

Katari Kevin D  
 Form 4  
 August 29, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Katari Kevin D

(Last) (First) (Middle)

C/O WATERSHED ASSET MANAGEMENT, L.L.C., ONE MARITIME PLAZA, SUITE 1525

(Street)

SAN FRANCISCO, CA 94111

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 SILICON GRAPHICS INC [SGIC]

3. Date of Earliest Transaction (Month/Day/Year)  
 08/27/2008

4. If Amendment, Date Original Filed (Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 See Remarks

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	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 information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

SEC 1474 (9-02)

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

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction Number	5. Number	6. Date Exercisable and Expiration Date	7. Title and Amount of	8. Price of Derivative	9. Nu
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Security or Exercise any Code of (Month/Day/Year) Underlying Security Secur  
(Instr. 3) Price of (Month/Day/Year) (Instr. 8) Derivative (Instr. 5) Bene  
Derivative Securities Acquired Own  
Security (Instr. 3 and 4) (Instr. 5) Own  
 (A) or Follow  
Disposed Repo  
of (D) Trans  
(Instr. 3, 4, and 5) (Instr.)

Code V (A) (D) Date Expiration Title Amount or Number of Shares  
Exercisable Date

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Katari Kevin D C/O WATERSHED ASSET MANAGEMENT, L.L.C. ONE MARITIME PLAZA, SUITE 1525 SAN FRANCISCO, CA 94111	X			See Remarks

Signatures

/s/ Kevin D. 08/29/2008  
Katari  
\*\*Signature of Reporting Person Date

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).

Remarks:

Kevin D. Katari was Chairman of the Board of Directors of the Issuer. On August 27, 2008, Mr. Katari resigned from his position

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.  
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