

DATAWATCH CORP  
Form SC 13G/A  
February 07, 2008

**SECURITIES AND EXCHANGE COMMISSION**  
**WASHINGTON, DC 20549**  
**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 RULE 13d-2(b)**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. 2)**  
**Datawatch Corporation**  
**(Name of Issuer)**  
**Common Stock, \$0.01 par value**  
**(Title of Class of Securities)**  
**237917-20-8**  
**(CUSIP Number)**  
**December 31, 2007**  
**(Date of Event Which Requires Filing of this Statement)**

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

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

\*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 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. 37245R107

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NAME OF REPORTING PERSON

1

I. R. S. Identification No. of Above Person (entities only)

Mercury Fund VI, Ltd. I.R.S. Identification No. 20-2196404

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \*

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Texas

SOLE VOTING POWER

5

NUMBER OF 114,000<sup>(1)</sup>

SHARED VOTING POWER

SHARES BENEFICIALLY OWNED BY 6

-0-

SOLE DISPOSITIVE POWER

EACH REPORTING PERSON 7

114,000<sup>(1)</sup>

SHARED DISPOSITIVE POWER

WITH 8

-0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

114,000<sup>(1)</sup>

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

10

~

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

11

1.98%<sup>(2)</sup>

TYPE OF REPORTING PERSON\*

12

PN

<sup>(1)</sup> Kevin C. Howe ( Mr. Howe ) exercises voting and disposition power over such shares on behalf of Mercury Management, L.L.C. ( Mercury Management ), the General Partner of Mercury Ventures, Ltd. ( Mercury Ventures ), which is the General Partner of Mercury Fund VI, Ltd. ( Mercury VI ).

<sup>(2)</sup> Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

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NAME OF REPORTING PERSON

1

I. R. S. Identification No. of Above Person (entities only)

Mercury Fund VII, Ltd. I.R.S. Identification No. 20-4881368

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

2

(a)

(b)

SEC USE ONLY

3

CITIZENSHIP OR PLACE OF ORGANIZATION

4

Texas

SOLE VOTING POWER

5

NUMBER OF 225,461<sup>(1)</sup>

SHARED VOTING POWER

6

SHARES BENEFICIALLY OWNED BY -0-

SOLE DISPOSITIVE POWER

7

EACH REPORTING PERSON 225,461<sup>(1)</sup>

SHARED DISPOSITIVE POWER

8

WITH -0-

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

9

225,461<sup>(1)</sup>

**10**

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

~

**11**

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.91%<sup>(2)</sup>

**12**

TYPE OF REPORTING PERSON \*

PN

<sup>(1)</sup> Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures II, Ltd. ( Mercury Ventures II ), which is the General Partner of Mercury Fund VII, Ltd. ( Mercury VII ).

<sup>(2)</sup> Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

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NAMES OF REPORTING PERSONS

**1** I. R. S. Identification No. of Above Person (entities only)

Mercury Ventures, Ltd. I.R.S. Identification No. 75-2796235

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

**2**  
 (a)   
 (b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
 Texas

**5** SOLE VOTING POWER

NUMBER OF 114,000<sup>(1)</sup>

**6** SHARES BENEFICIALLY OWNED BY SHARED VOTING POWER  
 -0-

**7** EACH REPORTING PERSON SOLE DISPOSITIVE POWER  
 114,000<sup>(1)</sup>

**8** WITH SHARED DISPOSITIVE POWER  
 -0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

114,000<sup>(1)</sup>

**10**

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

~

**11**

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.98%<sup>(2)</sup>

**12**

TYPE OF REPORTING PERSON\*

PN

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures, which is the General Partner of Mercury VI, the owner of all 114,000 shares.

