

Edgar Filing: DATAWATCH CORP - Form SC 13G

DATAWATCH CORP  
Form SC 13G  
November 19, 2004

SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549  
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SCHEDULE 13G\*  
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED  
PURSUANT TO 13d-2(b)

DATAWATCH CORP  
(Name of Issuer)

COMMON STOCK, \$0.01 PAR VALUE  
(Title of Class of Securities)

237917-20-8  
(CUSIP Number)

FEBRUARY 13, 2004  
(Date of event which requires filing of this statement)

Check the appropriate box to designate the rule pursuant to which this  
Schedule 13G is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

(Page 1 of 12 Pages)

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\*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 the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be  
deemed to be "filed" for purposes 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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-----  
(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. 75-312-4944

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OF ABOVE PERSONS (ENTITIES ONLY)  
DIKER MICRO VALUE FUND, LP

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a)  [X]  
(b)  [ ]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----

NUMBER OF (5) SOLE VOTING POWER -0-  
SHARES

---

BENEFICIALLY (6) SHARED VOTING POWER 573,448  
OWNED BY

---

EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING

---

PERSON WITH (8) SHARED DISPOSITIVE POWER 573,448

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 573,448

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\*  [ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 10.8%

-----

(12) TYPE OF REPORTING PERSON \*\*  
PN\*

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\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

\*The Reporting Person, as defined below, is affiliated with a Registered Investment Adviser but has elected to file Schedule 13G as of this date nonetheless. As an affiliate of a Registered Investment Adviser the Reporting Person disclaims all beneficial ownership of these shares.

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(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NO. 37-1444083  
OF ABOVE PERSONS (ENTITIES ONLY)  
DIKER GP, LLC

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\* (a)  [X]

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(b) [ ]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 Delaware

-----

NUMBER OF (5) SOLE VOTING POWER  
 SHARES -0-

-----

BENEFICIALLY (6) SHARED VOTING POWER  
 OWNED BY 573,448

-----

EACH (7) SOLE DISPOSITIVE POWER  
 REPORTING PERSON WITH -0-

-----

(8) SHARED DISPOSITIVE POWER  
 573,448

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON 573,448

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]

-----

(11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9) 10.8%

-----

(12) TYPE OF REPORTING PERSON \*\*  
 OO\*

-----

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(1) NAMES OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NO. 04-3616914  
 OF ABOVE PERSONS (ENTITIES ONLY)  
 DIKER MANAGEMENT, LLC

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
 (a) [X]  
 (b) [ ]

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

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DELAWARE

-----

NUMBER OF	(5)	SOLE VOTING POWER	-0-
SHARES	-----		
BENEFICIALLY	(6)	SHARED VOTING POWER	573,448
OWNED BY	-----		
EACH	(7)	SOLE DISPOSITIVE POWER	-0-
REPORTING	-----		
PERSON WITH	(8)	SHARED DISPOSITIVE POWER	573,448
-----			
(9)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON		573,448
-----			
(10)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES **		[ ]
-----			
(11)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)		10.8%
-----			
(12)	TYPE OF REPORTING PERSON **		IA*

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(1)	NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. 566-92-8736 OF ABOVE PERSONS (ENTITIES ONLY) CHARLES M. DIKER		
-----			
(2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP **		(a) [X] (b) [ ]
-----			
(3)	SEC USE ONLY		
-----			
(4)	CITIZENSHIP OR PLACE OF ORGANIZATION		UNITED STATES
-----			
NUMBER OF	(5)	SOLE VOTING POWER	-0-
SHARES	-----		

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BENEFICIALLY (6) SHARED VOTING POWER  
 573,448  
 OWNED BY \_\_\_\_\_  
 EACH (7) SOLE DISPOSITIVE POWER  
 -0-  
 REPORTING \_\_\_\_\_  
 PERSON WITH (8) SHARED DISPOSITIVE POWER  
 573,448  
 -----  
 (9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
 BY EACH REPORTING PERSON  
 573,448  
 -----  
 (10) CHECK BOX IF THE AGGREGATE AMOUNT  
 IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
 -----  
 (11) PERCENT OF CLASS REPRESENTED  
 BY AMOUNT IN ROW (9)  
 10.8%  
 -----  
 (12) TYPE OF REPORTING PERSON \*\*  
 IN\*

