

NEEDHAM CAPITAL PARTNERS II BERMUDA L P
 Form 4
 November 09, 2004

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 *
 NEEDHAM & CO INC

2. Issuer Name and Ticker or Trading Symbol
 SOUTHWALL TECHNOLOGIES INC /DE/ [SWTX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 445 PARK AVE,
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/04/2004

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

NEW YORK, NY 10022

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 X 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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	11/04/2004		X		1,272,740	A	\$ 0.01
Common Stock	11/04/2004		X		4,034,378	A	\$ 0.01
Common Stock	11/04/2004		X		323,035	A	\$ 0.01
Common Stock	11/04/2004		X		416,652	A	\$ 0.01
Common Stock	11/04/2004		X		804,063	A	\$ 0.01

Common Stock 11/04/2004 X 2,304,511 A \$ 0.01 9,155,379 D ⁽⁶⁾

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

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(9-02)

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	1,286,499	<u>(8)</u> 12/18/2008	Common Stock	1,272,000	
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	4,077,993	<u>(8)</u> 02/20/2009	Common Stock	4,034,000	
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	326,527	<u>(8)</u> 02/20/2009	Common Stock	323,000	
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	421,156	<u>(8)</u> 02/20/2009	Common Stock	416,000	
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	812,756	<u>(8)</u> 02/20/2009	Common Stock	804,000	
Warrant (Right to Buy)	\$ 0.01	11/04/2004		X	2,329,425	<u>(8)</u> 02/20/2009	Common Stock	2,304,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

NEEDHAM & CO INC
445 PARK AVE

X

NEW YORK, NY 10022	
NEEDHAM CAPITAL PARTNERS III LP C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022	X
NEEDHAM CAPITAL MANAGMENT LLC NEEDHAM & CO 445 PARK AVENUE NEW YORK, NY 10022	X
NEEDHAM CAPITAL PARTNERS II BERMUDA L P 445 PARK AVENUE NEW YORK, NY 10022	X
NEEDHAM CAPITAL MANAGEMENT BERMUDA LLC C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022	X
NEEDHAM CAPITAL PARTNERS IIIA LP C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022	X
NEEDHAM CAPITAL PARTNERS II L P 445 PARK AVENUE NEW YORK, NY 10022	X
NEEDHAM GEORGE A 445 PARK AVE NEW YORK, NY 10022	X
NEEDHAM CAPITAL PARTNERS III BERMUDA LP C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022	X

Signatures

Needham & Company Inc. By: /s/ Glen W. Albanese, Managing Director	11/09/2004
**Signature of Reporting Person	Date
Needham Capital Management, LLC By: /s/ Glen W. Albanese, Member	11/09/2004
**Signature of Reporting Person	Date
Needham Capital Partners III, L.P. By: Needham Capital Management, LLC, its General Partner By: /s/ Glen W. Albanese, Member	11/09/2004
**Signature of Reporting Person	Date
Needham Capital Partners II (Bermuda), LP By: Needham Capital Management (Bermuda), LLC, its General Partner By: /s/ Glen W. Albanese, Member	11/09/2004
**Signature of Reporting Person	Date
Needham Capital Partners III, LP By: /s/ Glen W. Albanese, Member	11/09/2004