(2) Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

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NAMES OF REPORTING PERSONS

**1** I. R. S. Identification No. of Above Person (entities only)

Mercury Ventures II, Ltd. I.R.S. Identification No. 20-4736567

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

**2**  
 (a)   
 (b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
 Texas

	<b>5</b>	SOLE VOTING POWER
NUMBER OF		225,461 <sup>(1)</sup>
SHARES	<b>6</b>	SHARED VOTING POWER
BENEFICIALLY		-0-
OWNED BY		
EACH	<b>7</b>	SOLE DISPOSITIVE POWER
REPORTING		225,461 <sup>(1)</sup>
PERSON		
WITH	<b>8</b>	SHARED DISPOSITIVE POWER
		-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

225,461 <sup>(1)</sup>

**10**

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

~

**11**

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

3.91%<sup>(2)</sup>

**12**

TYPE OF REPORTING PERSON\*

PN

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NAME OF REPORTING PERSON

**1** I. R. S. Identification No. of Above Person (entities only)

Mercury Management, L.L.C. I.R.S. Identification No. 75-2796232

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

**2**  
 (a)   
 (b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
 Texas

**5** SOLE VOTING POWER

NUMBER OF 339,461<sup>(1)</sup>

**6** SHARES SHARED VOTING POWER  
 BENEFICIALLY OWNED BY -0-

**7** EACH SOLE DISPOSITIVE POWER  
 REPORTING PERSON 339,461<sup>(1)</sup>

**8** WITH SHARED DISPOSITIVE POWER

-0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

339,461<sup>(1)</sup>

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

~

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

5.89%<sup>(2)</sup>

**12** TYPE OF REPORTING PERSON\*

OO

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**NAMES OF REPORTING PERSONS**

**1** I. R. S. Identification No. of Above Person (entities only)

Kevin C. Howe

**CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP \***

**2**  
 (a)   
 (b)

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION  
 United States

**5** SOLE VOTING POWER  
 NUMBER OF 339,461<sup>(1)</sup>

**6** SHARED VOTING POWER  
 SHARES BENEFICIALLY OWNED BY -0-

**7** SOLE DISPOSITIVE POWER  
 EACH REPORTING PERSON 339,461<sup>(1)</sup>

**8** SHARED DISPOSITIVE POWER  
 WITH -0-

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

339,461<sup>(1)</sup>

10

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

~

11

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.89%<sup>(2)</sup>

12

TYPE OF REPORTING PERSON \*

IN

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

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**Introduction**

Pursuant to Rule 13d-1(k)(1) of the Securities Exchange Act of 1934, Mercury Fund VI, Ltd. ( Mercury VI ), Mercury Fund VII, Ltd. ( Mercury VII ), Mercury Ventures, Ltd. ( Mercury Ventures ), Mercury Ventures II, Ltd. ( Mercury Ventures II ), Mercury Management, L.L.C. ( Mercury Management ) and Kevin C. Howe ( Mr. Howe ) are making this joint filing on Schedule 13G.

**Item 1(a). Name of Issuer:**

Datawatch Corporation, a Delaware corporation

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

271 Mill Road, Quorum Office Park, Chelmsford, MA 01824

**Item 2(a). Name of Person Filing:**

Mercury Fund VI, Ltd.

Mercury Fund VII, Ltd.

Mercury Ventures, Ltd.

Mercury Ventures II, Ltd.

Mercury Management, L.L.C.

Kevin C. Howe

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

The principal business office of Mercury VI, Mercury VII, Mercury Ventures, Mercury Ventures II, Mercury Management and Mr. Howe is 5416 Arbor Hollow, McKinney, Texas 75070

**Item 2(c). Citizenship:**

Mercury VI s place of organization is Texas

Mercury VII s place of organization is Texas

Mercury Ventures place of organization is Texas

Mercury Ventures II s place of organization is Texas

Mercury Management s place of organization is Texas

Mr. Howe is a citizen of the United States

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

Common Stock, \$0.01 par value per share

**Item 2(e). CUSIP Number:**

237917-20-8

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

Not Applicable.

**Item 4. Ownership:**Mercury VI

(a) Amount beneficially owned:	114,000 <sup>(1)</sup>
(b) Percent of class:	1.98% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	114,000 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	114,000 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures, which is the General Partner of Mercury VI.

(2) Assumes a total of 5,763,215

shares of  
common stock  
outstanding  
based on  
Datawatch  
Corporation's  
Annual Report  
on Form 10-K  
for the fiscal  
year ended  
September 30,  
2007.

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Mercury VII

(a) Amount beneficially owned:	225,461 <sup>(1)</sup>
(b) Percent of class:	3.91% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	225,461 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	225,461 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures II, which is the General Partner of Mercury VII.

(2) Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

Mercury Ventures

(a) Amount beneficially owned:	114,000 <sup>(1)</sup>
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(b) Percent of class:	1.98% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	114,000 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	114,000 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures, which is the General Partner of Mercury VI, the owner of all 114,000 shares.

