AWARE INC /MA/
Form SC 13G/A
February 10, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Aware, Inc.

Common Stock

(Title of Class of Securities)

05453N100

(CUSIP Number)

December 31, 2016

(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)

[X] 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 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).

CUSIP: 05453N100

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

1.

DG Capital Management, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(see instructions)

2. (a) [_]

(b) [X]

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF ORGANIZATION

4.

Delaware, U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

1,036,848*

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,036,848*

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

   1,036,848*

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions)
    [_]

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

    4.6%

12. TYPE OF REPORTING PERSON (see instructions)

    IA

CUSIP: 05453N100

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

1.

DG Value Partners II Master Fund, LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(see instructions)

2. (a) [_]

(b) [X]

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF ORGANIZATION

4.

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

845,571*

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

845,571*

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

   845,571*

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions)
    [_]

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

    3.7%

12. TYPE OF REPORTING PERSON (see instructions)

    PN

CUSIP: 05453N100

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

1.

Dov Gertzulin

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(see instructions)

2. (a) [_]

(b) [X]

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF ORGANIZATION

4.

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

1,036,848*

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

1,036,848*

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

   1,036,848*

10. CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (see instructions)
    [_]

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

    4.6%

12. TYPE OF REPORTING PERSON (see instructions)

    IN, HC

Name of Issuer

Item 1. (a)

Aware, Inc.

Address of Issuer's Principal Executive Offices

(b) 40 Middlesex Turnpike

Bedford, Massachusetts 01730

Name of Person Filing

Item 2. (a) DG Capital Management, LLC

DG Value Partners II Master Fund, LP

Dov Gertzulin

Address of the Principal Office or, if none, residence

(b)
460 Park Avenue, 22nd Floor

New York, NY 10022

Citizenship
(c)

DG Capital Management, LLC - Delaware, U.S.A.
DG Value Partners II Master Fund, LP - Cayman Islands
Dov Gertzulin - United States
Title of Class of Securities

(d)

Common Stock

(e) CUSIP: 05453N100

Item 3. If This Statement is filed pursuant to §§.240.13d-1(b) or 240.13d-2(b), or (c), check whether the person filing is a:

N/A

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned*:

DG Capital Management, LLC: 1,036,848

DG Value Partners II Master Fund, LP: 845,571

Dov Gertzulin: 1,036,848

(b) Percent of class:

DG Capital Management, LLC: 4.6%

DG Value Partners II Master Fund, LP: 3.7%

Dov Gertzulin: 4.6%

(c) Number of shares as to which each person has:

(i) Sole power to vote or to direct the vote

DG Capital Management, LLC: 0

DG Value Partners II Master Fund, LP: 0

Dov Gertzulin: 0

Shared power to vote or to direct the vote

DG Capital Management, LLC: 1,036,848

(ii) DG Value Partners II Master Fund, LP: 845,571

Dov Gertzulin: 1,036,848

Sole power to dispose or to direct the disposition of

DG Capital Management, LLC: 0

(iii) DG Value Partners II Master Fund, LP: 0

Dov Gertzulin: 0

Shared power to dispose or to direct the disposition of

(iv) DG Capital Management, LLC: 1,036,848

DG Value Partners II Master Fund, LP: 845,571

Dov Gertzulin: 1,036,848

*Shares reported herein are held by private investment funds and separately managed accounts (the “DG Entities”) for which DG Capital Management, LLC serves as the investment manager. Dov Gertzulin serves as the managing member of DG Capital Management, LLC. By virtue of these relationships, the Reporting Persons may be deemed to have shared voting and dispositive power with respect to the Shares owned directly by the DG Entities. This report shall not be deemed an admission that the Reporting Persons are beneficial owners of the Shares for purposes of Section 13 of the Securities Exchange Act of 1934, as amended, or for any other purpose. Each of the Reporting Persons disclaims beneficial ownership of the Shares reported herein except to the extent of the Reporting Person’s pecuniary interest therein.

The percentages herein are calculated based upon a statement in the Issuer’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 that there were 22,630,021 shares of Common Stock issued and outstanding as of October 21, 2016.

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 [X].

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

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified. A listing of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

N/A

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

If a parent holding company or control person has filed this schedule, pursuant to Rule 13d-1(b)(1)(ii)(G), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company or control person has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identification of the relevant subsidiary.

N/A

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

If a group has filed this schedule pursuant to §240.13d-1(b)(1)(ii)(J), so indicate under Item 3(j) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to Rule 13d-1(c) or Rule 13d-1(d), attach an exhibit stating the identity of each member of the group.

N/A

Item 9. Notice of Dissolution of the Group.

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group, in their individual capacity. See Item 5.

N/A

Item 10. 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.

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.

Dated: February 10, 2017 DG Capital Management, LLC

By:*/s/ Dov Gertzulin*
Dov Gertzulin, Managing Member

DG Value Partners II Master Fund, LP

By:*/s/ Dov Gertzulin*
Dov Gertzulin, Managing Member of the General Partner, DG Capital Partners II, LLC

Dov Gertzulin

By:*/s/ Dov Gertzulin*
Dov Gertzulin, Individually