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TANGRAM ENTERPRISE SOLUTIONS INC
Form SC 13D/A
December 08, 2003

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED ON STATEMENTS FILED PURSUANT TO RULE 13D-1(A)
AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13D-2(A)
Amendment No. 10

Tangram Enterprise Solutions, Inc.
(Name of Issuer)

Common Stock, par value \$.01 per share
(Title of Class of Securities)

875924 10 2
(CUSIP Number)

Karen M. Keating, Esq.
Safeguard Scientifics, Inc.
435 Devon Park Drive, Building 800
Wayne, PA 19087
(610) 975-4984

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

December 4, 2003
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report
the acquisition which is the subject of this Schedule 13D, and is filing this
schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box
—.

NOTE: Schedules filed in paper format shall include a signed original and give
copies of the schedule, including all exhibits. See Rule 13d-7(b) for other
parties to whom copies are to be sent.

(Continued on following pages)

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| | | |
|---|--|--------------------|
| 1 | NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON SAFEGUARD SCIENTIFICS, INC. | 23-1609753 |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) [X] (b) [] |
| 3 | SEC USE ONLY | |
| 4 | SOURCE OF FUNDS N/A | |

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5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
PENNSYLVANIA

| | | |
|--|----|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER -0- |
| | 8 | SHARED VOTING POWER 12,316,604 SHARES OF COMMON STOCK (ASSUMING CONVERSION OF SERIES F CONVERTIBLE PREFERRED STOCK) * |
| | 9 | SOLE DISPOSITIVE POWER -0- |
| | 10 | SHARED DISPOSITIVE POWER 12,316,604 SHARES OF COMMON STOCK (ASSUMING CONVERSION OF SERIES F CONVERTIBLE PREFERRED STOCK) |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
12,316,604 SHARES OF COMMON STOCK (ASSUMING CONVERSION OF SERIES F
CONVERTIBLE PREFERRED STOCK)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)
EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
57.89%

14E TYPE OF REPORTING PERSON
CO

* Voting power is shared with Opware Inc. pursuant to the terms of
Voting Agreements, dated as of December 4, 2003. See Item 4.

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
SAFEGUARD DELAWARE, INC. 52-2081181

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [X]
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS
N/A

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
DELAWARE

| | | |
|-----------|---|-------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
|-----------|---|-------------------|

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| | | |
|-----|---|----------------------------------|
| | SHARES | -0- |
| | BENEFICIALLY | ----- |
| | OWNED BY | 8 SHARED VOTING POWER |
| | EACH REPORTING | 1,500,000 SHARES OF COMMON STOCK |
| | PERSON WITH | (ASSUMING CONVERSION OF SERIES F |
| | | CONVERTIBLE PREFERRED STOCK) * |
| | | ----- |
| | | 9 SOLE DISPOSITIVE POWER |
| | | -0- |
| | | ----- |
| | | 10 SHARED DISPOSITIVE POWER |
| | | 1,500,000 SHARES OF COMMON STOCK |
| | | (ASSUMING CONVERSION OF SERIES F |
| | | CONVERTIBLE PREFERRED STOCK) |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| | 1,500,000 SHARES OF COMMON STOCK (ASSUMING CONVERSION OF SERIES F | |
| | CONVERTIBLE PREFERRED STOCK) | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) | |
| | EXCLUDES CERTAIN SHARES | [] |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | |
| | 7.04% | |
| 14E | TYPE OF REPORTING PERSON | |
| | CO | |

* Voting power is shared with Opsware Inc. pursuant to the terms of a Voting Agreement, dated as of December 4, 2003. See Item 4.