\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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-----  
 (1) NAMES OF REPORTING PERSONS  
 I.R.S. IDENTIFICATION NO. 055-48-3199  
 OF ABOVE PERSONS (ENTITIES ONLY)  
 MARK N. DIKER  
 -----  
 (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*\*  
 (a) [X]  
 (b) [ ]  
 -----  
 (3) SEC USE ONLY  
 -----  
 (4) CITIZENSHIP OR PLACE OF ORGANIZATION  
 UNITED STATES  
 -----  
 NUMBER OF (5) SOLE VOTING POWER  
 -0-  
 SHARES \_\_\_\_\_  
 BENEFICIALLY (6) SHARED VOTING POWER  
 573,448  
 OWNED BY \_\_\_\_\_

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EACH (7) SOLE DISPOSITIVE POWER -0-  
REPORTING  
PERSON WITH (8) SHARED DISPOSITIVE POWER 573,448  
-----  
(9) AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON 573,448  
-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT  
IN ROW (9) EXCLUDES CERTAIN SHARES \*\* [ ]  
-----  
(11) PERCENT OF CLASS REPRESENTED  
BY AMOUNT IN ROW (9) 10.8%  
-----  
(12) TYPE OF REPORTING PERSON \*\*  
IN\*

-----  
\*\* SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 1(a). Name of Issuer:

The name of the issuer is DATAWATCH CORPORATION (the "Company").

Item 1(b). Address of Issuer's Principal Executive Offices:

The Company's principal executive offices are located at 175 CABOT STREET, SUITE 503, LOWELL, MA 01854

Item 2(a). Name of Person Filing:

This statement is filed by:

(i) DIKER MICRO VALUE FUND, LP, a Delaware limited partnership (the "Partnership") with respect to the shares of the Stock (defined in Item 2(d) below) directly owned by it;

(ii) DIKER GP, LLC, a Delaware limited liability company ("DIKER GP"), as the general partner to the Partnership, with respect to the Stock directly owned by the Partnership;

(iii) DIKER MANAGEMENT, LLC, a Delaware limited liability company ("DIKER MANAGEMENT"), as the investment manager of the Partnership with respect to the shares of Common Stock held by the Diker Funds and the Managed Accounts;

(iv) CHARLES M. DIKER, a citizen of the United States, and the managing member of each of Diker GP and Diker Management, with respect to the

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shares of Common Stock subject to the control of Diker GP and Diker Management;  
and

(v) MARK N. DIKER, a citizen of the United States, and the managing member of each of Diker GP and Diker Management, with respect to the shares of Common Stock subject to the control of Diker GP and Diker Management.

The foregoing persons are sometimes collectively referred to as the "Reporting Persons." Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

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Item 2(b). Address of Principal Business Office or, if None, Residence:

The address of the business office of each of the Reporting Persons is 745 FIFTH AVENUE, SUITE 1409, NEW YORK, NEW YORK 10151.

Item 2(c). Citizenship:

EACH OF THE PARTNERSHIP IS A DELAWARE LIMITED PARTNERSHIP. EACH OF DIKER GP AND DIKER MANAGEMENT IS A DELAWARE LIMITED LIABILITY COMPANY. EACH OF CHARLES M. DIKER AND MARK N. DIKER IS A UNITED STATES CITIZEN.

Item 2(d). Title of Class of Securities:

COMMON STOCK, \$0.01 PAR VALUE (THE "COMMON STOCK").

