

SILICON GRAPHICS INC
Form 4
August 29, 2008

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 *
Monarch Alternative Capital LP

(Last) (First) (Middle)

535 MADISON AVENUE, 17TH FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

SILICON GRAPHICS INC [SGIC]

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

08/27/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

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

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 | 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) | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|--------------------------------------|------------------------------------|------------------|------------|--|------|---|--------|-----|---------------------|--------------------|-----------------|-------------------------------------|
| Stock Option (right to buy) | \$ 18.03 | 08/27/2008 | | | P | | 12,500 | | 12/01/2007 | 11/30/2011 | Common Stock | 12,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Monarch Alternative Capital LP 535 MADISON AVENUE 17TH FLOOR NEW YORK, NY 10022 | | X | | |
| Monarch Debt Recovery Master Fund Ltd 535 MADISON AVENUE 17TH FLOOR NEW YORK, NY 10022 | | X | | |

Signatures

| | |
|--|------------|
| MONARCH ALTERNATIVE CAPITAL LP By: MDRA GP LP, its general partner, By: Monarch GP LLC, its general partner, By: /s/ Michael Weinstock, Managing Member | 08/29/2008 |
| **Signature of Reporting Person | Date |
| MONARCH DEBT RECOVERY MASTER FUND LTD By: /s/ Michael Weinstock, Director | 08/29/2008 |
| **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) The securities reported herein are directly beneficially owned by certain funds (the "Funds") to which Monarch Alternative Capital LP ("MAC") acts as investment advisor. By reason of the provisions of Rule 16a-1 under the Securities Exchange Act of 1934, as amended, MAC may be deemed to be the beneficial owner of the securities beneficially owned by the Funds. MAC disclaims beneficial ownership of all such securities, except to the extent of any indirect pecuniary interest therein.
 - (2) These stock options were granted to Chun Won Yi, an employee of MAC, on December 1, 2006 as compensation for his service on the board of directors of the issuer. The options vested on December 1, 2007.

Remarks:

Exhibit List:

Exhibit 99.1: Joint Filer Information - Monarch Debt Recovery Master Fund Ltd

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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