Katari Kevin D Form 4 August 29, 2008

FORM 4

OMB APPROVAL

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16. Form 4 or

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Expires: 2005 Estimated average burden hours per

Form 5 obligations may continue. See Instruction

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

response... 0.5

January 31,

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Katari Kevin D

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Symbol

(Middle)

SILICON GRAPHICS INC [SGIC]

08/27/2008

(Check all applicable)

See Remarks

(First) (Last)

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

X_ Director 10% Owner _X_ Other (specify Officer (give title below) below)

C/O WATERSHED ASSET MANAGEMENT, L.L.C., ONE MARITIME PLAZA, SUITE 1525

(Street)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

(Instr. 4)

(Instr. 4)

Filed(Month/Day/Year)

Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting

Following

SAN FRANCISCO, CA 94111

(State) (Zip) (City) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Indirect Beneficial (Instr. 3, 4 and 5) (Month/Day/Year) (Instr. 8) Owned (I) Ownership

> Reported (A) Transaction(s) or (Instr. 3 and 4)

Code V Amount (D) Price

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

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

3. Transaction Date 3A. Deemed 1. Title of 5. 6. Date Exercisable and 7. Title and 8. Price of (Month/Day/Year) Execution Date, if TransactionNumber Amount of Derivative Deriv Derivative Conversion

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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	rities uired or osed O) r. 3,		Under Securi (Instr.	, ,	Security (Instr. 5)	Secur Bene Owne Follo Repo Trans (Instr
			Code V	(A) (D)	Date Exercisable	Expiration Date		Amount or Number of Shares		

Deletionship

Reporting Owners

Reporting Owner Name / Address	Relationships						
2	Director	10% Owner	Officer	Other			
Katari Kevin D							
C/O WATERSHED ASSET MANAGEMENT, L.L.C.				See Remarks			
ONE MARITIME PLAZA, SUITE 1525	X			See Remarks			
SAN FRANCISCO CA 94111							

Signatures

/s/ Kevin D.
Katari

**Signature of Reporting Person

O8/29/2008

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).

Remarks:

Kevin D. Katari was Chairman of the Board of Directors of the Issuer. On August 27, 2008, Mr. Katari resigned from his positive: 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.

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