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| | | |
|---|---|------------------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON | |
| | SAFEGUARD SCIENTIFICS (DELAWARE), INC. | 51-0291171 |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) [X] |
| | | (b) [] |
| 3 | SEC USE ONLY | |
| 4 | SOURCE OF FUNDS | |
| | N/A | |
| 5 | CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS | |
| | REQUIRED PURSUANT TO ITEM 2(d) or 2(e) | [] |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | DELAWARE | |
| | NUMBER OF | 7 SOLE VOTING POWER |
| | SHARES | -0- |
| | BENEFICIALLY | ----- |
| | OWNED BY | 8 SHARED VOTING POWER |
| | EACH REPORTING | 10,816,604 SHARES OF COMMON STOCK* |
| | PERSON WITH | ----- |
| | | 9 SOLE DISPOSITIVE POWER |
| | | -0- |
| | | ----- |

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10 SHARED DISPOSITIVE POWER
10,816,604 SHARES OF COMMON STOCK*

| | |
|-----|--|
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 10,816,604 SHARES OF COMMON STOCK* |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 54.60% |
| 14E | TYPE OF REPORTING PERSON CO |

* Voting power is shared with Opware Inc. pursuant to the terms of a Voting Agreement, dated as of December 4, 2003. See Item 4.

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ITEM 1. SECURITY AND ISSUER.

This Amendment No. 10 to Schedule 13D amends and supplements the Schedule 13D, as amended, previously filed by the Reporting Persons relating to the common stock, par value \$.01 per share (the "Common Stock") of Tangram Enterprise Solutions, Inc. (the "Company"). This Statement on Schedule 13D relates to the execution of Voting Agreements in connection with an Agreement and Plan of Reorganization by and among Opware Inc., TES Acquisition Corp. and the Company. The executive office of the Company is located at 11000 Regency Parkway, Suite 401, Cary, North Carolina 27511-8504.

ITEM 2. IDENTITY AND BACKGROUND.

NO CHANGE EXCEPT AS FOLLOWS:

(a) - (c) This Schedule 13D is being filed by: Safeguard Scientifics, Inc. ("Safeguard"), Safeguard Delaware, Inc. ("SDI") and Safeguard Scientifics (Delaware), Inc. ("SSDI") (collectively, the "Safeguard Reporting Persons"). Safeguard is a leader in building and operating technology companies. SDI and SSDI are wholly owned subsidiaries of Safeguard. Set forth in Schedule I annexed hereto are the name, identity and background of each Safeguard Reporting Person and set forth in Schedules II, III and IV annexed hereto is the information required by Item 2 of Schedule 13D about the identity and background of each Safeguard Reporting Person's directors, executive officers and controlling persons, if any. The Safeguard Reporting Persons are sometimes referred to herein, collectively, as the "Reporting Persons," and, individually, as a "Reporting Person."

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Not applicable

ITEM 4. PURPOSE OF TRANSACTION.

On December 4, 2003, Opware Inc., TES Acquisition Corp., a wholly owned subsidiary of Opware, and the Company entered into an Agreement and Plan of Reorganization (the "Merger Agreement") which provides for the merger of TES Acquisition Corp. with and into Company (the "Merger"). Subject to certain adjustments and conditions contained in the Merger Agreement, all of the Company's outstanding debt as well as all outstanding shares of Company Common Stock and Company Series F Preferred Stock will be converted into shares of

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Opware Inc. Common Stock valued at \$10 million.

Concurrently with the execution of the Merger Agreement, each of SDI and SSDI entered into a Voting Agreement with Opware Inc. Pursuant to the terms of the Voting Agreement, each of SDI and SSDI have agreed (1) not to transfer any securities of the Company they currently hold or that may be acquired prior to the effective time of the Merger and (2) to cause all shares of capital stock of the Company held by each to be voted at any annual, special or adjourned meeting of the shareholders of the Company (i) in favor of the approval and adoption of the Merger Agreement and the approval of the Merger and any actions required in furtherance of the Merger and (ii) against approval of any Acquisition Proposal (as defined in the Merger Agreement), any action or agreement that would result in a breach in any respect of any covenant, representation or warranty or any other obligation or agreement of the Company under the Merger Agreement or of SDI or SSDI under the applicable Voting Agreement, or any other matter that could reasonably be expected to impede, delay or materially and adversely affect the consummation of the Merger. Each of SDI and SSDI will also deliver to Opware Inc. an Irrevocable Proxy appointing each of the members of the Board of Directors of Opware Inc. as their proxies to exercise all voting and other rights of each of SDI and SSDI with respect to the shares of capital stock of the Company held by each in connection with the above matters only at every annual, special or adjourned meeting of Company shareholders or otherwise.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Replace the disclosure previously contained in Item 5 with the following:

The table below sets forth the aggregate number of shares and percentage of the Company's outstanding shares beneficially owned by each Reporting Person. Except as otherwise noted, each person listed has sole voting and dispositive power over all shares listed opposite its name. Any of the aforementioned persons whose names do not appear in the table below do not, to the best of each Reporting Person's knowledge, beneficially own any shares of the Company.

No Reporting Person or director or executive officer of a Reporting Person listed on Schedules II-IV annexed hereto has consummated any transaction in the Company's shares during the past sixty days other than as set forth herein.

| | Beneficial Ownership | |
|--|------------------------|------------------------|
| | Number of Shares | Percentage of Total |
| Safeguard Scientifics, Inc. | 12,316,604 (3) (4) (6) | 57.89% (1) |
| Safeguard Delaware, Inc. | 1,500,000 (4) (5) (6) | 7.04% (1) |
| Safeguard Scientifics (Delaware), Inc. | 10,816,604 (5) (6) | 54.60% (2) |

(1) Calculations based upon 21,302,439 shares outstanding (assuming the conversion of all outstanding shares of Series F Preferred Stock) on November 3, 2003.

(2) Calculations based upon 19,802,439 shares outstanding on November 3, 2003.

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- (3) Represents the shares of Series F Preferred Stock on an as converted basis beneficially owned by SDI, a wholly owned subsidiary of Safeguard, and the 10,816,604 shares of Common Stock beneficially owned by SSDI, a wholly owned subsidiary of Safeguard. Safeguard and each of SDI and SSDI have reported that Safeguard together with each of SDI and SSDI, respectively, have both shared voting and dispositive power with respect to the shares held by each of SDI and SSDI, respectively, because Safeguard is the sole stockholder of each of SDI and SSDI.
- (4) Assumes the conversion of all outstanding shares of the Series F Preferred Stock into Common Stock.
- (5) The Reporting Person is a wholly owned subsidiary of Safeguard.
- (6) Pursuant to the terms of the Voting Agreement attached hereto as Exhibit 99.1, Reporting Persons and Opware Inc. have shared voting power with respect to the shares held by each of SDI and SSDI in connection with those matters described in Item 4.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

In addition to the agreements previously filed as exhibits to Schedule 13D and amendments thereto, each of SDI and SSDI are parties to a Voting Agreement with Opware Inc., dated as of December 4, 2003.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

99.1. Form of Voting Agreement, dated as of December 4, 2003, between Opware, Inc. and the shareholder listed on the signature page thereto. Each of SDI and SSDI are parties to a Voting Agreement that differs from the form filed only as to the number of shares of Opware Inc. capital stock owned as of the date of the agreement set forth on the signature page thereto.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Date: December 5, 2003

Safeguard Scientifics, Inc.

By: CHRISTOPHER J. DAVIS

Christopher J. Davis
Managing Director and Chief
Financial Officer

Safeguard Delaware, Inc.

Date: December 5, 2003

By: CHRISTOPHER J. DAVIS

Christopher J. Davis
Vice President and Treasurer

Date: December 5, 2003

Safeguard Scientifics (Delaware), Inc.

By: CHRISTOPHER J. DAVIS

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Christopher J. Davis
Vice President and Treasurer

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SCHEDULE I

1. Safeguard Scientifics, Inc.

Safeguard Scientifics, Inc., a Pennsylvania corporation ("Safeguard"), owns all of the outstanding capital stock of Safeguard Delaware, Inc. ("SDI") and Safeguard Scientifics (Delaware) Inc., a Delaware corporation ("SSDI"). Safeguard has an address at 800 The Safeguard Building, 435 Devon Park Drive, Wayne, PA 19087-1945. Safeguard is a leader in building and operating technology companies. See Schedule II with respect to the executive officers and directors of Safeguard as of the date of filing this Schedule 13D.

