

(b) ..

3. SEC Use Only

4. Citizenship or Place of Organization

Texas

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power	398,600 <sup>(1)</sup>
	6. Shared Voting Power	-0-
	7. Sole Dispositive Power	398,600 <sup>(1)</sup>
	8. Shared Dispositive Power	-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person 398,600<sup>(1)</sup>

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares\* ..

11. Percent of Class Represented by Amount in Row (9) 5.12%<sup>(2)</sup>

12. Type of Reporting Person\* OO

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.

<sup>(1)</sup> Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

1. Name of Reporting Person

I. R. S. Identification No. of Above Person (entities only)

Kevin C. Howe

2. Check the Appropriate Box if a Member of a Group\*

(a) ..

(b) ..

3. SEC Use Only

4. Citizenship or Place of Organization

United States

Number of Shares Beneficially Owned by Each Reporting Person With	5. Sole Voting Power	398,600 <sup>(1)</sup>
	6. Shared Voting Power	-0-
	7. Sole Dispositive Power	398,600 <sup>(1)</sup>
	8. Shared Dispositive Power	-0-

9. Aggregate Amount Beneficially Owned by Each Reporting Person 398,600<sup>(1)</sup>

10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares\* ..

11. Percent of Class Represented by Amount in Row (9) 5.12%<sup>(2)</sup>

12. Type of Reporting Person\* IN

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.

<sup>(1)</sup> Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.  
<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

**\*SEE INSTRUCTIONS BEFORE FILLING OUT!**

Introduction

Pursuant to Rule 13d-1(k)(1) of the Securities Exchange Act of 1934, as amended, Mercury Fund XI, Ltd. ("Mercury XI"), Mercury Ventures III, Ltd. ("Mercury Ventures III"), Mercury Management, L.L.C. ("Mercury Management") and Kevin C. Howe ("Mr. Howe") are making this joint filing on Schedule 13G.

Item  
1(a). Name of Issuer:

Data I/O Corp., a Delaware corporation ("Data I/O")

Item  
1(b). Address of Issuer's Principal Executive Offices:

6464 185<sup>th</sup> Avenue NE, Suite 101, Redmond, WA 98052

Item  
2(a). Name of Person Filing:

Mercury Fund XI, Ltd.

Mercury Ventures III, Ltd.

Mercury Management, L.L.C.

Kevin C. Howe

Item  
2(b). Address of Principal Business Office or, if None, Residence:

The principal business office of Mercury Fund XI, Ltd., Mercury Ventures III, Mercury Management and Mr. Howe is 501 Park Lake Drive, McKinney, Texas 75070.

Item  
2(c). Citizenship:

Mercury XI's place of organization is Texas

Mercury Ventures III's place of organization is Texas

Mercury Management's place of organization is Texas

Mr. Howe is a citizen of the United States

Item  
2(d).

Title of Class of Securities:

Common stock, \$0.01 par value per share (the "Common Stock")

Item  
2(e).

CUSIP Number:

237690102



Item 3. If this statement is filed pursuant to Rules 13d-1(b), or 13d-2(b) or (c), check whether the person filing is a:

Not Applicable.

Item 4. Ownership:

Mercury XI

(a) Amount beneficially owned:	398,600 <sup>(1)</sup>
(b) Percent of class:	5.12% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) <i>Sole power to vote or direct the vote</i>	398,600 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	398,600 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

<sup>(1)</sup> Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury XI.

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

Mercury Ventures III

(a) Amount beneficially owned:	398,600 <sup>(1)</sup>
(b) Percent of class:	5.12% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	398,600 <sup>(1)</sup>

- (ii) Shared power to vote or direct the vote -0-
- (iii) Sole power to dispose or to direct the disposition of 398,600<sup>(1)</sup>
- (iv) Shared power to dispose or to direct the disposition of -0-

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

Mercury Management

(a) Amount beneficially owned:	398,600 <sup>(1)</sup>
(b) Percent of class:	5.12% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	398,600 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	398,600 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of Common Stock.

