

OPTI INC  
Form 10-Q/A  
August 28, 2012

---





OPTi Inc.  
INDEX

<u>PART I: FINANCIAL INFORMATION</u>		Page #
ITEM 1:	FINANCIAL STATEMENTS	3
	Condensed Consolidated Balance Sheet	3
	Condensed Consolidated Statement of Net Assets in Liquidation	4
	Condensed Consolidated Statement of Changes in Net Assets in Liquidation	5
	Condensed Consolidated Statements of Operations	6
	Condensed Consolidated Statements of Cash Flows	7
	Notes to Condensed Consolidated Financial Statements	8
ITEM 2:	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	12
	Overview	12
	Results of Operations	12
	Liquidity and Capital Resources	13
ITEM 3:	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	14
ITEM 4:	CONTROLS AND PROCEDURES	14
 <u>PART II: OTHER INFORMATION</u>		 15
ITEM 1:	LEGAL PROCEEDINGS	15
ITEM 1A:	RISK FACTORS	15
ITEM 2:	UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	17
ITEM 3:	DEFAULTS UPON SENIOR SECURITIES	17
ITEM 4:	MINE SAFETY DISCLOSURES	17
ITEM 5:	OTHER INFORMATION – NEW ANNUAL MEETING DATE FOR 2012	17
ITEM 6:	EXHIBITS	18
SIGNATURES		

PART I: FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTSOPTi INC.  
CONDENSED CONSOLIDATED BALANCE SHEET  
(Going Concern Basis)  
(in thousands)

	March 31, 2012 (audited)
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 21,922
Income tax receivable	1,392
Prepaid expenses and other current assets	24
Total current assets	23,338
Property and equipment, at cost	
Machinery and equipment	32
Furniture and fixtures	17
	49
Accumulated depreciation	(41 )
	8
Other assets	
Deposits	5
Total other assets	5
Total assets	\$ 23,351
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current liabilities:	
Accounts payable	\$ 163
Accrued expenses	204
Accrued employee compensation	10
Total current liabilities	377
Other liabilities:	
Non-current taxes payable	3,816
Total liabilities	4,193
Stockholders' equity:	
Preferred stock, no par value	
Authorized shares – 5,000	
No shares issued or outstanding	—
Common stock	
Authorized shares – 50,000	
Issued and outstanding – 11,646	13,544
Retained earnings	5,614
Total stockholders' equity	19,158

Total liabilities and stockholders' equity

\$ 23,351

\* The balance sheet as of March 31, 2012 has been derived from the audited financial statements.  
The accompanying notes are an integral part of these condensed consolidated financial statements.

PAGE 3

---

OPTi INC.  
 CONDENSED CONSOLIDATED STATEMENT OF NET ASSETS IN LIQUIDATION  
 (Liquidation Basis)  
 (in thousands)  
 (Unaudited)

	June 30, 2012
Assets:	
Cash and cash equivalents	\$ 8,474
Income tax receivable	1,576
Prepaid expenses and other current assets	58
Property and equipment	7
Deposits	5
Total assets	\$ 10,120
Liabilities:	
Accounts payable	\$ 140
Accrued expenses	194
Accrued employee compensation	3
Non-current taxes payable	3,903
Other accrued liabilities	5,442
Total liabilities	9,682
Net assets in liquidation	\$ 438

Because of the unpredictability of any settlement amounts and of a ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA and SIS. Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.

The accompanying notes are an integral part of these condensed consolidated financial statements.

OPTi Inc.  
 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION  
 (Liquidation Basis)  
 (In thousands)  
 (Unaudited)

	For the One Month Period ended June 30, 2012
Stockholder's equity at May 31, 2012	\$ 18,928
Accrued liquidation cost	(5,680 )
Net assets in liquidation as of June 1, 2012	\$ 13,248
Liquidating distribution	(12,810 )
Adjustments to accrued liquidation costs during the month ended June 30, 2012	
Net assets in liquidation as of June 30, 2012	\$ 438

Because of the unpredictability of any settlement amounts and of a ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA and SIS. Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.

