

Edgar Filing: Bitstream Inc. - Form SC 13D/A

Bitstream Inc.
Form SC 13D/A
May 25, 2011

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 7)

Bitstream, Inc.
(Name of Issuer)

Class A Common Stock, par value \$0.01 per share
(Title of Class of Securities)

91736108
(CUSIP Number)

Alexander B. Washburn
c/o Columbia Pacific Advisors, LLC
1910 Fairview Avenue East, Suite 500
Seattle, Washington 98102
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications)

May 25, 2011

(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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [X]

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1. Names of Reporting Persons
Columbia Pacific Opportunity Fund, L.P. (1)
 2. Check the Appropriate Box if a Member of a Group
(a) []
(b) [X]
 3. SEC Use Only
 4. Source of Funds (See Instructions) WC
 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
 6. Citizenship or Place of Organization
Washington

7. Sole Voting Power
2,025,250 shares of Common Stock (2)

NUMBER OF SHARES
BENEFICIALLY
OWNED BY EACH
REPORTING PERSON
WITH

8. Shared Voting Power
0 shares of Common Stock
9. Sole Dispositive Power
2,025,250 shares of Common Stock (2)

10. Shared Dispositive Power
0 shares of Common Stock

11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,025,250 shares of Common Stock
12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares []
13. Percent of Class Represented by Amount in Row 9
19.55% (3)
14. Type of Reporting Person
PN

(1) The filing of this joint Schedule 13D shall not be construed as an admission that any of the reporting persons are, for purposes of Section 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by the statement.

(2) Columbia Pacific Advisors, LLC has the sole power to vote or direct the vote of, and to dispose or direct the disposition of, the 2,025,250 shares of Common Stock to which this Schedule 13D relates.

(3) Based on 10,359,356 shares of common stock outstanding as of May 10, 2011, as reported on the Company's Form 10-Q for the period ended March 31, 2011 filed on May 16, 2011.

-
1. Names of Reporting Persons

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Columbia Pacific Advisors, LLC (1)

- 2. Check the Appropriate Box if a Member of a Group
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 - (b) [X]
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- 6. Citizenship or Place of Organization
Washington

- 7. Sole Voting Power
2,025,250 shares of Common Stock (2)

| | |
|---|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8. Shared Voting Power 0 shares of Common Stock 9. Sole Dispositive Power 2,025,250 shares of Common Stock (2) |
|---|---|

- 10. Shared Dispositive Power
0 shares of Common Stock

- 11. Aggregate Amount Beneficially Owned by Each Reporting Person
2,025,250 shares of Common Stock
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IA

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- 1. Names of Reporting Persons
Alexander B. Washburn (1)

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 - (b)
- 3. SEC Use Only
- 4. Source of Funds (See Instructions) WC
- 5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)
- 6. Citizenship or Place of Organization
United States of America

7. Sole Voting Power
2,025,250 shares of Common Stock (2)

| | |
|------------------|--------------------------------------|
| NUMBER OF SHARES | 8. Shared Voting Power |
| BENEFICIALLY | 0 shares of Common Stock |
| OWNED BY EACH | |
| REPORTING PERSON | 9. Sole Dispositive Power |
| WITH | 2,025,250 shares of Common Stock (2) |

10. Shared Dispositive Power
0 shares of Common Stock

- 11. Aggregate Amount Beneficially Owned by Each Reporting Person
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- 12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares
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-
- 1. Names of Reporting Persons
Daniel R. Baty (1)
 - 2. Check the Appropriate Box if a Member of a Group

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- (a) []
- (b) [X]

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United States of America

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- | | |
|---|---|
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| | 9. Sole Dispositive Power 2,025,250 shares of Common Stock (2) |

- 10. Shared Dispositive Power
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-
- 1. Names of Reporting Persons
Stanley L. Baty (1)
 - 2. Check the Appropriate Box if a Member of a Group
 - (a) []
 - (b) [X]

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United States of America

7. Sole Voting Power
2,025,250 shares of Common Stock (2)

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. Shared Voting Power
0 shares of Common Stock

9. Sole Dispositive Power
2,025,250 shares of Common Stock (2)

10. Shared Dispositive Power
0 shares of Common Stock

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-
1. Names of Reporting Persons
Brandon D. Baty (1)
2. Check the Appropriate Box if a Member of a Group
(a) []
(b) [X]
3. SEC Use Only

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BENEFICIALLY
OWNED BY EACH
REPORTING PERSON
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2,025,250 shares of Common Stock (2)