2. Safeguard Delaware, Inc.

SDI is a wholly owned subsidiary of Safeguard. SDI is a holding company and has an office at 103 Springer Building, 3411 Silverside Road, P.O. 7048, Wilmington, DE 19803. Schedule III provides information about the executive officers and directors of SDI as of the date of filing this Schedule 13D.

3. Safeguard Scientifics (Delaware), Inc.

SSDI is a wholly owned subsidiary of Safeguard. SSDI is a holding company and has an office at 103 Springer Building, 3411 Silverside road, P.O. Box 7048, Wilmington, DE 19803. Schedule IV provides information about the executive officers and directors of SSDI as of the date of filing this Schedule 13D.

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SCHEDULE II

EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD SCIENTIFICS, INC.

| Name ---- | Present Principal Employment ----- | Busin ----- |
|----------------------|---|--|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Chief Executive Officer and Director | Safeguard Scienti 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Michael F. Cola | Managing Director, Corporate Operations | Safeguard Scienti 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Christopher J. Davis | Managing Director and Chief Financial Officer | Safeguard Scienti 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |

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| | | |
|----------------------|---|--|
| Anthony A. Ibarguen | Managing Director, Business & IT Services | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| DIRECTORS* | | |
| Robert E. Keith, Jr. | Managing Director, TL Ventures | TL Ventures 435 Devon Park Dr Wayne, PA 19087 |
| Anthony L. Craig | Same as above | Same as above |
| Julie A. Dobson | Consultant | 12617 Greenbriar Potomac, MD 20854 |
| Andrew E. Lietz | Managing Director, Rye Capital Management | P. O. Box 738 Rye, NH 03870 |
| George MacKenzie | Consultant | 360 High Ridge Rd Chadds Ford, PA |
| Jack L. Messman | Chairman and CEO, Novell, Inc. | Novell, Inc. 404 Wyman Street, Waltham, MA 02451 |
| Russell E. Palmer | Chairman and CEO, The Palmer Group | The Palmer Group 3600 Market Street Philadelphia, PA |
| John W. Poduska Sr. | Consultant | 295 Meadowbrook Rd Weston, MA 02493- |
| Robert Ripp | Chairman, Lightpath Technologies, Inc. | 21 Old Logging Rd Bedford, NY 10506 |
| John J. Roberts | Consultant | 1007 Canterbury Ln Villanova, PA 190 |

* All Executive Officers and Directors are U.S. Citizens.

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SCHEDULE III
EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD DELAWARE, INC.

| Name ---- | Present Principal Employment ----- | Busin ----- |
|----------------------|--|--|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Safeguard Delaware, Inc.; President and CEO, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Christopher J. Davis | Vice President & Treasurer, Safeguard Delaware, Inc.; Managing Director and CFO, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| DIRECTORS* | | |
| Deirdre Blackburn | Manager, Legal Systems & Corporate Secretary, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr |

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| | | |
|-------------------|---------------------------------------|--|
| | | Wayne, PA 19087 |
| Joseph R. DeSanto | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Tonya L. Zweier | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |

* All Executive Officers and Directors are U.S. Citizens.

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SCHEDULE IV
EXECUTIVE OFFICERS AND DIRECTORS OF SAFEGUARD SCIENTIFICS (DELAWARE), INC.

| Name ----- | Present Principal Employment ----- | Busin ----- |
|----------------------|--|--|
| EXECUTIVE OFFICERS* | | |
| Anthony L. Craig | President, Safeguard Delaware, Inc.; President and CEO, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Christopher J. Davis | Vice President & Treasurer, Safeguard Delaware, Inc.; Managing Director and CFO, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| DIRECTORS* | | |
| Deirdre Blackburn | Manager, Legal Systems & Corporate Secretary, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Joseph R. DeSanto | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |
| Tonya L. Zweier | Director, Safeguard Scientifics, Inc. | Safeguard Scientifics 800 The Safeguard 435 Devon Park Dr Wayne, PA 19087 |

* All Executive Officers and Directors are U.S. Citizens.