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BSQUARE CORP /WA
Form SC 13G
February 04, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13G

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

BSQUARE Corporation

(Name of Issuer)

Common Stock, no par value

(Title of Class of Securities)

11776U300

(CUSIP Number)

October 10, 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 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).

CUSIP No. 11776U300

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

H Partners Capital, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)

(b)

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3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

900,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

900,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

900,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

9.1%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

CUSIP No. 11776U300

1. NAME OF REPORTING PERSONS

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

H Partners Management, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

900,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

900,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

900,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

9.1%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO, IA

CUSIP No. 11776U300

1. NAME OF REPORTING PERSONS

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

H Partners, LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

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900,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

900,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

900,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

9.1%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

CUSIP No. 11776U300

1. NAME OF REPORTING PERSONS

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

Rehan Jaffer

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

900,000

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

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900,000

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

900,000

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

9.1%

12. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

CUSIP No. 11776U300

Item 1(a). Name of Issuer:

BSQUARE Corporation

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

110 110th Avenue NE, Suite 200
Bellevue Washington 98004

Item 2(a). Names of Persons Filing:

H Partners Capital, LLC
H Partners Management, LLC
H Partners, LP
Rehan Jaffer

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

H Partners Capital, LLC
H Partners Management, LLC
H Partners, LP
Rehan Jaffer
152 West 57th Street, 52nd Floor
New York, New York 10019

(c). Citizenship:

H Partners Capital, LLC - Delaware
H Partners Management, LLC - Delaware
H Partners, LP - Delaware
Rehan Jaffer - United States of America

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(d). Title of Class of Securities:

Common Stock, no par value

(e). CUSIP Number:

11776U300

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

- (a) Broker or dealer registered under Section 15 of the Exchange Act (15 U.S.C. 78c).
- (b) Bank as defined in Section 3(a)(6) of the Exchange Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Exchange Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with s.240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with s.240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C.1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with s.240.13d-1(b)(1)(ii)(J).

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:

H Partners Capital, LLC - 900,000
H Partners Management, LLC - 900,000
H Partners, LP - 900,000
Rehan Jaffer - 900,000

(b) Percent of class:

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H Partners Capital, LLC - 9.1%
H Partners Management, LLC - 9.1%
H Partners, LP - 9.1%
Rehan Jaffer - 9.1%

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

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

H Partners Capital, LLC - 0
H Partners Management, LLC - 0
H Partners, LP - 0
Rehan Jaffer - 0

(ii) Shared power to vote or to direct the vote

H Partners Capital, LLC - 900,000
H Partners Management, LLC - 900,000
H Partners, LP - 900,000
Rehan Jaffer - 900,000

(iii) Sole power to dispose or to direct the disposition of

H Partners Capital, LLC - 0
H Partners Management, LLC - 0
H Partners, LP - 0
Rehan Jaffer - 0

(iv) Shared power to dispose or to direct the disposition of

H Partners Capital, LLC - 900,000
H Partners Management, LLC - 900,000
H Partners, LP - 900,000
Rehan Jaffer - 900,000

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 [].

Not applicable.

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

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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.

Not applicable.

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.

Not applicable.

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

If a group has filed this schedule pursuant to Sec.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 Sec.240.13d-1(c) or Sec.240.13d-1(d), attach an exhibit stating the identity of each member of the group.

Not applicable.

Item 9. Notice of Dissolution of 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.

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.

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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.

H PARTNERS CAPITAL, LLC*

By: /s/ Rehan Jaffer

H PARTNERS MANAGEMENT, LLC*

By: /s/ Rehan Jaffer

H PARTNERS, LP*

By: H Partners Capital, LLC
General Partner

By: /s/ Rehan Jaffer

/s/ Rehan Jaffer*

Rehan Jaffer

Date: February 4, 2008

* Each of the Reporting Persons disclaims beneficial ownership in the Common Stock, except to the extent of his or its pecuniary interest therein.

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with this statement, provided, however, that a power of attorney, for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See s.240.13d-7 for other parties for whom copies are to be sent.

