

HI/FN INC
Form SC 13D/A
March 05, 2009

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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)¹

hi/fn, inc.

(Name of Issuer)

Common Stock, par value \$0.001

(Title of Class of Securities)

428358105

(CUSIP Number)

Mary L. Dotz
Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035
(408) 945-8600

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

March 2, 2009

(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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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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| | | |
|---|---|--|
| 1 | NAME OF REPORTING PERSONS ADAPTEC, INC. | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) <input type="checkbox"/> (b) <input type="checkbox"/> | |
| 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) <input type="checkbox"/> | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION DELAWARE | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER L21,472 ¹ |
| | 8 | SHARED VOTING POWER - 0 - |
| | 9 | SOLE DISPOSITIVE POWER L21,472 ¹ |
| | 10 | SHARED DISPOSITIVE POWER - 0 - |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON L21,472 ¹ | |
| 12 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/> | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) J.9% | |

| | |
|----|------------------------------------|
| 14 | TYPE OF REPORTING PERSON CO |
|----|------------------------------------|

¹ Refer to Item 5 for a detailed explanation of the Reporting Person's beneficial ownership of Common Stock.

This Amendment No. 1 ("Amendment No. 1") to Schedule 13D amends and supplements the original Schedule 13D filed with the Securities and Exchange Commission on December 15, 2008 (as amended, the "Schedule 13D"). Capitalized terms used herein but not defined shall have the meaning ascribed thereto in the Schedule 13D.

Item 1. Security and Issuer.

Item 1 of the Statement is hereby amended and restated as follows:

This statement relates to shares of the Common Stock, par value \$0.001 per share (the "Shares"), of hi/fn, inc. (the "Issuer"). The address of the principal executive offices of the Issuer is 750 University Avenue, Los Gatos, California 95032.

Item 2. Identity and Background.

Item 2 of the Statement is hereby amended and restated as follows:

(a) This statement is filed by Adaptec, Inc., a Delaware corporation (the "Reporting Person"). Set forth on Schedule A annexed hereto is the name, principal business and address of each of the directors and executive officers of the Reporting Person, as of the date hereof.

(b) The principal business address of Adaptec, Inc. is 691 South Milpitas Boulevard, Milpitas, California 95035.

(c) The principal business of Adaptec, Inc. is providing storage solutions that reliably move, manage, store and protect critical data and digital content.

(d) Neither the Reporting Persons, nor any person listed on Schedule A annexed hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Neither the Reporting Person nor any person listed on Schedule A annexed hereto has, during the last five years, been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Each of the individuals listed on Schedule A annexed hereto is a citizen of the United States of America.

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

Item 3 of the Statement is hereby amended and restated as follows:

The aggregate purchase price of the

421,472 Shares owned by Adaptec, Inc. is approximately \$843,000, excluding brokerage commissions. The Shares owned by Adaptec, Inc. were acquired with working capital.

Item 4. Purpose of Transaction.

Item 4 of the Statement is hereby amended and supplemented to add the following:

Due to the planned merger between the Issuer and Exar Corporation, which was entered into on February 23, 2009, the Reporting Person began selling a portion of the Shares. The Reporting Person may continue to sell the remaining portion of the Shares on the open market or in private transactions at any time based on overall market conditions.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Statement is hereby amended and restated as follows:

(a) The aggregate percentage of Shares reported owned by the Reporting Person based upon 14,742,837 Shares outstanding, which is the total number of Shares outstanding as of February 2, 2009 as reported in the Issuer's quarterly report on Form 10-Q for the fiscal quarter ended December 31, 2008, filed with the Securities and Exchange Commission on February 6, 2009.

As of the close of business on March 4, 2009, the Reporting Person beneficially owned

421,472 Shares, constituting approximately 2.9% of the Shares outstanding.

(b) The Reporting Person may be deemed to have the sole power to vote and dispose of the Shares reported in this Schedule 13D.

(c) Schedule B annexed hereto lists all transactions in securities of the Issuer during the past sixty days by the Reporting Person. All of such transactions were effected in the open market.

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

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 of the Statement is hereby amended and restated as follows:

Except as set forth herein, there are no contracts, arrangements, understandings or relationships between the Reporting Person and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Item 7 of the Statement is hereby amended and restated as follows:

None

SIGNATURES

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

Dated: March 5, 2009

ADAPTEC, INC.

By: /s/ MARY L. DOTZ

Name: Mary L. Dotz
Title: Chief Financial Officer

SCHEDULE A

Directors and Executive Officers of
Adaptec, Inc.

| |
|---|
| Name and Position with Adaptec, Inc. |
|---|

Present Principal Occupation

Business Address

Jon S. Castor, Director

Private Investor

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

Jack L. Howard, Chairman of the Board

President of Steel Partners LLC,
a global investment management
firm

c/o Steel Partners LLC
590 Madison Avenue, 32nd Floor
New York, New York 10022

Joseph S. Kennedy, Director

Private Investor

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

Robert J. Loarie, Director

Private Investor

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

John Mutch, Director

Managing Partner of MV
Advisors, LLC, a strategic block
investment firm

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c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

John J. Quicke, Director

Managing Director and
Operating Partner of Steel
Partners LLC, a global
investment management firm

c/o Steel Partners LLC
590 Madison Avenue, 32nd Floor
New York, New York 10022

Lawrence J. Ruisi, Director

Private Investor/Consultant

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

Subramanian "Sundi" Sundaresh,
President, Chief Executive Officer
and Director

President and Chief Executive
Officer of Adaptec, Inc.

