

NEEDHAM CAPITAL PARTNERS II BERMUDA L P  
 Form 4  
 January 05, 2005

**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 CAPITAL  
 MANAGMENT 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 AVENUE,  
 (Street)

3. Date of Earliest Transaction  
 (Month/Day/Year)  
 12/31/2004

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 \_\_\_X\_\_\_ 10% Owner  
 \_\_\_\_ Other (specify below)

NEW YORK, NY 10022  
 (City) (State) (Zip)

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

**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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Code V Amount (D) Price		

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

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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	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (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)	Date Exercisable	Expiration Date	Title	Amount Number Shares
			Code	V (A) (D)				
Convertible Note	\$ 1	12/31/2004	C	\$ 877,058	(7)	(8)	Series A Preferred Stock	953,5 (1)
Convertible Note	\$ 1	12/31/2004	C	\$ 122,942	(7)	(8)	Series A Preferred Stock	133,6 (1)
Convertible Note	\$ 1	12/31/2004	C	\$ 1,535,416	(7)	(8)	Series A Preferred Stock	1,669, (1)
Convertible Note	\$ 1	12/31/2004	C	\$ 158,571	(7)	(8)	Series A Preferred Stock	173,4 (1)
Convertible Note	\$ 1	12/31/2004	C	\$ 306,013	(7)	(8)	Series A Preferred Stock	332,7 (1)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NEEDHAM CAPITAL MANAGMENT LLC 445 PARK AVENUE NEW YORK, NY 10022		X		
NEEDHAM CAPITAL PARTNERS III LP C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022		X		
NEEDHAM CAPITAL PARTNERS II BERMUDA L P 445 PARK AVENUE NEW YORK, NY 10022		X		
NEEDHAM CAPITAL MANAGEMENT BERMUDA LLC C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022		X		
NEEDHAM CAPITAL PARTNERS IIIA LP C/O NEEDHAM & CO 445 PARK AVE NEW YORK, NY 10022		X		



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(Bermuda), L.P. George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of Needham Capital Management (Bermuda) L.L.C. Needham Capital Management, (Bermuda) L.L.C. and Mr. Needham disclaim beneficial ownership of all of the shares except to the extent of their pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by them of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

- (3) The reported shares are owned directly by Needham Capital Partners II, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported shares because it serves as the general partner of Needham Capital Partners II, L.P. George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares except to the extent of their pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by them of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

- (4) The reported shares are owned directly by Needham Capital Partners II (Bermuda), L.P. Needham Capital Management (Bermuda) L.L.C. may be deemed to beneficially own the reported shares because it serves as the general partner of Needham Capital Partners II (Bermuda), L.P. George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of Needham Capital Management (Bermuda) L.L.C. Needham Capital Management, (Bermuda) L.L.C. and Mr. Needham disclaim beneficial ownership of the reported shares except to the extent of their pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by them of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

- (5) The reported shares are owned directly by Needham Capital Partners III, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported shares because it serves as the general partner of Needham Capital Partners III, L.P. George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares except to the extent of their pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by them of beneficial ownership of the shares for purposes of Section 16 or for any other purpose.

- (6) The reported shares are owned directly by Needham Capital Partners IIIA, L.P. Needham Capital Management L.L.C. may be deemed to beneficially own the reported shares because it serves as the general partner of Needham Capital Partners IIIA, L.P. George A. Needham may be deemed to beneficially own the reported shares because he serves as a managing member of Needham Capital Management L.L.C. Needham Capital Management L.L.C. and Mr. Needham disclaim beneficial ownership of the shares except to the extent of their pecuniary interest therein, and the inclusion of the shares in this report shall not be deemed an admission by them of beneficial ownership of the reported shares for purposes of Section 16 or for any other purpose.

- (7) The convertible promissory notes of the Company were presently exercisable and the Series A 10% Cumulative Preferred Stock of the Company remains presently exercisable.

- (8) The Company's secured convertible promissory notes did not have an expiration date for conversion. Similarly, the Company's Series A 10% Cumulative Preferred Stock does not have an expiration date for conversion.

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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