Item 2(e). CUSIP Number:

237917-20-8

Item 3. If this statement is filed pursuant to Rules 13d-1(b) or 13d-2(b) or (c), check whether the person filing is a:

- (a)  Broker or dealer registered under Section 15 of the Act,
- (b)  Bank as defined in Section 3(a)(6) of the Act,
- (c)  Insurance Company as defined in Section 3(a)(19) of the Act,
- (d)  Investment Company registered under Section 8 of the Investment Company Act of 1940,
- (e)  Investment Adviser in accordance with Rule 13d-1 (b)(1)(ii)(E),
- (f)  Employee Benefit Plan or Endowment Fund in accordance with 13d-1 (b)(1)(ii)(F),
- (g)  Parent Holding Company or control person in accordance with Rule 13d-1 (b)(1)(ii)(G),
- (h)  Savings Association as defined in Section 3(b) of the Federal Deposit Insurance Act,

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- (i)  Church Plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940,
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

IF THIS STATEMENT IS FILED PURSUANT TO 13D-1(C), CHECK THIS BOX:

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Item 4. Ownership.

- A. DIKER MICRO VALUE FUND, LP
  - (a) Amount beneficially owned: 573,448
  - (b) Percent of class: 10.8% The percentages used herein and in the rest of Item 4 are calculated based upon the 5,300,862 shares of common stock issued and outstanding as of August 5, 2004 as reported on the Company's 10-Q filed Quarterly on August 9, 2004.
  - (c) (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 573,448
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 573,448
- B. DIKER GP, LLC
  - (a) Amount beneficially owned: 573,448
  - (b) Percent of class: 10.8%
  - (c) (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 573,448
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 573,448
- C. DIKER MANAGEMENT, LLC
  - (a) Amount beneficially owned: 573,448
  - (b) Percent of class: 10.8%
  - (c) (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 573,448
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 573,448
- D. CHARLES M. DIKER
  - (a) Amount beneficially owned: 573,448
  - (b) Percent of class: 10.8%
  - (c) (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 573,448
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 573,448
- E. MARK N. DIKER
  - (a) Amount beneficially owned: 573,448
  - (b) Percent of class: 10.8%
  - (c) (i) Sole power to vote or direct the vote: -0-
  - (ii) Shared power to vote or direct the vote: 573,448
  - (iii) Sole power to dispose or direct the disposition: -0-
  - (iv) Shared power to dispose or direct the disposition: 573,448



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Item 5. Ownership of Five Percent or Less of a Class.

Not applicable.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

The Partnership is a private investment partnership, the sole general partner of which is Diker GP. As the sole general partner of the Partnership and other investment funds, Diker GP, has the power to vote and dispose of the shares of the Common Stock owned by the Partnership and such other investment funds and, accordingly, may be deemed the beneficial owner of such shares. Pursuant to investment advisory agreements, Diker Management serves as the investment manager of the Partnership. Accordingly, Diker Management may be deemed the beneficial owner of shares held by the Partnership. Charles M. Diker and Mark N. Diker are the managing members of each of Diker GP and Diker Management, and in that capacity direct their operations. Therefore, Charles M. Diker and Mark N. Diker may be beneficial owners of shares beneficially owned by Diker GP and Diker Management. The Reporting Persons disclaim all beneficial ownership, however, as affiliates of a Registered Investment Adviser. The Reporting Persons have elected to file Schedule 13G at this time nonetheless.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company.

Not applicable.

Item 8. Identification and Classification of Members of the Group.

See Item 2.

Item 9. Notice of Dissolution of Group.

Not applicable.

Item 10. Certification.

Each of the Reporting Persons hereby makes the following certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURES

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

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DATED: NOVEMBER 15, 2004

DIKER MICRO VALUE FUND, LP  
BY ITS GENERAL PARTNER DIKER GP, LLC

/s/ MARK N. DIKER  
-----

NAME: MARK N. DIKER  
TITLE: MANAGING MEMBER

DIKER GP, LLC

/s/ MARK N. DIKER  
-----

NAME: MARK N. DIKER  
TITLE: MANAGING MEMBER

DIKER MANAGEMENT, LLC

/s/ MARK N. DIKER  
-----

NAME: MARK N. DIKER  
TITLE: MANAGING MEMBER

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CHARLES M. DIKER, INDIVIDUALLY

/s/ CHARLES M. DIKER  
-----

NAME: CHARLES M. DIKER

MARK N. DIKER, INDIVIDUALLY

/s/ MARK N. DIKER  
-----

NAME: MARK N. DIKER