The accompanying notes are an integral part of these condensed consolidated financial statements.



OPTi Inc.  
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Going Concern Basis)  
 (in thousands, except for per share data)  
 (unaudited)

	Two Months Ended May 31, 2012	Three Months Ended June 30, 2011
Sales		
License and royalties	\$ —	\$ —
Net sales	—	—
Costs and expenses		
Selling, general and administrative	265	873
Total costs and expenses	265	873
Operating loss	(265 )	(873 )
Interest and other income, net	2	4
Loss before provision for income taxes	(263 )	(869 )
Income tax benefit	(34 )	(294 )
Net loss	\$ (229 )	\$ (575 )
Basic and diluted net loss per share	\$ (0.02 )	\$ (0.05 )
Shares used in computing basic and diluted per share amounts	11,646	11,646

The accompanying notes are an integral part of these condensed consolidated financial statements.

OPTi INC.  
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (Going Concern Basis)  
 (in thousands)  
 (unaudited)

	Two Months Ended May 31, 2012	Three Months Ended June 30, 2011
Cash flows from operating activities:		
Net loss	\$ (229 )	\$ (575 )
Adjustments to reconcile net income (loss) to net used in operating activities:		
Depreciation	1	1
Deferred income taxes	—	349
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(40 )	33
Income taxes receivable	(92 )	(1,370 )
Accounts payable	44	88
Accrued expenses	(75 )	250
Accrued employee compensation	(7 )	(683 )
Income taxes payable	59	—
Net cash used in operating activities	(339 )	(1,907 )
Net increase (decrease) in cash and cash equivalents	(339 )	(1,907 )
Cash and cash equivalents, beginning of period	21,922	25,779
Cash and cash equivalents, end of period	\$ 21,583	\$ 23,872

The accompanying notes are an integral part of these condensed consolidated financial statements.

OPTi Inc. (In Liquidation)  
 NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2012  
 (Unaudited)

Since May 31, 2012, the Company has been in liquidation pursuant to a Plan of Liquidation approved by its shareholders on that date.

1. Basis of Presentation

The information, as of June 30, 2012 and for the three month periods ended June 30, 2012 and 2011, are unaudited, but includes all adjustments (consisting of normal recurring adjustments) which the Company's management believes to be necessary for the fair presentation of the financial position, results of operations and cash flows for the periods presented. Interim results are not necessarily indicative of results for a full year.

The accompanying financial statements should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2012, which are included in the annual report on Form 10-K filed by the Company with the Securities and Exchange Commission.

Liquidating Basis of Accounting

Basis of Consolidation – As a result of the shareholders' approval of the Plan of Liquidation, the Company adopted the liquidation basis of accounting effective May 31, 2012. This basis of accounting is considered appropriate when liquidation of a company is imminent. Under the liquidation basis of accounting, assets are valued at their net realizable value, which is the non-discounted amount of cash, or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs. Liabilities are stated at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due course of business, including direct costs.

Accrued Cost of Liquidation

The Company accrued the estimated costs expected to be incurred during the dissolution period, as of June 1, 2012. The dissolution period estimate provides time for the Company to complete the remaining litigation, make final distributions (if any), and file its certificate of dissolution. In determining its total estimated costs to liquidate, the Company estimated that it will incur costs through March 31, 2016 as follows (in thousands):

Salaries, wages and benefits	\$ 1,117
Lease expense	205
Legal, accounting, board and other professional fees	1,407
Litigation related expenses	2,100
Outside services and other expenses	538
Insurance	313
Total liquidation accrual	\$ 5,680

The estimates were based on prior history, known future events, contractual obligations and the estimated time to complete liquidation. The Company has recorded total accrued liabilities of \$5.4 million on the statement of net assets as of June 30, 2012. The actual costs associated with carrying out the Plan of Liquidation may depend on factors beyond the control of the Company and differ materially from the accrued amounts because of the Plan's inherent uncertainty. See "Risk Factors" below.