<sup>(2)</sup> Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form 10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

Mr. Howe

(a) Amount beneficially owned:	398,600 <sup>(1)</sup>
(b) Percent of class:	5.12% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	398,600 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	398,600 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General  
(1) Partner of Mercury Ventures III, which is the General Partner of Mercury XI, which owns 398,600 shares of  
Common Stock.

(2) Assumes a total of 7,788,566 shares of Common Stock outstanding based on the Data I/O Annual Report on Form  
10-K for the fiscal year ended December 31, 2013 filed on March 28, 2014.

**Item 5. Ownership of Five Percent or Less of a Class:**

If this statement is being filed to report the fact that as of the date hereof

Not Applicable.

Item  
6. Ownership of More than Five Percent on Behalf of Another Person:

Not Applicable

Item  
7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company:

Not Applicable

Item  
8. Identification and Classification of Members of the Group:

The following lists each member of the group filing this Schedule 13G pursuant to Rule 13d-1(c):

Mercury Fund XI, Ltd.

Mercury Ventures III, Ltd.

Mercury Management, L.L.C.

Kevin C. Howe

Item  
9. Notice of Dissolution of Group:

Not Applicable

Item  
10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following. [ ] and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

April 14, 2014 MERCURY FUND XI, LTD.

MERCURY  
By: VENTURES III,  
LTD.  
General Partner

MERCURY  
By: MANAGEMENT,  
L.L.C.  
General Partner

By: /s/ Kevin C.  
Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 MERCURY VENTURES III,  
LTD.

MERCURY  
By: MANAGEMENT,  
L.L.C.  
General Partner

By: /s/ Kevin C.  
Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 MERCURY  
MANAGEMENT, L.L.C.

By: /s/ Kevin C. Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 /s/ Kevin C. Howe  
Kevin C. Howe



**EXHIBIT A**

**JOINT FILING AGREEMENT**

**SCHEDULE 13G**

**JOINT FILING AGREEMENT**

This Agreement is dated as of April 14, 2014 by and among Mercury Fund XI, Ltd., ("Mercury XI"), Mercury Ventures III, Ltd. ("Mercury Ventures III"), Mercury Management, L.L.C. ("Mercury Management") and Kevin C. Howe ("Mr. Howe").

WHEREAS, pursuant to paragraph (k)(1) of Rule 13d-1 promulgated under Section 13d(1) of the Securities Exchange Act of 1934, as amended (the "Act"), the parties hereto have decided to satisfy their filing obligations under the Act by a single joint filing.

NOW, THEREFORE, the undersigned do hereby agree as follows:

1. The Schedule 13G (the "Schedule 13G") with respect to Data I/O Corp., a Delaware corporation, to which this Agreement is attached as Exhibit A is filed on behalf of Mercury XI, Mercury Ventures III, Mercury Management and Mr. Howe. Mercury XI, Mercury Ventures III and Mercury Management hereby authorize Mr. Howe to file the Schedule 13G on their behalf.
2. Each of Mercury XI, Mercury Ventures III, Mercury Management and Mr. Howe are responsible for the completeness and accuracy of the information concerning such person or entity contained therein; provided that each person or entity is not responsible for the completeness or accuracy of the information concerning any other person or entity making such filing.

**[Remainder of Page Intentionally Left Blank]**

IN WITNESS WHEREOF, the undersigned hereunto set their hands as of the date first above written.

April 14, 2014 MERCURY FUND XI, LTD.

MERCURY  
By: VENTURES III,  
LTD.  
General Partner

MERCURY  
By: MANAGEMENT,  
L.L.C.  
General Partner

By: /s/ Kevin C.  
Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 MERCURY VENTURES III,  
LTD.

MERCURY  
By: MANAGEMENT,  
L.L.C.  
General Partner

By: /s/ Kevin C.  
Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 MERCURY  
MANAGEMENT, L.L.C.

By: /s/ Kevin C. Howe  
Name: Kevin C.  
Howe  
Title: Manager

April 14, 2014 /s/ Kevin C. Howe  
Kevin C. Howe

