

NEEDHAM GEORGE A  
Form 4  
April 18, 2007

**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 LLC

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)  
08/23/2006

\_\_\_ 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 Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Code V Amount Price			
Common Stock	08/23/2006		J <sup>(1)</sup>	2,009,807 D <u>1</u> 0		D <sup>(2)</sup>	
Common Stock	08/23/2006		J <sup>(1)</sup>	2,009,807 D <u>1</u> 0		I	Footnote 3 <sup>(3)</sup>
Common Stock	08/23/2006		J <sup>(1)</sup>	0 A <u>1</u> 2,009,807		I	Footnote 4 <sup>(4)</sup>
Common Stock					35,000	D <sup>(5)</sup>	
Common Stock					2,304,511	I	Footnote 6 <sup>(6)</sup>

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Common Stock	323,035	I	Footnote 7 <u>(7)</u>
Common Stock	4,034,378	I	Footnote 8 <u>(8)</u>
Common Stock	416,652	I	Footnote 9 <u>(9)</u>
Common Stock	804,063	I	Footnote 10 <u>(10)</u>
Common Stock	700,000	I	Footnote 11 <u>(11)</u>

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

**Persons who 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.** SEC 1474 (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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEEDHAM & CO LLC 445 PARK AVE NEW YORK, NY 10022		X		
NEEDHAM GEORGE A C/O NEEDHAM & COMPANY, LLC 445 PARK AVE NEW YORK, NY 10022		X		

## Signatures

Needham & Company, LLC, By: /s/ Glen W. Albanese, Managing Director

04/17/2007

\_\_Signature of Reporting Person

Date

/s/ George A. Needham

04/17/2007

\_\_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) On August 23, 2006, as a result of a corporate restructuring, Needham & Company, LLC transferred all of its shares of common stock of Southwall Technology Inc. to its affiliate, The Needham Group, Inc., for no consideration.

(2) The reported shares were owned by Needham & Company, LLC, which was 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.

(3) George A. Needham may be deemed to have beneficially owned the reported shares by virtue of his position at Needham & Company, LLC and had 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.

(4) The reported shares are owned by The Needham Group, Inc. George A. Needham may be deemed to beneficially own the reported shares by virtue of his position at The Needham Group, 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.

(5) The reported shares are owned directly by George A Needham.

(6) The reported shares are owned directly by Needham Capital Partners II, L.P. ("NCPII"). George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of NCPII's general partner. Mr. Needham disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by him of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

(7) The reported shares are owned directly by Needham Capital Partners II (Bermuda), L.P. ("NCPIIB"). George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of NCPIIB's general partner. Mr. Needham disclaims beneficial ownership of the reported shares except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by him of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

(8) The reported shares are owned directly by Needham Capital Partners III, L.P. ("NCPIII"). George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of NCPIII's general partner. Mr. Needham disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by him of beneficial ownership of the shares for purposes of Section 16 or for any other purpose.

(9) The reported shares are owned directly by Needham Capital Partners IIIA, L.P. ("NCPIIIA"). George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of NCPIIIA's general partner. Mr. Needham disclaims beneficial ownership of the shares except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by him of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

(10) The reported shares are owned directly by Needham Capital Partners III (Bermuda), L.P. ("NCPIIIB"). George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of NCPIIIB's general partner. Mr. Needham disclaims beneficial ownership of all of the shares except to the extent of his pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by him of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

(11) The reported shares are held in the accounts of certain private investment partnerships over which Needham Investment Management, L.L.C. ("NIM") serves as general partner of those private investment partnerships. As such, NIM may be deemed to have beneficial ownership of the reported shares. George A. Needham may be deemed to be the beneficial owner of the reported shares by virtue of his

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position as a member of NIM. Such reporting persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Persons are the beneficial owners of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

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.