

TERAFORCE TECHNOLOGY CORP
 Form 4
 May 22, 2002

 FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 WASHINGTON, D.C. 20549

/ / CHECK THIS BOX IF NO
 LONGER SUBJECT TO
 SECTION 16. FORM 4 OR
 FORM 5 OBLIGATIONS MAY
 CONTINUE. SEE
 INSTRUCTION 1(b).
 (Print or Type Responses)

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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
 Section 30(f) of the Investment Company Act of 1940

| | | | | | |
|--|---------|----------|--|--|-------------|
| 1. Name and Address of Reporting Person* | | | 2. Issuer Name AND Ticker or Trading Symbol | 6. R | |
| SJMB, LLC | | | TERAFORCE TECHNOLOGY CORP (TERA) | -- | |
| (Last) | (First) | (Middle) | 3. IRS or Social Security Number of Reporting Person (Voluntary) | 4. Statement for Month/Year | -- |
| 4295 SAN FELIPE, SUITE 200 | | | | APRIL/2002 | --- |
| (Street) | | | | 5. If Amendment, Date of Original (Month/Year) | 7. <u>X</u> |
| HOUSTON | TX | 77027 | TABLE I - NON-DERIVATIVE SECURITIES ACQUIRED, DI | | |
| (City) | (State) | (Zip) | | | |

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount (A) or Price (D) | 6. (In and |
|---------------------------------|--------------------------------------|--------------------------------|---|----------------------------|------------|
| | | Code | V | Amount (A) or Price (D) | |
| Common Stock | 4/11/02 | J | | 741,610 (A) (1) | 741 |

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly by the reporting person.
 * If the form is filed by more than one reporting person, SEE Instruction 4(b)(v).

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 CONTROL NUMBER.

FORM 4 (CONTINUED)

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) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | |
|---|--|---|-----------------------------------|--|---------------|
| | | | Code | V | (A) (D) |
| Warrant | \$0.75 | 4/11/02 | J | | 3,102,683 (D) |
| Warrant | \$0.75 | 4/11/02 | J | | 5,704,622 (D) |
| Warrant | \$0.75 | 4/11/02 | J | | 5,654,028 (D) |

| 7. Title and Amount of Underlying Securities | 8. Price of | 9. Number of Deriv- | 10. Owner-ship | 11. Nature of In- |
|--|-------------|---------------------|----------------|-------------------|
|--|-------------|---------------------|----------------|-------------------|

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| | | | | | |
|------------------|----------------------------------|---|---|---|---|
| (Instr. 3 and 4) | | Deriv- ative Secur- ity (Instr. 5) | ative Securi- ties Bene- ficially Owned at End of Month (Instr. 4) | Form of De- rivative Secu- rity: Direct (D) or Indi- rect (I) (Instr. 4) | direct Bene- ficial Own- ership (Instr. 4) |
| Title | Amount or Number of Shares | | | | |

| | | | | | |
|--------|-----------|-----|---|---|-----|
| common | 3,102,683 | (3) | | D | (2) |
| common | 5,704,622 | (3) | | D | (2) |
| common | 5,654,082 | (3) | 0 | D | (2) |

Explanation of Responses:

TERAFORCE TECHNOLOGY CORP
EXPLANATION OF RESPONSES FOR FORM 4

(1) SJMB, L.P., received 741,610 shares of TeraForce Technology Corp. Common Stock ("Common Stock") in exchange for warrants to acquire 14,461,387 shares of TeraForce Common Stock at an exercise price of \$0.75 per share. (Does not include warrants to purchase 1,560,003 shares of Common Stock issuable upon the exercise of warrants which are beneficially owned by Falcon Seaboard Investment Co., L.P. pursuant to an assignment. SJMB, L.P. disclaims ownership of all shares subject to the assignment.)

(2) Directly owned by SJMB, L.P., of which Reporting Person is sole general partner. Does not include 80,000 shares of Common Stock which are beneficially owned by Falcon Seaboard Investment Co. pursuant to an assignment. SJMB, L.P. disclaims ownership of all shares subject to the assignment.

(3) SJMB, L.P., exchanged all of the TeraForce Technology Corp. warrants it held (aggregating warrants to purchase 14,461,387 shares of Common Stock, not including warrants to purchase 1,560,003 shares of Common Stock issuable upon the exercise of warrants which are beneficially owned by Falcon Seaboard Investment Co., L.P. pursuant to an assignment) for 741,610 shares of Common Stock. (Does not include 80,000 shares of Common Stock which are beneficially owned by Falcon Seaboard Investment Co., L.P. pursuant to an assignment.) SJMB, L.P. disclaims ownership of all shares subject to the assignment.

/s/ JAMES H. HARRISON, CFO

5/21/02

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**Signature of Reporting Person

Date

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

* 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 insuff
SEE Instruction 6 for procedure.