

MOORE MERIDEE  
Form 4  
January 05, 2009

**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 \*  
Watershed Asset Management,  
L.L.C.

(Last) (First) (Middle)

ONE MARITIME PLAZA, SUITE  
1525,

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
SILICON GRAPHICS INC [SGIC]

3. Date of Earliest Transaction  
(Month/Day/Year)  
12/31/2008

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) \_\_\_X\_\_\_ Other (specify below)

Member of Group Owning 10%

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 Ownership (Instr. 4)
Common Stock, par value \$0.01 per share	12/31/2008		J <sup>(9)</sup>	259,591 D	0	D	(1) (2) (11)
Common Stock, par value \$0.01 per share	12/31/2008		J <sup>(10)</sup>	869,129 D	0	D	(1) (3) (11)
Common Stock, par					1,128,720	I	See Footnotes

value \$0.01 per share									(1) (4) (5) (11)
Common Stock, par value \$0.01 per share						1,505,858	I		See Footnotes (1) (6) (7) (11)
Common Stock, par value \$0.01 per share						1,505,858	I		See Footnotes (1) (8) (11)

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 (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. Nu Deriv Secur Bene Own Follo Repor Trans (Instr
				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

Watershed Asset Management, L.L.C.  
ONE MARITIME PLAZA, SUITE 1525  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

Watershed Capital Partners, L.P.  
C/O WATERSHED ASSET MANAGEMENT,

X

Member of Group Owning  
10%

L.L.C.

ONE MARITIME PLAZA, SUITE 1525  
SAN FRANCISCO, CA 94111

Watershed Capital Institutional Partners, L.P.  
C/O WATERSHED ASSET MANAGEMENT,  
L.L.C.  
ONE MARITIME PLAZA, SUITE 1525  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

WS Partners, L.L.C.  
C/O WATERSHED ASSET MANAGEMENT,  
L.L.C.  
ONE MARITIME PLAZA, SUITE 1525  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

MOORE MERIDEE  
C/O WATERSHED ASSET MANAGEMENT,  
L.L.C.  
ONE MARITIME PLAZA, SUITE 1525  
SAN FRANCISCO, CA 94111

X

Member of Group Owning  
10%

## Signatures

/s/ Meridee A. Moore, on her own behalf and as attorney-in-fact and/or authorized signatory  
for each of the reporting persons listed in footnotes (2) through (8) of this Form 4.

01/05/2009

\_\_Signature of Reporting Person

Date

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01/05/2009

\_\_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 entities and individual identified in the footnotes of this Form 4 and certain affiliated entities that are filing a Form 3 on the same date as the filing of this Form 4 with respect to the securities described in this Form 4 (the "New Watershed Entities Form 3") may be deemed members of a group holding equity securities of the Issuer. The filing of this Form 4 shall not be deemed to be an admission that such entities and individual are members of such group.

(2) The amount of securities shown in this row was previously owned directly by Watershed Capital Partners, L.P. ("WCP"). As referenced in footnote (9), as of December 31, 2008, WCP transferred its securities of the Issuer to WCP, L.P. in exchange for 100% of the ownership interest in WCP, L.P. At the time of this transfer, WCP was the sole economic interest-holder in WCP, L.P. Subsequently, as of the same date, WCP transferred a portion of its interest in WCP, L.P. to certain current and previous limited partners of WCP.

(3) The amount of securities shown in this row was previously owned directly by Watershed Capital Institutional Partners, L.P. ("WCIP", and together with WCP, the "Watershed Partnerships"). As referenced in footnote (10), as of December 31, 2008, WCIP transferred its securities of the Issuer to WCIP, L.P. (together with WCP, L.P., the "Watershed SPVs") in exchange for 100% of the ownership interest in WCIP, L.P. At the time of this transfer, WCIP was the sole economic interest-holder in WCIP, L.P. Subsequently, as of the same date,

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WCIP transferred a portion of its interest in WCIP, L.P. to certain current and previous limited partners of WCIP.

- (4) The amount of securities shown in this row was previously owned directly by the Watershed Partnerships and is now owned directly by the Watershed SPVs. WS Partners, L.L.C. ("WSLLC"), as the general partner of each of the Watershed Partnerships, the Watershed SPVs and certain affiliated entities, may be deemed to be a beneficial owner of the Issuer's securities held through the SPVs by each of the Watershed Partnerships and such affiliated entities.

- (5) WSLLC disclaims any beneficial ownership of any of the Issuer's securities reported herein for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "'34 Act"), or otherwise, except as to securities representing its pro rata interest in, and interest in the profits of, the Watershed Partnerships and/or such affiliated entities.

- (6) The amount of securities shown in this row: (i) was previously owned directly by the Watershed Partnerships and is now owned directly by the Watershed SPVs; or (ii) was previously owned directly by Watershed Capital Partners (Offshore), Ltd. ("Watershed Offshore"), a discretionary account managed by Watershed Asset Management, L.L.C. ("WAMLLC"), and is now owned directly by WCOP, Ltd. ("WCOP"), which is also a discretionary account managed by WAMLLC. As of December 31, 2008, Watershed Offshore transferred its securities of the Issuer to WCOP in exchange for 100% of the shares of WCOP. Subsequently, as of the same date, Watershed Offshore transferred a portion of its shares in WCOP to certain of its current and previous investors.

- (7) WAMLLC, as the registered investment adviser to the Watershed SPVs, WCOP and certain affiliated entities, may be deemed to be a beneficial owner of the Issuer's securities held by each of the Watershed SPVs, WCOP and such affiliated entities. WAMLLC disclaims any beneficial ownership of any of the Issuer's securities reported herein for purposes of Section 16 of the '34 Act or otherwise.

- (8) The amount of securities shown in this row: (i) was previously owned directly by the Watershed Partnerships and is now owned directly by the Watershed SPVs; or (ii) was previously owned by Watershed Offshore and is now owned directly WCOP. Meridee A. Moore, the Senior Managing Member of WSLLC and WAMLLC, may be deemed to be a beneficial owner of the Issuer's securities held by each of the Watershed SPVs and WCOP. Ms. Moore disclaims any beneficial ownership of any of the Issuer's securities reported herein for purposes of Section 16 of the '34 Act or otherwise.

- (9) The reporting person transferred the securities to WCP, L.P. in exchange for 100% of the ownership interest in WCP, L.P.

- (10) The reporting person transferred the securities to WCIP, L.P. in exchange for 100% of the ownership interest in WCIP, L.P.

- (11) For information regarding the total number of securities of the Issuer beneficially owned by certain affiliated special purpose vehicles, see the New Watershed Entities Form 3.

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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