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<u> </u> **Signature of Reporting Person	Date
Needham Capital Partners IIIA, LP By: Needham Capital Management, LLC, its General Partner By: /s/ Glen W. Albanese, Member	11/09/2004
<u> </u> **Signature of Reporting Person	Date
Needham Capital Partners III (Bermuda), LP By: Needham Capital Management (Bermuda) LLC, its General Partner By: /s/ Glen W. Albanese, Member	11/09/2004
<u> </u> **Signature of Reporting Person	Date
Needham Capital Partners II, LP By: Needham Capital Management LLC, its General Partner By: /s/ Glen W. Albanese, Member	11/09/2004
<u> </u> **Signature of Reporting Person	Date
By: /s/ George A. Needham	11/09/2004
<u> </u> **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) The reported shares are owned directly by Needham & Company, Inc., which is a member of a "group" with Needham Capital Partners III, L.P., Needham Capital Partners II (Bermuda), L.P., Needham Capital Partners IIIA, L.P., Needham Capital Partners III (Bermuda) L.P., Needham Capital Partners II L.P. and George A. Needham, for purposes of Section 13(d) of the Exchange Act. George A. Needham may be deemed to beneficially own the reported shares by virtue of his position as Chairman of the Board and Chief Executive Officer of Needham & Company, Inc. and has investment discretion and voting authority with respect to the shares of Southwall Technology Inc. Mr. Needham disclaims beneficial ownership of all of the reported shares except to the extent of his pecuniary interest therein, and the inclusion of these shares in this report shall not be deemed an admission by him of beneficial ownership of all of the reported shares for purposes of Section 16 or for any other purpose.

(2) The reported shares are owned directly by Needham Capital Partners III, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported warrant because it serves as the general partner of Needham Capital Partners III, L.P. George A. Needham may be deemed to beneficially own the reported warrant because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares underlying the reported warrant except to the extent of their pecuniary interest therein, and the inclusion of the warrant in this report shall not be deemed an admission by them of beneficial ownership of the shares underlying reported warrant for purposes of Section 16 or for any other purpose.

(3) The reported shares are owned directly by Needham Capital Partners II (Bermuda), L.P. Needham Capital Management (Bermuda) L.L.C. may be deemed to beneficially own the reported warrant because it serves as the general partner of Needham Capital Partners II (Bermuda), L.P. George A. Needham may be deemed to beneficially own the reported warrant because he serves as a managing member of Needham Capital Management (Bermuda) L.L.C. Needham Capital Management, (Bermuda) L.L.C. and Mr. Needham disclaim beneficial ownership of the reported shares underlying the warrant except to the extent of their pecuniary interest therein, and the inclusion of the warrant in this report shall not be deemed an admission by them of beneficial ownership of the reported warrant for purposes of Section 16 or for any other purpose.

(4) The reported shares are owned directly by Needham Capital Partners IIIA, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported warrant because it serves as the general partner of Needham Capital Partners IIIA, L.P. George A. Needham may be deemed to beneficially own the reported warrant because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares underlying the reported warrant except to the extent of their pecuniary interest therein, and the inclusion of the warrant in this report shall not be deemed an admission by them of beneficial ownership of the reported warrant for purposes of Section 16 or for any other purpose.

(5) The reported shares are owned directly by Needham Capital Partners III (Bermuda), L.P. Needham Capital Management (Bermuda) L.L.C. may be deemed to beneficially own the reported warrant because it serves as the general partner of Needham Capital Partners III (Bermuda), L.P. George A. Needham may be deemed to beneficially own the reported warrant because he serves as a managing member of Needham Capital Management (Bermuda) L.L.C. Needham Capital Management, (Bermuda) L.L.C. and Mr. Needham disclaim beneficial ownership of all of the shares underlying the reported warrant except to the extent of their pecuniary interest therein, and the inclusion of the warrant in this report shall not be deemed an admission by them of beneficial ownership of the reported warrant for purposes of Section 16 or for any other purpose.

(6)

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The reported shares are owned directly by Needham Capital Partners II, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported warrant because it serves as the general partner of Needham Capital Partners II, L.P. George A. Needham may be deemed to beneficially own the reported warrant because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares underlying the reported warrant except to the extent of their pecuniary interest therein, and the inclusion of the warrant in this report shall not be deemed an admission by them of beneficial ownership of the reported warrant for purposes of Section 16 or for any other purpose.

Pursuant to the Warrant Agreements dated December 18, 2003, January 19, 2004, January 30, 2004 and February 20, 2004, the

- (7) conversion rate of warrants exercised to common shares is one to one, subject to an adjustment for any cashless exercise. The warrants were exercised pursuant to the cashless exercise provision and therefore account for the less than one to one conversion rate.
- (8) Immediately exercisable.

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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