PAGE 8

---

Because of the unpredictability of any settlement amounts or a ruling in favor of the Company, the Company is currently unable to estimate the net realizable value of any proceeds for the ongoing litigation against VIA and SIS. Accordingly, the Company has not recorded any receivables for such litigation. If the Company is successful in its litigation efforts, it will record the amount of any settlement or final judgment at the time thereof, resulting in an increase to the net assets.

#### Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates under different assumptions or conditions. These differences may be material. See "Risk Factors" below.

#### Summary of Significant Accounting Policies, Income Taxes

Income taxes are calculated under Accounting Standard Codification Topic 740 "Accounting for Income Taxes". Under ASC 740, the liability method is used in accounting for income taxes, which includes the effects of deferred tax assets or liabilities. Deferred tax assets or liabilities are recognized for the expected tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities using the enacted tax rates that will be in effect when these differences reverse. The Company provides a valuation allowance to reduce deferred tax assets to the amount that is expected, based on whether such assets are more likely than not to be utilized.

#### 2. Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the average number of common shares outstanding during the period.

Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares that would be outstanding if all convertible securities were converted into common stock.

The Company had no stock options outstanding as of May 31, 2012. The Company has excluded options for the purchase of 4,000 shares of common stock from the calculation of diluted net (loss) per share for the three month period ended June 30, 2011, because such securities were anti-dilutive.

#### 3. Taxes

As part of the process of preparing the unaudited condensed consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating the current tax liability under the most recent tax laws and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the unaudited condensed consolidated balance sheet.

Income tax benefit for the two months ended May 31, 2012 was \$34,000, or 13% of pre-tax income as compared to a benefit of \$0.3 million, or 34% of pre-tax income for the quarter ended June 30, 2011. The effective tax rate for the

two months ended May 31, 2012 differs from the U.S. federal statutory rate of 34% primarily due to the unfavorable impact of current federal and state income taxes.

PAGE 9

---

As of June 30, 2012, the Company's total gross unrecognized tax benefit did not materially change compared with the balance as of March 31, 2012. The Company has provided a liability of approximately \$3.5 million representing unrecognized tax benefits relating to federal and state R&D credit. All of this amount would impact the Company's effective rate, if recognized. Penalty and interest of approximately \$0.4 million has been accrued in income tax expense.

#### 4. Cash and Cash Equivalents

The following is a summary as of June 30 and March 31, 2012 (in thousands):

	June 30, 2012	March 31, 2012
Cash	\$ 100	\$ 100
Money market funds	8,374	21,822
	\$ 8,474	\$ 21,922

The accounting standard for fair value establishes a framework for measuring fair value and requires disclosures about fair value measurements by establishing a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level I — Observable inputs such as quoted prices in active markets;
- Level II — Inputs other than the quoted prices in active markets that are observable either directly or indirectly; and
- Level III — Unobservable inputs in which there is little or no market data, which requires the Company to develop its own assumptions. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company measures its investments and marketable securities at fair value.

As of June 30, 2012, and March 31, 2012, the Company had investments in money market funds of \$8.4 million and \$21.8 million, respectively, in cash equivalents classified as Level I of the fair market hierarchy and no Level II or Level III investments.

5. Commitments

The Company leases its facility under a non-cancelable operating lease that expires in January 2014.

Rental expense for the operating lease amounted to \$12,000 and \$29,000, respectively, for the three months ended June 30, 2012 and June 30, 2011.

Future minimum lease commitments by fiscal year for all facility leases are as follows:

March 31, 2013	\$ 35,753
March 31, 2014	40,950
Total lease commitment	\$ 76,703

6. Subsequent Events

On June 4, 2012, the Company announced a liquidating distribution of \$12.8 million or \$1.10 per share of the Company's stock pursuant to the Plan of Liquidation. The \$12.8 million was transferred to our transfer agent on June 29, 2012, and is netted against an equal amount of liquidating distribution payable resulting in a zero net balance as of June 30, 2012. The distribution was paid on July 3, 2012, to shareholders of record as of the close of business on June 26, 2012.



## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Information set forth in this report may include forward-looking statements made within the meaning of Section 27A of the Security Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which involve risks and uncertainties. The Company's actual results may differ significantly from the results discussed in the forward-looking statements as a result of a number of factors. Readers are encouraged to review "Risk Factors" set forth below.