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

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The undersigned agree that this Schedule 13G dated February 4, 2008 relating to the Common Stock, no par value, of BSQUARE Corporation, shall be filed on behalf of the undersigned.

H PARTNERS CAPITAL, LLC*

By: /s/ Rehan Jaffer

H PARTNERS MANAGEMENT, LLC*

By: /s/ Rehan Jaffer

H PARTNERS, LP*

By: H Partners Capital, LLC
General Partner

By: /s/ Rehan Jaffer

/s/ Rehan Jaffer*

Rehan Jaffer

* Each of the Reporting Persons disclaims beneficial ownership in the Common Stock, except to the extent of his or its pecuniary interest therein.

SK 02642 0001 851663

by water management groups throughout the US and internationally. We hope the Wichita Falls pilot will be the tipping point that results in mainstream use of Watersavr(TM). We are pleased to hear from Lake Sahara, Las Vegas that for the third year in a row, they are sure they have saved money and water. Water quality is exactly as it was before the introduction of Watersavr(TM). In addition, the endangered fish species population of Lake Sahara is larger today than the first year of Watersavr(TM) use. Q4 and the start of 2015 Potential increases in sales are possible in all product lines. EX-10(TM), TPA for agricultural use, begins uptake in Q4 for the 2015 season and we are told by our distributors that their inventory is very low. SUN 27(TM), the first nitrogen conservation product for agriculture that we introduced this year is entering a full season of sales which is normally Q4 and Q1. Our second product for nitrogen conservation, DCD, is also a Q4 and Q1 purchase decision. The drop in crop prices in the last year has not changed the business case for using our agricultural products but it has reduced early purchase decisions. We do not know if this will affect our Q4 sales. Growth in oilfield use of TPA is likely but with the caveat that the recent fall in oil prices may cause customers to schedule maintenance shutdowns that cause temporarily reduced uptake. WaterSavr(TM) does not expect sales in Q4 because of the Northern hemisphere winter. It is possible that small orders may occur in Q1 for use in the summer of 2015 but our expectation is that the significant sales, if they occur, will be in Q2 and Q3. We are not able to provide specific growth predictions because, even with loyal, growing customers and new sales opportunities in multiple markets, our sales are purchase order by purchase order rather than long term uptake contracts. It is unrealistic to give numerical guidance under these conditions. We are comfortable predicting that full year 2015 revenue will be higher than 2014. In Q4 2014 we may see faster year over year growth due to pre-ordering of agricultural TPA and SUN 27(TM) for the 2015 season. Throughout 2015 we expect additional growth in revenue with the usual lumpy quarterly numbers because of customer behavior, weather, crop pricing, oil

platform maintenance and the other variables of our business. Highlights of the financial results: Sales for the quarter increased 29% to \$3.85 million compared with \$2.98 million for Q3 2013. The result is a gain of \$177 thousand or \$0.01 per share in the 14 period, compared to a loss of \$682 thousand or \$0.05 per share, in 2013. Working capital is very adequate. The Company's growth is supported by its line of credit with a Chicago based bank. FSI also provides a non-GAAP measure useful for judging year over year success. "Operating cash flow" is arrived at by removing depreciation, option expenses and one-time items from the statement of operations. For the nine months ending Sept 2014, operating cash flow was \$1.024 million, 8 cents per share compared to \$590 thousand and 4 cents per share in 2013. Detailed information on how to reconcile GAAP with non-GAAP numbers is included in our news release of November 15th. Our other product line, swimming pool products, is being emphasized less than the NanoChem and Watersavr(TM) divisions while maintaining the long-term opportunities and limiting the cash and management costs. Swimming pool product sales have been impacted by competition this year and we have formulated responses which will not show success or failure until summer 2015. The text of this speech will be available on our website by Tuesday November 18th and email or fax copies can be requested from Jason Bloom at 1800 661 3560. [Jason@flexiblesolutions.com] Thank you, the floor is open for questions