#### GARRISON ROBERT E II

Form 4

February 01, 2005

### FORM 4

### UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

**OMB** Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

if no longer subject to Section 16. Form 4 or Form 5

Check this box

obligations may continue. See Instruction

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

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \* GARRISON ROBERT E II

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to

Issuer

Symbol TERAFORCE TECHNOLOGY

CORP [TERA]

(Check all applicable)

(First) (Middle)

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

X\_ Director 10% Owner Officer (give title Other (specify below)

600 TRAVIS, SUITE 3000

01/28/2005

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

(Instr. 4)

Filed(Month/Day/Year)

Person

HOUSTON, TX 77002

(City) (State) (Zip)

(Street)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)

2. Transaction Date 2A. Deemed (Month/Day/Year)

Execution Date, if

(Month/Day/Year)

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (I) (Instr. 4)

(A) or

Reported Transaction(s) (Instr. 3 and 4)

Code V Amount (D) Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

#### Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of 3. Transaction Date 3A. Deemed 4. 5. Number of 6. Date Exercisable and 7. Title and Amou (Month/Day/Year) Derivative Conversion **Transaction**Derivative **Expiration Date** Underlying Securi Execution Date, if or Exercise Securities (Month/Day/Year) (Instr. 3 and 4) Security Code any

#### Edgar Filing: GARRISON ROBERT E II - Form 4

(Instr. 3)	Price of Derivative Security		(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)				
				Code V	(A) (D)	) Date Exercisable	Expiration Date	Title	Amo Nun Shar
warrant (1)	\$ 0.17	01/28/2005	01/28/2005	J	1,250,000	01/28/2005	01/31/2011	Common Stock par value \$0.01	1,2
conversion right (1)	\$ 0.16	01/28/2005	01/28/2005	J	625,000	01/28/2005	07/31/2005	Common Stock par value \$0.01	62

### **Reporting Owners**

Reporting Owner Name / Address	Relationships					
1 0	Director	10% Owner	Officer	Other		
GARRISON ROBERT E II 600 TRAVIS SUITE 3000 HOUSTON, TX 77002	X					

# **Signatures**

/s/ Robert E.
Garrison II

\*\*Signature of Reporting
Date

\*\*Signature of Reporting
Person

# **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).
  - Mr. Garrison has provided a guaranty in the amount of \$550,000 as partial security for a \$550,000 bank credit facility entered into by the Company on January 28, 2004. Pursuant to a Reimbursement Agreement related to this guaranty, Mr. Garrison has the right to acquire
- (1) 625,000 shares of common stock for \$100,000 in cash. The proceeds of this purchase must be used by the Company to retire amounts outstanding under the bank credit agreement and to obtain the release of the guaranty. In addition, Mr. Garrison has been issued warrants to purchase 1,250,000 shares of common stock. The warrants have an exercise price of \$0.17 per share

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2