On May 31, 2012, the shareholders of OPTi approved a Plan of Liquidation pursuant to which the Company is winding up and dissolving. The Company anticipates that its liquidation will be complete by March 31, 2016. During the winding up period, the Company has ceased to carry on business except to the extent necessary for the beneficial winding up thereof. Please see Part 1, Item 1 of Form 10-K for the fiscal year ended March 31, 2012, for background regarding the Plan of Liquidation.

The Company intends to continue to conduct its ongoing litigation against VIA Technologies, Inc. and Silicon Integrated Systems Corp. during the Liquidation Period. A trial date has been set for May 2013. See "Legal Proceedings" below.

In addition, the Company may be compelled to defend itself and its directors against litigation initiated by its shareholders or others in connection with the Plan of Liquidation and the winding up of the Company. See below "Risk Factors - Uncertainty Over Winding Up and Dissolution of the Company."

### Critical Accounting Policies

**General.** Our discussions and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires that we make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe that, of the significant accounting policies used in preparation of our consolidated financial statements (see Note 1 of Notes to Condensed Consolidated Financial Statements), the following are critical accounting policies, which may involve a higher degree of judgment and complexity.

**Revenue Recognition** Revenue from license arrangements is recognized when persuasive evidence of an arrangement exists, delivery has occurred and there are no future performance obligations, fees are fixed or determinable and collectability is reasonably assured.

**Litigation and Contingencies** From time to time, we receive various inquiries or claims in connection with patent and other intellectual property rights. We estimate the probable outcome of these claims and accrue estimates of the amounts that we expect to pay upon resolution of such matters, if needed. Should we not be able to secure the terms we expect, these estimates may change and may result in increased accruals, resulting in decreased profits.

Accrual for Costs of Liquidation We expect it will take approximately forty-six months to complete the Plan of Liquidation. Accordingly, we had to estimate expenses for the liquidation period based on historical information and known future events. The actual costs associated with carrying out the Plan of Liquidation may depend on factors beyond the control of the Company and may differ materially from the accrued amounts because of the Plan's inherent uncertainty. See "Risk Factors" below.

PAGE 12

---

Results of Operations for the Two Months Ended May 31, 2012  
Compared to the Three Months Ended June 30, 2011

Revenues

The Company had no license revenue for the two-month period ended May 31, 2012 and the three-month period ended June 30, 2011.

General and Administrative

General and administrative expenses for the two months ended May 31, 2012 were \$265,000 as compared to \$873,000 for the quarter ended June 30, 2011. The decrease in general and administrative costs for the two-month period ended June 30, 2012, as compared to the comparable period ended June 30, 2011, was mainly attributable to a two-month period in FY 2013 versus a three-month period in FY 2012, as well as a decrease in litigation costs.

Interest and Other Income, Net

Net interest and other income for the two-month period ending May 31, 2012 was \$2,000 as compared to \$4,000 for the three-months ended June 30, 2011. The decrease in net interest and other income in the two-month period ended May 31, 2012 as compared to the comparable period in 2011 was due to lower cash balances.

Income Taxes

As part of the process of preparing the unaudited condensed consolidated financial statements, the Company is required to estimate its income taxes in each of the jurisdictions in which it operates. This process involves estimating the current tax liability under the most recent tax laws and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the unaudited condensed consolidated balance sheet.

Income tax benefit for the two months ended May 31, 2012 was \$34,000, or 13% of pre-tax income as compared to a benefit of \$0.3 million, or 34% of pre-tax income for the quarter ended June 30, 2011. The effective tax rate for the two months ended May 31, 2012 differs from the U.S. federal statutory rate of 34% primarily due to the unfavorable impact of current federal and state income taxes.

As of June 30, 2012, the Company's total gross unrecognized tax benefit did not materially change compared with the balance as of March 31, 2012. The Company has provided a liability of approximately \$3.5 million representing unrecognized tax benefits relating to federal and state R&D credit. All of this amount would impact the Company's effective rate, if recognized. Penalty and interest of approximately \$0.4 million has been accrued in income tax expense.

