#### Edgar Filing: TERAFORCE TECHNOLOGY CORP - Form 4

#### TERAFORCE TECHNOLOGY CORP

Form 4

October 27, 2004

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

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**OMB APPROVAL** 

if no longer subject to Section 16. Form 4 or

Check this box

Form 5 obligations may continue. See Instruction

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \* GARRISON ROBERT E II

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol TERAFORCE TECHNOLOGY

CORP [TERA]

(Check all applicable)

(Middle)

3. Date of Earliest Transaction

X\_ Director 10% Owner Other (specify Officer (give title

(Month/Day/Year) 10/25/2004

600 TRAVIS, SUITE 3000 (Street)

(First)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

(Instr. 4)

Filed(Month/Day/Year)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

below)

HOUSTON, TX 77002

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

4. Securities 3. TransactionAcquired (A) or Code Disposed of (D)

(Instr. 8)

5. Amount of Securities Beneficially Owned

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I)

(Instr. 4)

Following Reported Transaction(s) (Instr. 3 and 4)

(A) or Code V Amount (D) Price

(Instr. 3, 4 and 5)

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Conversion or Exercise Security

3. Transaction Date 3A. Deemed (Month/Day/Year)

Execution Date, if any

4. 5. Number of **Transaction**Derivative Code Securities

6. Date Exercisable and **Expiration Date** (Month/Day/Year)

7. Title and Amou Underlying Securi (Instr. 3 and 4)

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(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amo Nun Shar
conversion right (1)	\$ 0.18	10/25/2004		P		611,111		10/25/2004	01/30/2006	Common Stock par value \$0.01	61
warrant (1)	\$ 0.2	10/25/2004		P		1,222,222		10/25/2004	10/31/2010	Common Stock par value \$0.01	1,2

## **Reporting Owners**

Reporting Owner Name / Address	Relationships						
1	Director	10% Owner	Officer	Other			
GARRISON ROBERT E II 600 TRAVIS SUITE 3000 HOUSTON, TX 77002	X						

## **Signatures**

/s/ Robert E.
Garrison II

\*\*Signature of Reporting Date

\*\*Signature of Reporting
Person

# **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).
  - Mr. Garrison has provided a limited guaranty in the amount of \$148,500 as partial security for a \$600,000 bank credit facility entered into by the Company on October 25, 2004. Pursuant to a Reimbursement Agreement related to this guaranty, Mr. Garrison has the right to
- (1) acquire 611,111 shares of common stock for \$110,000 in cash. The proceeds of this purchase must be used by the Company to retire amounts outstanding under the bank credit agreement and to obtain the release of the guaranty. In addition, Mr. Garrison has been issued warrants to purchase 1,222,222 shares of common stock. The warrants have an exercise price of \$0.20 per share.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2