(2) Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

CUSIP No. 37245R107  
Mercury Ventures II

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(a) Amount beneficially owned:	225,461 <sup>(1)</sup>
(b) Percent of class:	3.91% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	225,461 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	225,461 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures II, which is the General Partner of Mercury VII, the owner of all 225,461 shares.

(2) Assumes a total of 5,763,215 shares of common stock outstanding based on Datawatch Corporation's Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

Mercury Management

(a) Amount beneficially owned:	339,461 <sup>(1)</sup>
(b) Percent of class:	5.89% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	339,461 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	339,461 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures and Mercury Ventures II. Mercury Ventures is the General Partner of Mercury VI. Mercury Ventures II is the General Partner of Mercury VII. Includes 114,000 shares owned by Mercury VI and 225,461 shares owned by Mercury VII.

(2) Assumes a total of 5,763,215 shares of common stock outstanding based on

Datawatch  
Corporation's  
Annual Report  
on Form 10-K  
for the fiscal  
year ended  
September 30,  
2007, of which  
1.98% are  
owned by  
Mercury VI and  
3.91% are  
owned by  
Mercury VII.

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Mr. Howe

(a) Amount beneficially owned:	339,461 <sup>(1)</sup>
(b) Percent of class:	5.89% <sup>(2)</sup>
(c) Number of shares as to which the person has:	
(i) Sole power to vote or direct the vote	339,461 <sup>(1)</sup>
(ii) Shared power to vote or direct the vote	-0-
(iii) Sole power to dispose or to direct the disposition of	339,461 <sup>(1)</sup>
(iv) Shared power to dispose or to direct the disposition of	-0-

(1) Mr. Howe exercises voting and disposition power over such shares on behalf of Mercury Management, the General Partner of Mercury Ventures and Mercury Ventures II. Mercury Ventures is the General Partner of Mercury VI. Mercury Ventures II is the General Partner of Mercury VII. Includes 114,000 shares owned by Mercury VI and 225,461 shares owned by Mercury VII.

(2) Assumes a total of 5,763,215

shares of  
common stock  
outstanding  
based on  
Datawatch  
Corporation's  
Annual Report  
on Form 10-K  
for the fiscal  
year ended  
September 30,  
2007, of which  
1.98% are  
owned by  
Mercury VI and  
5.89% are  
owned by  
Mercury VII.

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

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following. o

Not Applicable.

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

Not Applicable

**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:**

The following lists each member of the group filing this Schedule 13G pursuant to Rule 13d-1(c):

Mercury Fund VI, Ltd.

Mercury Fund VII, Ltd.

Mercury Ventures, Ltd.

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Mercury Ventures II, Ltd.

Mercury Management, L.L.C.

Kevin C. Howe

**Item 9. Notice of Dissolution of Group:**

Not Applicable

**Item 10. Certification:**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above 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.

**[Remainder of Page Intentionally Left Blank]**

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**SIGNATURE**

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

February 6, 2008

MERCURY FUND VI, LTD.

By: MERCURY VENTURES, LTD.  
General Partner

By: MERCURY MANAGEMENT, L.L.C.  
General Partner

By: /s/ Kevin C. Howe

Name: Kevin C. Howe  
Title: Manager

February 6, 2008

MERCURY FUND VII, LTD.

By: MERCURY VENTURES II, LTD.  
General Partner

By: MERCURY MANAGEMENT, L.L.C.  
General Partner

By: /s/ Kevin C. Howe

Name: Kevin C. Howe  
Title: Manager

February 6, 2008

MERCURY VENTURES, LTD.

By: MERCURY MANAGEMENT, L.L.C.  
General Partner

By: /s/ Kevin C. Howe

Name: Kevin C. Howe  
Title: Manager

February 6, 2008

MERCURY VENTURES II, LTD.

By: MERCURY MANAGEMENT, L.L.C.  
General Partner

By: /s/ Kevin C. Howe

Name: Kevin C. Howe

Title: Manager

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February 6, 2008

MERCURY MANAGEMENT, L.L.C.

By: /s/ Kevin C. Howe

Name: Kevin C. Howe

Title: Manager

February 6, 2008

/s/ Kevin C. Howe

Name: Kevin C. Howe