Liquidity and Capital Resources

Cash and cash equivalents decreased to \$8.5 million at June 30, 2012 from \$21.9 million at March 31, 2012. The decrease in cash and cash equivalents of approximately \$13.4 million from March 31, 2012, to June 30, 2012, primarily relates to the liquidating distribution of approximately \$12.8 million paid in July 2012 and the net loss for the period. Working capital as of June 30, 2012, decreased to \$9.8 million from \$23.0 million at March 31, 2012. The Company had investing activity of \$12.8 million in the quarter ended June 30, 2012 relating to the \$1.10 per share liquidating distribution paid on July 3, 2012. The Company had no investing activity for the period ended June 30, 2011. The Company had no financing activities for the three month periods ended June 30, 2012 and 2011.

PAGE 13

---

As of June 30, 2012, the Company's principal sources of liquidity included cash and cash equivalents of approximately \$8.5 million. The Company believes that the existing sources of liquidity will satisfy the Company's projected working capital and other cash requirements during the Plan of Liquidation.

The Company's current building lease agreement is scheduled to end in January 2014. The total remaining commitment under the lease at June 30, 2012 is approximately \$77,000.

#### Contractual Obligations

There was no material change as of June 30, 2012, to our contractual obligations as compared to those at March 31, 2012, as disclosed in our Annual Report on Form 10-K for the year ended March 31, 2012.

#### Off Balance Sheet Arrangements

None

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

#### Interest Rate Sensitivity

We maintain our cash and cash equivalents primarily in money market funds. We do not have any derivative financial instruments. As of June 30, 2012, all of our investments mature in less than one month. Accordingly, we do not believe that our investments have significant exposure to interest rate risk.

### Item 4. Controls and Procedures

(a) We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Securities Exchange Act Rules 13a-15 and 15d-15 as of the end of the Company's quarter ended June 30, 2012. Based upon that evaluation, our Chief Executive Officer along with our Chief Financial Officer concluded that our disclosure controls and procedures are effective at the reasonable assurance level.

(b) There have been no material changes (including corrective actions with regard to significant deficiencies or material weaknesses) in our internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation referenced in paragraph (a) above.

We intend to review and evaluate the design and effectiveness of our disclosure controls and procedures on an ongoing basis and to improve our controls and procedures over time and to correct any deficiencies that we may discover in the future. Our goal is to ensure that our senior management has timely access to all material financial and non-financial information concerning our business. While we believe the present design of our disclosure controls

and procedures is effective to achieve our goal, future events affecting our business may cause us to significantly modify our disclosure controls and procedures.

There were no changes in our internal controls over financial reporting during our last quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PAGE 14

---

OPTi Inc.

Part II. Other Information

Item 1. Legal Proceedings

On August 2, 2010, the Company announced that it had filed a patent infringement lawsuit on July 30, 2010, in the United States District Court for the Eastern District of Texas against VIA Technologies, Inc. (“VIA”) and Silicon Integrated Systems Corp. (“SIS”) for infringement of two U.S. patents. The two patents at issue in the lawsuit are U.S. Patent No. 5,710,906 and U.S. Patent No. 6,405,291; both entitled “Predictive Snooping of Cache Memory for Master-Initiated Accesses”. The complaint alleges that VIA and SIS infringe the patents by making, selling, and offering for sale CPUs and core logic products based on and incorporating Predictive Snooping technology and inducing and contributing to the infringement of the patents by others. OPTi has requested a jury trial in this matter. The Company, in its case against VIA and SIS, is seeking damages or other monetary relief, including pre-judgment interest and awarding OPTi’s attorney fees. A trial date has been set for May 2013.

The outcome in the VIA and SIS legal actions could have significant effects on the Company’s distributions to its shareholders which cannot be predicted.

Item 1A. Risk Factors

Please see Part I, Item 1A of Form 10-K for the fiscal year ended March 31, 2012, for previously disclosed risk factors.

