

APPLIED SIGNAL TECHNOLOGY INC  
Form SC 13D/A  
December 22, 2010

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

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. 1)<sup>1</sup>

Applied Signal Technology, Inc.

(Name of Issuer)

Common Stock, no par value  
(Title of Class of Securities)

038237103  
(CUSIP Number)

Jerome J. Lande  
MMI Investments, L.P.  
1370 Avenue of the Americas  
New York, New York 10019  
(212) 586-4333

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

December 20, 2010  
(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 that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box “.”

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

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<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person’s initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934 (“Act”) or otherwise subject to the liabilities of that section of the Act

but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP NO. 038237103

1 NAME OF REPORTING PERSON

MMI Investments, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	4,000 SHARED VOTING POWER
	9	- 0 - SOLE DISPOSITIVE POWER
	10	4,000 SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,000

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

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

Less than 1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 038237103

1 NAME OF REPORTING PERSON

MMI Plus, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		1,500
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		1,500
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,500

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

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

Less than 1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 038237103

1 NAME OF REPORTING PERSON

MCM Capital Management, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	5,500 SHARED VOTING POWER
	9	- 0 - SOLE DISPOSITIVE POWER
	10	5,500 SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

5,500

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

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

Less than 1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 038237103

1 NAME OF REPORTING PERSON

Clay B. Lifflander

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -1
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		- 0 -1
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

- 0 -1

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

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

0%<sup>1</sup>

14 TYPE OF REPORTING PERSON

IN

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<sup>1</sup> See Item 5.

CUSIP NO. 038237103

The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned (“Amendment No. 1”).

Item 2. Identity and Background.

Item 2 is hereby amended and restated to read as follows:

(a) This statement is being filed on behalf of (i) MMI Investments, L.P., a Delaware limited partnership (“MMI Investments”), (ii) MMI Plus, L.P., a Delaware limited partnership (“MMI Plus”), (iii) MCM Capital Management, LLC, a Delaware limited liability company that is the sole general partner of MMI Investments and MMI Plus (“MCM”) and (iv) Clay B. Lifflander (“Mr. Lifflander”). Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.” Set forth on Schedule I, annexed to this Statement and incorporated herein by reference, is the name, business address and present principal occupation or employment, and the name and address of any corporation or other organization in which such occupation or employment is conducted, of each voting member (each of whom is also an executive officer) of MCM as of the date hereof.

(b) The principal business address of MMI Investments, MMI Plus, MCM and Mr. Lifflander is 1370 Avenue of the Americas, New York, New York 10019.

(c) MMI Investments and MMI Plus are engaged primarily in the business of investing in publicly traded securities. MCM is the sole general partner of MMI Investments and MMI Plus and its principal business is investing in publicly traded securities. The principal occupation of Mr. Lifflander is serving as President of MCM.

(d) No Reporting Person nor, to each Reporting Person’s knowledge, any individual listed on Schedule I, is required to disclose legal proceedings pursuant to Item 2(d) of Schedule 13D.

(e) No Reporting Person nor, to each Reporting Person’s knowledge, any individual listed on Schedule I, is required to disclose legal proceedings pursuant to Item 2(e) of Schedule 13D.

(f) To each Reporting Person’s knowledge, each of the individuals identified on Schedule I is a citizen of the United States.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated to read as follows:

The aggregate purchase price of the 4,000 Shares owned by MMI Investments is \$105,433; the source of funds is MMI Investments’ working capital. The aggregate purchase price of the 1,500 Shares owned by MMI Plus is \$49,915; the source of funds is MMI Plus’ working capital.

MMI Investments and MMI Plus effect purchases of securities primarily through margin accounts maintained for them with prime brokers, which may extend margin credit to them as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and the prime brokers’ credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts.

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Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated to read as follows:

(a)-(b) The aggregate percentage of Shares reported owned by each Reporting Person is based upon 13,396,161 Shares outstanding as of July 30, 2010, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on September 7, 2010.

As of the close of business on December 21, 2010, MMI Investments directly owned 4,000 Shares, constituting less than 1% of the Shares outstanding. MMI Investments has the sole power to direct the vote and disposition of such Shares on the date of this Statement. As of the close of business on December 21, 2010, MMI Plus directly owned 1,500 Shares, constituting less than 1% of the Shares outstanding. MMI Plus has the sole power to direct the vote and disposition of such Shares on the date of this Statement. MCM does not directly own any Shares. However, by virtue of being the general partner of MMI Investments and MMI Plus, MCM may be deemed to be the beneficial owner of the Shares owned by MMI Investments and MMI Plus and to have sole power over the voting and disposition of such Shares as a result of its having the sole power to make voting and disposition decisions on behalf of MMI Investments and MMI Plus with respect to such Shares. MCM disclaims beneficial ownership of such Shares, except to the extent of its pecuniary interest therein. Mr. Lifflander does not directly own any Shares. However, as a member of a "group" for the purposes of Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended, Mr. Lifflander may be deemed to beneficially own the Shares owned by MMI Investments and MMI Plus. Mr. Lifflander disclaims beneficial ownership of such Shares, except to the extent of his pecuniary interest therein.

Except as described above, as of the date hereof, to each Reporting Person's knowledge, none of the persons listed on Schedule I owns any Shares or has any right to acquire, directly or indirectly, any beneficial ownership of Shares.

(c) Except for the open market purchases of Shares by MMI Investments and MMI Plus set forth in Schedule II attached hereto and incorporated herein by reference, there have been no transactions with respect to the Shares during the past 60 days by MMI Investments, MMI Plus, MCM or Mr. Lifflander, or, to each Reporting Person's knowledge, any of the persons listed on Schedule I.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, such Shares.

(e) As of December 20, 2010, the Reporting Persons ceased to be the beneficial owners of more than 5% of the Shares of the Issuer.



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SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: December 22, 2010

MMI INVESTMENTS, L.P.

By: MCM Capital Management, LLC  
General Partner

By: /s/ Jerome J. Lande  
Jerome J. Lande  
Executive Vice President

MMI PLUS, L.P.

By: MCM Capital Management, LLC  
General Partner

By: /s/ Jerome J. Lande  
Jerome J. Lande  
Executive Vice President

MCM CAPITAL MANAGEMENT, LLC

By: /s/ Jerome J. Lande  
Jerome J. Lande  
Executive Vice President

/s/ Clay B. Lifflander  
Clay B. Lifflander

CUSIP NO. 038237103

SCHEDULE I

MCM Capital Management, LLC (“MCM”)  
Voting Members and Executive Officers

Name and Business Address	Position and Principal Occupation
John S. Dyson 1370 Avenue of the Americas New York, New York 10019	Voting Member and Chairman of MCM; Voting Member and Chairman of Millcap Advisors, LLC (“Millcap”), a Delaware limited liability company 1370 Avenue of the Americas, New York, New York 10019
Clay B. Lifflander 1370 Avenue of the Americas New York, New York 10019	Voting Member and President of MCM; Voting Member and President of Millcap

CUSIP NO. 038237103

## SCHEDULE II

## Transactions in the Shares During the Past 60 Days

Shares of Common Stock Purchased / (Sold)	Price Per Share(\$)	Date of Purchase / Sale
MMI Investments, L.P.		
(10,000)	34.41	12/16/2010
(50,000)	34.62	12/17/2010
(670,000)	37.74	12/20/2010
MMI Plus, L.P.		
1,300	33.05	12/1/2010
200	34.75	12/8/2010