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EXPLANATORY NOTE

This Amendment No. 8 amends the Schedule 13D filed by Columbia Pacific Opportunity Fund, L.P., a Washington limited partnership (the "Fund"), Columbia Pacific Advisors LLC, a Washington limited liability company (the "Adviser"), Alexander B. Washburn, a U.S. citizen, Daniel R. Baty, a U.S. citizen, Stanley L. Baty, a U.S. citizen, and Brandon D. Baty, a U.S. citizen (each a "Reporting Person" and collectively the "Reporting Persons") with the Securities and Exchange Commission on April 20, 2010, as amended on July 15, 2010; August 18, 2010; September 23, 2010; October 29, 2010, December 28, 2010,

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February 15, 2011 and March 29, 2011 with respect to the Class A Common Stock, par value \$0.01 per share (the "Common Stock") of Bitstream, Inc., a Delaware corporation (the "Company").

Mr. Washburn, Mr. D. Baty, Mr. S. Baty and Mr. B. Baty serve as the managing members of the Adviser, which is primarily responsible for all investment decisions regarding the Fund's investment portfolio. The shares of Class A Common Stock reported herein are held in the portfolio of the Fund.

Neither the present filing nor anything contained herein shall be construed as an admission that the Reporting Persons constitute a "group" for any purpose and the Reporting Persons expressly disclaim membership in a group. Except as specifically set forth herein, the Schedule 13D remains unmodified.

ITEM 4. Purpose of Transaction

Based on recent developments in the company, including operational improvements and changes in senior management, Columbia Pacific is now exploring a potential transaction to acquire the outstanding shares of Bitstream we do not own. We intend to engage in conversations with the board of directors, management, and the company's advisors in furtherance of this objective. Any such transaction would be on price, terms and conditions to be determined and would be subject to the completion of due diligence, negotiation of a mutually acceptable acquisition agreement, and shareholder approval.

ITEM 5. Interest in Securities of the Issuer

The responses set forth in Items 5(a) and 5(c) of the Schedule 13D are hereby replaced in their entirety by the following:

(a) As of the date hereof, the Reporting Persons may be deemed to beneficially own an aggregate of 2,025,250 shares of Common Stock, which constitutes 19.55% of the total number shares of Common Stock outstanding as of May 10, 2011, as reported in the Company's Form 10-Q for the period ended March 31, 2011.

(c) During the past 60 days, Columbia Pacific Opportunity Fund, L.P. has engaged in the following open-market transactions in the Common Stock:

| Date | Shares Purchased | Price |
|------------|---------------------|--------|
| 03/28/2011 | 4,200 | 6.331 |
| 03/29/2011 | 1,500 | 6.3607 |
| 03/30/2011 | 300 | 6.3967 |
| 03/31/2011 | 2,700 | 6.3622 |
| 04/01/2011 | 10,423 | 6.3497 |
| 04/04/2011 | 500 | 6.3798 |
| 04/05/2011 | 4,100 | 6.3444 |
| 04/06/2011 | 629 | 6.2113 |

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| | | |
|------------|-------|--------|
| 04/07/2011 | 1,100 | 6.2427 |
| 04/08/2011 | 2,254 | 6.2382 |
| 04/11/2011 | 2,300 | 6.2596 |
| 04/12/2011 | 2,300 | 6.2343 |
| 04/13/2011 | 600 | 6.3033 |
| 04/14/2011 | 400 | 6.25 |
| 04/15/2011 | 500 | 6.294 |
| 04/19/2011 | 500 | 6.288 |

SIGNATURES

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: May 25, 2011 COLUMBIA PACIFIC OPPORTUNITY FUND, L.P. (1)

/s/ Alexander B. Washburn
By: Alexander B. Washburn
Title: Managing Member of Columbia Pacific
Advisors, LLC, its general partner

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Dated: May 25, 2011 COLUMBIA PACIFIC ADVISORS, LLC (1)

/s/ Alexander B. Washburn
By: Alexander B. Washburn
Title: Managing Member

Dated: May 25, 2011 /s/ Alexander B. Washburn
Alexander B. Washburn (1)

Dated: May 25, 2011 /s/ Daniel R. Baty
Daniel R. Baty (1)

Dated: May 25, 2011 /s/ Stanley L. Baty
Stanley L. Baty (1)

Dated: May 25, 2011 /s/ Brandon D. Baty
Brandon D. Baty (1)

(1) This amendment is being filed jointly by Columbia Pacific Opportunity Fund, L.P., Columbia Pacific Advisors LLC, Alexander B. Washburn, Daniel R. Baty, Stanley L. Baty and Brandon D. Baty pursuant to the Joint Filing Agreement dated April 16, 2010 and included with the initial Schedule 13D filed on April 20, 2010 (the "Joint Filing Agreement"). The Joint Filing Agreement is incorporated herein by reference.