Shareholder and Third Party Actions

While the Company’s shareholders have approved the Plan of Liquidation, there can be no assurances that the Company’s shareholders and/or third parties will not take actions that may delay or derail the Company’s winding up and dissolution. For example, on February 9, 2012 a class action was filed in Federal District Court for the Northern District of California alleging that the directors of the Company breached their fiduciary duties in approving the Plan of Liquidation and violated Section 14 (a) of the Securities Exchange Act of 1934, as amended, and Rule 14a-9 in allegedly issuing a consent solicitation statement with the intention of obtaining shareholder approval. The complaint also alleged that the Company aided and abetted the directors’ breach of fiduciary duty. The Company believes that this action was without merit. The complaint was voluntarily dismissed without prejudice on February 24, 2012, but other actions could be taken by the same plaintiff or others. Defending such actions could reduce the assets of the Company available for distribution to its shareholders.

Challenges to Plan of Liquidation

Despite the approval of the Company’s shareholders of the Plan of Liquidation, certain shareholders may attempt to challenge implementation of the Plan. In addition, shareholders may petition a California Superior Court to take jurisdiction over the dissolution of the Company, resulting in uncertainty as to the method and timing of the Company’s dissolution and future distributions. There can be no assurance that the dissolution will proceed smoothly or on time as a result of future events.





#### Uncertainty of Future Distributions to Shareholders

The amount and frequency of future distributions to shareholders depend upon a number of factors including, but not limited to, the Company's ability to achieve future revenues from its pending patent infringement litigation and the amount of the Company's operating costs. Certain shareholders may attempt to challenge implementation of the Plan, as indicated by the litigation noted above. Accordingly, there can be no assurance regarding the amount or frequency of future distributions or whether they may occur at all.

Since the Company must maintain adequate reserves in order to pursue the pending litigation and defend itself and its directors against new litigation, the Company may not be able to make further distributions to shareholders.

#### Takeover Attempts

Since the Company's only assets are cash and the pending litigation, the Company may become a target for potential takeover attempts. However, the Company believes that pursuant to applicable California law, any attempt to reverse the Company's election to wind up and dissolve after payment of the liquidating distribution on July 3, 2012 would be very difficult, if not impossible, to achieve.

#### Lengthy Winding-Up Period

The Company's final liquidating distribution, if any, is not anticipated to be made until on or about March 31, 2016. Aside from potentially prevailing in its pending litigation against VIA and SIS referred to below, the Company does not anticipate any revenue during the Company's winding up period. However, the Company is subject to claims, both known and unknown, during the winding up period which may adversely affect future distributions to shareholders.

#### Possible Extension of Winding-Up Period

The Company anticipates that dissolution will be complete on or about March 31, 2016. The duration of the liquidation period was determined in light of the Company's ongoing litigation, as the Board was concerned with the Company having sufficient time to prosecute currently pending litigation. However, it is possible that appeals could delay the conclusion of the pending litigation beyond March 31, 2016, necessitating the extension of the liquidation period.

#### Shareholders Liability for Debts Not Paid or Provided For

Shareholders may be liable for claims with respect to the Company's debts and liabilities which were not paid or adequately provided for, even if such debts and liabilities are unknown. Shareholder liability is limited to the lesser of each shareholder's pro rata share of the claim or to the amount of corporate assets distributed to it. Claims against shareholders may be commenced before the expiration of the applicable statute of limitations or within 4 years of the Company's final dissolution, whichever is earlier.

#### Uncertain Outcome of VIA and SIS Legal Actions

On August 2, 2010, the Company announced that it had filed a patent infringement lawsuit on July 30, 2010, in the United States District Court for the Eastern District of Texas against VIA Technologies, Inc. (“VIA”) and Silicon Integrated Systems Corp. (“SIS”) for infringement of two U.S. patents. The two patents at issue in the lawsuit are U.S. Patent No. 5,710,906 and U.S. Patent No. 6,405,291; both entitled “Predictive Snooping of Cache Memory for Master-Initiated Accesses”. The complaint alleges that VIA and SIS infringe the patents by making, selling, and offering for sale CPUs and core logic products based on and incorporating Predictive Snooping technology and inducing and contributing to the infringement of the patents by others. OPTi has requested a jury trial in this matter. The Company, in its case against VIA and SIS, is seeking damages or other monetary relief, including pre-judgment interest and awarding OPTi’s attorney fees. A trial date has been set for May 2013. The outcome in the VIA and SIS legal actions could have significant effects on the Company’s distributions to its shareholders which cannot be predicted.

