TERAFORCE TECHNOLOGY CORP Form 4 March 31, 2003

OMB APPROVAL

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 4

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 or Section 30(h) of the Investment Company Act of 1940

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

Name and Address of Reporting Person*	2.	Issuer Name and Ticker or Trading Symbol	3.	I.R.S. Identification Reporting Person, if an entity (
Garrison, Robert E. II		TeraForce Technology Corporation (TERA)			
(Last) (First) (Middle)					
600 Travis, Suite 3000	4.	Statement for Month/Day/Year	5.	If Amendment, Date (Month/Day/Year)	of Original
(Street)	_	3/26/2003			
		Relationship of Reporting Person(s) to Issuer (Check All Applicable)	7.	Individual or Joint/Group Filing (Check Applicable Line)	
Houston, TX 77002	_	X Director O 10% Owner		11	Form Filed by One Reporting Person
(City) (State) (Zip)		Officer (give title below)		O	Form Filed by More
		O Other (specify below)			than One Reporting Person

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, <i>see</i> instruction 4(b)(v).

Table I Non-Derivativ	ve Securities A	Acquired, D	ispose	d of, or I	Beneficially Owi	ned	
1. Title of 2. Transaction 2A. Deemed Execution 3 Security Date Date, if any (Instr. 3) (Month/Day/Year) (Month/Day/Year)	3. Transaction (Code (Instr. 8)	4. Securities Disposed of (Instr. 3, 4	of (D)	ed (A) or	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			
		Page 2					

Title of Derivative 2. Security (Instr. 3)	Conversion or Exercise 3. Price of Derivative Security	Transaction Date (Month/Day/Year)	3A. Deemed Execution 4. Date, if any (Month/Day/Year)	Transaction 5. Code (Instr. 8)	Number of Deri Acquired (A) or (Instr. 3, 4 and 5	Disposed of (D)
				Code V	(A)	(D)
Conversion Right	\$0.12	3/26/2003		P	1,250,000	
Warrant	\$0.15	3/26/2003		P	1,250,000	
						_

Date Exercisable and Expiration Date (Month/Day/Year)	of Underlying De Securities Sec		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10.Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	
Date Expiration Exercisable Date		Amount or Number of Shares				
3/26/2003 3/26/2004	Common Stock \$0.01 par value	1,250,000	\$150,000	4,089,080	D	
3/26/2003 3/31/2006	Common Stock \$0.01 par value	1,666,667				
planation of Respons	es:					
	/s/ Rober	t E. Garris	on II	March 28, 2003		

^{**} 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.

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