

CAPOVILLA DENNIS
Form 4
November 30, 2011

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 *
CAPOVILLA DENNIS

2. Issuer Name and Ticker or Trading Symbol
SOUTHWALL TECHNOLOGIES INC /DE/ [SWTX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction
(Month/Day/Year)
11/28/2011

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

C/O SOUTHWALL TECHNOLOGIES INC., 3788 FABIAN WAY

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

PALO ALTO, CA 94303

(City) (State) (Zip)

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)
				(A) or (D)	Price		
				Code	V	Amount	

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)

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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 Underlying Security (Instr. 3 and 4)		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title
Incentive Stock Option	\$ 2.5	11/28/2011		D		10,734		10/05/2005 ⁽¹⁾	10/05/2014	Common Stock
Non-Qualified Stock Option	\$ 2.5	11/28/2011		D		25,267		10/05/2005 ⁽²⁾	10/05/2014	Common Stock
Incentive Stock Option	\$ 2.9	11/28/2011		D		26,240		12/09/2006 ⁽³⁾	12/09/2015	Common Stock
Non-Qualified Stock Option	\$ 2.9	11/28/2011		D		3,761		12/09/2006 ⁽⁴⁾	12/09/2015	Common Stock
Incentive Stock Option	\$ 3.55	11/28/2011		D		15,000		05/11/2007 ⁽⁵⁾	05/10/2016	Common Stock
Incentive Stock Option	\$ 2.25	11/28/2011		D		30,000		02/06/2008 ⁽⁶⁾	02/05/2017	Common Stock
Incentive Stock Option	\$ 4.2	11/28/2011		D		23,810		02/26/2009 ⁽⁷⁾	02/25/2018	Common Stock
Non-Qualified Stock Option	\$ 4.2	11/28/2011		D		8,191		02/26/2009 ⁽⁸⁾	02/25/2018	Common Stock
Incentive Stock Option	\$ 5.85	11/28/2011		D		20,000		05/15/2009 ⁽⁹⁾	05/15/2018	Common Stock
Incentive Stock Option	\$ 3.15	11/28/2011		D		30,000		04/28/2010 ⁽¹⁰⁾	04/24/2019	Common Stock
Incentive Stock Option	\$ 7.95	11/28/2011		D		19,382		03/24/2011 ⁽¹¹⁾	03/23/2020	Common Stock
Non-Qualified Stock Option	\$ 7.95	11/28/2011		D		1,618		03/24/2011 ⁽¹²⁾	03/23/2020	Common Stock
Incentive Stock Option	\$ 11	11/28/2011		D		13,648		03/25/2012 ⁽¹³⁾	03/24/2021	Common Stock
Non-Qualified Stock Option	\$ 11	11/28/2011		D		7,352		03/25/2012 ⁽¹⁴⁾	03/24/2021	Common Stock

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

CAPOVILLA DENNIS
C/O SOUTHWALL TECHNOLOGIES INC.
3788 FABIAN WAY
PALO ALTO, CA 94303

X

OFFICER

Signatures

/s/ Dennis F.
Capovilla

11/30/2011

__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 option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Agreement and Plan of Merger (the "Merger Agreement"), dated October 6, 2011, among the Registrant, Solutia Inc. and Backbone Merger Sub, Inc.
 - (2) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (3) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (4) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (5) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (6) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (7) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (8) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (9) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (10) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (11) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (12) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (13) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
 - (14) The option provided for vesting over 4 years with 25% vesting after 6 months and the remainder vesting monthly thereafter. The vesting was fully accelerated pursuant to the Merger Agreement.
- The reporting person received cash consideration for the cancellation of the option pursuant to the Merger Agreement equal to the
- (15) number of shares of the Registrant's common stock underlying such option multiplied by the difference between the exercise price of the option and the per share purchase price of \$13.60 in accordance with the Merger Agreement.

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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