#### No Additional Infringement Claims Likely

As noted above, the Company has only one legal action pending, and the Company does not anticipate initiating any other infringement claims in the future.

#### Success of Litigation Cannot be Predicted

It is possible that the Company's pending litigation against VIA and SIS may be unsuccessful, and the Company's remaining assets could be substantially or completely depleted in pursuing such litigation.

#### Uncertain Revenue Stream

Although the Company has commenced legal action against VIA and SIS relating to the unauthorized use of its intellectual property, there can be no assurances whether or when revenues will result from the pursuit of such claims. It is possible the Company's announced liquidation could negatively affect the amount and timing of recovery on such claims.

#### OTC Bulletin Board

The Company's common stock is currently traded on the OTC Bulletin Board. Some investors may be less likely to invest in stocks that are not traded on recognized national markets and listing services such as NASDAQ. Therefore, investors in our common stock may experience reduced liquidity when attempting to trade shares of our common stock. Implementation of the Plan of Liquidation could also reduce liquidity in the Company's common stock because investors may not be interested in buying shares of a company in liquidation with limited future prospects.

#### Limited Trading Volume

Daily trading volume in our shares has varied from zero to over one hundred thousand shares during the last two years. Therefore, investors in our stock may find liquidity in our shares to be limited and difficult to predict. Liquidity in the Company's shares may be further reduced due to the Company's announcement of its liquidation and payment of the initial liquidating distribution.

#### Volatility of Stock Price

There can be no assurances as to the Company's operating results in any given period. The Company expects that the trading price of its common stock will continue to be subject to significant volatility. For example, the Company's recent liquidating distribution resulted in a significant reduction in the trading price of its common stock.

Item 2. Unregistered Sale of Equity Securities and Use of Proceeds  
Not applicable and has been omitted.

Item 3. Defaults Upon Senior Securities  
Not applicable and has been omitted.

Item 4. Mine Safety Disclosures  
Not applicable and has been omitted.

Item 5. Other Information – New Annual Meeting Date for 2012

Edgar Filing: OPTI INC - Form 10-Q/A

The Company's Annual Meeting will be held on November 26, 2012, rather than during the last week of May 2012, as originally anticipated. The record date for the Annual Meeting will be October 7, 2012.

Because the 2012 Annual Meeting will be held more than 30 days from the anniversary of the 2011 Annual Meeting, pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended, the Company has set September 17, 2012, as the new deadline for shareholder proposals, which it deems to be reasonable under the circumstances.

Proposals of shareholders intended to be presented at the 2012 Annual Meeting must be received at the Company's offices by certified mail, not later than September 17, 2012. Such proposals must also satisfy the other requirements for shareholder proposals as set forth in Rule 14a-8.