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

Douglas E. Van Houweling,
Director

President and Chief Executive
Officer of the University
Corporation for Advanced
Internet Development

c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

Mary L. Dotz, Chief Financial
Officer

Chief Financial Officer of
Adaptec, Inc.

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c/o Adaptec, Inc.
691 South Milpitas Boulevard
Milpitas, California 95035

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| Name and Position with Adaptec, Inc. | Present Principal Occupation | Business Address |
|---|--|---|
| Anil Gupta, Vice President and General Manager of the Storage Technology Products | Vice President and General Manager of the Storage Technology Products of Adaptec, Inc. | c/o Adaptec, Inc. 691 South Milpitas Boulevard Milpitas, California 95035 |
| Marcus D. Lowe, Senior Vice President of Corporate Development | Senior Vice President of Corporate Development of Adaptec, Inc. | c/o Adaptec, Inc. 691 South Milpitas Boulevard Milpitas, California 95035 |
| John Noellert, Vice President of Worldwide Sales | Vice President of Worldwide Sales of Adaptec, Inc. | c/o Adaptec, Inc. 691 South Milpitas Boulevard Milpitas, California 95035 |
| John M. Westfield, Vice President and Controller | Vice President and Controller of Adaptec, Inc. | c/o Adaptec, Inc. 691 South Milpitas Boulevard Milpitas, California 95035 |

SCHEDULE B

Transactions in the Securities of the Issuer During the Past 60 Days

| <u>Class of Security</u> | <u>Securities Purchased / (Sold)</u> | <u>Price Per Share (\$)</u> | <u>Date of Purchase / Sale</u> |
|--------------------------|--------------------------------------|-----------------------------|--------------------------------|
| Common Stock | 100 | \$2.013 | 12/4/08 |
| Common Stock | 1,300 | \$2.020 | 12/4/08 |
| Common Stock | 1,121 | \$2.025 | 12/4/08 |
| Common Stock | 300 | \$2.040 | 12/4/08 |
| Common Stock | 100 | \$1.965 | 12/4/08 |
| Common Stock | 100 | \$1.970 | 12/4/08 |
| Common Stock | 1,000 | \$2.000 | 12/4/08 |
| Common Stock | 3,199 | \$2.010 | 12/4/08 |
| Common Stock | 100 | \$2.005 | 12/4/08 |
| Common Stock | 300 | \$1.990 | 12/4/08 |
| Common Stock | 100 | \$1.995 | 12/4/08 |
| Common Stock | 2,080 | \$2.030 | 12/4/08 |
| Common Stock | 800 | \$2.045 | 12/4/08 |
| Common Stock | 8,100 | \$2.050 | 12/4/08 |
| Common Stock | 968,900 | \$1.986 | 12/4/08 |
| Common Stock | 100 | \$2.005 | 12/5/08 |
| Common Stock | 700 | \$2.000 | 12/5/08 |
| Common Stock | 400 | \$2.025 | 12/5/08 |
| Common Stock | 10,200 | \$2.010 | 12/5/08 |
| Common Stock | 1,200 | \$2.033 | 12/5/08 |
| Common Stock | 2,500 | \$2.035 | 12/5/08 |
| Common Stock | 900 | \$2.020 | 12/5/08 |
| Common Stock | 2,400 | \$2.045 | 12/5/08 |
| Common Stock | 12,200 | \$2.030 | 12/5/08 |
| Common Stock | 19,379 | \$2.050 | 12/5/08 |
| Common Stock | 21 | \$2.040 | 12/5/08 |
| Common Stock | 100,825 | \$2.036 | 12/5/08 |
| Common Stock | 1,000 | \$2.100 | 12/11/08 |
| Common Stock | 500 | \$2.100 | 12/12/08 |

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| <u>Class of Security</u> | <u>Securities Purchased / (Sold)</u> | <u>Price Per Share (\$)</u> | <u>Date of Purchase / Sale</u> |
|--------------------------|--------------------------------------|-----------------------------|--------------------------------|
| Common Stock | 36,109 | \$2.0608 | 12/22/08 |
| Common Stock | 65,438 | \$2.0882 | 12/23/08 |
| Common Stock | (80,000) | \$3.9000 | 3/2/09 |
| Common Stock | (330,000) | \$3.8583 | 3/3/09 |
| Common Stock | (410,000) | \$3.8583 | 3/4/09 |

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