

BSQUARE CORP /WA  
Form 4  
May 29, 2007

**FORM 4**

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

OMB APPROVAL

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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 \*  
**BIBEAULT DONALD B**

2. Issuer Name and Ticker or Trading Symbol  
**BSQUARE CORP /WA [BSQR]**

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
110 - 110TH AVENUE, NE, SUITE 200

3. Date of Earliest Transaction (Month/Day/Year)  
05/24/2007

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

(Street)

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

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

BELLEVUE, WA 98004

(City) (State) (Zip)

**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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/24/2007		M		1,876	A	\$ 2.36 129,376
Common Stock	05/24/2007		M		1,250	A	\$ 1.92 130,626
Common Stock	05/24/2007		M		1,250	A	\$ 3.04 131,876
Common Stock	05/24/2007		M		1,938	A	\$ 2.24 133,814
Common Stock	05/24/2007		M		1,752	A	\$ 3.12 135,566

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Common Stock	05/24/2007	M	1,689	A	\$ 2.1	137,255	D
Common Stock	05/24/2007	M	1,626	A	\$ 2.21	138,881	D
Common Stock	05/24/2007	M	1,752	A	\$ 2.506	140,633	D
Common Stock	05/25/2007	M	20,000	A	\$ 4	160,633	D

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 2.36	05/24/2007		M	1,876	<u>(1)</u> 11/08/2015	Common Stock	1,876 <u>(2)</u>
Stock Option (Right to Buy)	\$ 1.92 <u>(2)</u>	05/24/2007		M	1,250 <u>(2)</u>	<u>(3)</u> 05/10/2015	Common Stock	1,250 <u>(2)</u>
Stock Option (Right to Buy)	\$ 3.04 <u>(2)</u>	05/24/2007		M	1,250 <u>(2)</u>	<u>(4)</u> 03/10/2015	Common Stock	1,250 <u>(2)</u>
Stock Option (Right to Buy)	\$ 2.24 <u>(2)</u>	05/24/2007		M	1,938 <u>(2)</u>	<u>(5)</u> 08/16/2015	Common Stock	1,938 <u>(2)</u>
Stock Option	\$ 3.12	05/24/2007		M	1,752	<u>(6)</u> 03/14/2016	Common Stock	1,752

(Right to Buy)

Stock Option (Right to Buy)	\$ 2.1	05/24/2007	M	1,689	<u>(7)</u>	08/08/2016	Common Stock	1,689
Stock Option (Right to Buy)	\$ 2.21	05/24/2007	M	1,626	<u>(8)</u>	11/14/2016	Common Stock	1,626
Stock Option (Right to Buy)	\$ 2.506	05/24/2007	M	1,752	<u>(9)</u>	05/09/2016	Common Stock	1,752
Stock Option (Right to Buy)	\$ 4	05/25/2007	M	20,000 <u>(2)</u>	<u>(10)</u>	07/24/2013	Common Stock	20,000 <u>(2)</u>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BIBEAULT DONALD B 110 - 110TH AVENUE, NE SUITE 200 BELLEVUE, WA 98004	X			

## Signatures

/s/ Scott C. Mahan for Donald B. Bibeault by Power of Attorney

05/29/2007

\_\_\_\_\_\*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).
- (1) The option was vested and exercisable as to 1,876 shares as of May 8, 2007 and vests every three months thereafter as to one-eighth of the total number of shares underlying the option at grant (12,500 shares).
- (2) On September 30, 2005, the common stock of BSQUARE Corporation split one-for-four. The indicated stock options were adjusted as to price and number of underlying shares to reflect this stock split.
- (3) The option was fully vested as of May 10, 2007.
- (4) The option was fully vested as of March 10, 2007.
- (5) The option was vested and exercisable as to 1,938 shares as of May 16, 2007 and vests as to the remaining 1,562 shares on August 16, 2007.
- (6)

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The option was vested and exercisable as to 1,752 shares as of March 14, 2007 and vests every three months thereafter as to one-eighth of the total number of shares underlying the option at grant (12,500 shares).

- (7) The option was vested and exercisable as to 1,689 shares as of May 8, 2007 and vests every three months thereafter as to one-eighth of the total number of shares underlying the option at grant (12,500 shares).
- (8) The option was vested and exercisable as to 1,626 shares as of May 14, 2007 and vests every three months thereafter as to one-eighth of the total number of shares underlying the option at grant (12,500 shares).
- (9) The option was vested and exercisable as to 1,752 shares as of May 9, 2007 and vests every three months thereafter as to one-eighth of the total number of shares underlying the option at grant (12,500 shares).
- (10) The option was fully vested as of July 24, 2005.

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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