PAGE 17

---

Item 6. Exhibits

Exhibit Number	Description
3.1	Registrant's Articles of Incorporation, as amended (1)
3.2	Registrant's Bylaws (1)
10.1	1993 Stock Option Plan, as amended (1)
10.2	1993 Director Stock Option Plan (1)
10.3	Form of Indemnification Agreement Between Registrant and its Officers and Directors (1)
10.4	1996 Employee Stock Purchase Plan (2)
10.5	1995 Employee Stock Option Plan, as amended
10.6	Patent License Agreement between Intel Corporation and OPTi Inc. (4)
10.7	OPTi Inc. Technology License Agreement between OPTi Inc. and Opti Technologies Inc. dated as of September 30, 2002 (5)
10.8	Lease Agreement with John Arrillaga, Trustee, or his Successor Trustee UTA dated 7/20/77 (JOHN ARRILLAGA SURVIVOR'S TRUST) as amended, dated as of November 21, 2006
10.9	Employment Agreement with Bernard T. Marren, dated as of November 27, 2007 (7)
10.10	Employment Agreement with Michael M. Mazzoni, dated as of November 7, 2007 (7)
10.11	Dismissal and License Option Agreement with Broadcom, dated December 23, 2008 (8)
10.12	Standstill and Option Agreement with Renesas Technology Corp. and Renesas Technology America, Inc., dated as of January 23, 2009 (9)
10.13	Settlement and License Agreement with VIA Technologies, Inc., dated as of October 1, 2009 (10)
10.14	Amendment No. 1 to Lease Agreement with John Arrillaga, Trustee, or his Successor Trustee UTA dated 7/20/77 (JOHN ARRILLAGA SURVIVOR'S TRUST) as amended, dated as of December 11, 2009 (11)
10.15	Litigation Settlement and License Agreement with Advanced Micro Devices, Inc., dated as of April 30, 2010 (13)
10.16	Settlement and License Agreement with Advanced Micro Devices, Inc., dated as of April 30, 2010 (13)
10.17	Pre-Snoop Patent License and Arbitration Settlement Agreement with NVIDIA Corporation, dated as of September 28, 2010 (14)
10.18	Settlement and License Agreement with Apple Inc., dated as December 6, 2010 (15)
10.19	Patent License Agreement with Exar Corporation, dated March 14, 2011 (16)
31.1	Section 302 Certification of Chief Executive Officer
31.2	Section 302 Certification of Chief Financial Officer
32.1	Section 906 Certification of Chief Executive Officer
32.2	Section 906 Certification of Chief Financial Officer

(1)

Edgar Filing: OPTI INC - Form 10-Q/A

- Incorporated by reference to Registrants Statement on Form S-1 (File No. 33-59978) as declared effective by the Securities and Exchange Commission on May 11, 1993.
- (2) Incorporated by reference to the Registration Statement on Form S-8 (File No. 333-15181) as filed with the Securities and Exchange Commission on October 1, 1996.
  - (3) Incorporated by reference to Registration Statement on Form S-8 (File No. 333-17299) as filed with the Securities and Exchange Commission on December 5, 1996.
  - (4) Incorporated by reference to the Annual Report on Form 10-K for the Fiscal Year Ended December 31, 1999, of OPTi Inc., (File No. 000-21422).
  - (5) Incorporated by reference to the Current Report on Form 8-K filed with the Securities and Exchange Commission on October 18, 2002 (File No. 000-21422).
  - (6) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2006, of OPTi Inc. (File No. 000-21422).
  - (7) Incorporated by reference to the Definitive Proxy Statement Filed Pursuant to Section 14(a) of the Securities Exchange Act of 1934 on October 29, 2007 (File No. 000-21422).
  - (8) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2008, of OPTi Inc. (File No. 000-21422).

PAGE 18

---

- (9) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2009, of OPTi Inc. (File No. 000-21422).
- (10) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2009, of OPTi Inc. (File No. 000-21422).
- (11) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended December 31, 2009, of OPTi Inc., as amended (File No. 000-21422).
- (12) Incorporated by reference to the Current Report on Form 8-K filed with the Securities and Exchange Commission on May 4, 2010 (File No. 000-21422).
- (13) Incorporated by reference to the Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2010, of OPTi Inc. (File No. 000-21422).
- (14) Incorporated by reference to the Annual Report on Form 10-K for the Fiscal Year Ended March 31, 2005, of OPTi Inc. (File No. 000-21422).
- (15) Incorporated by reference to the Current Report on Form 8-K filed with the Securities and Exchange Commission on December 9, 2010 (File No. 000-21422).
- (16) Incorporated by reference to the Annual Report on Form 10-K for the Fiscal Year Ended March 31, 2011, of OPTi Inc. (File No. 000-21422).

OPTi Inc.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	OPTi Inc.
Date: August	/s/ Michael
20, 2012	Mazzoni
	Michael Mazzoni
	Signed on behalf
	of the Registrant
	and as
	Chief Financial
	Officer