

LOGICVISION INC
Form SC 13D/A
June 27, 2006

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

**SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 2)***

LogicVision, Inc.
(Name of Issuer)

Common Stock, par value \$0.0001 per share
(Title of Class of Securities)

54140W 10 7
(CUSIP Number)

Gregg E. Adkin, Valley Ventures II, L.P.
80 East Rio Salada Parkway, Suite 710
Tempe, Arizona 85281
(480) 661-6600

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

June 23, 2006
(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

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

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on 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 revisions of the Act (however, see the Notes).

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

Valley Ventures II, L.P.

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a)

(See Instructions)

(b) **3 SEC USE ONLY****4 SOURCE OF FUNDS (See Instructions)**

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEM 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	7	SOLE VOTING POWER	866,229 shares
BENEFICIALLY OWNED BY EACH	8	SHARED VOTING POWER	0 shares
REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	866,229 shares
	10	SHARED DISPOSITIVE POWER	0 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

866,229 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(See Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

4.6% (1)

14 TYPE OF REPORTING PERSON (See Instructions)

PN

(1) Based on 18,934,024 shares of LogicVision, Inc. (the "Company") common stock, \$0.0001 par value ("Common Stock") outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

Valley Ventures III, L.P.

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) x

(See Instructions)

(b) o**3 SEC USE ONLY****4 SOURCE OF FUNDS (See Instructions)**

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEM 2(d) or 2(e)

 o**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

NUMBER OF SHARES	7	SOLE VOTING POWER	1,431,697 shares
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	0 shares
	9	SOLE DISPOSITIVE POWER	1,431,697 shares
	10	SHARED DISPOSITIVE POWER	0 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,431,697 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(See Instructions)

 o**13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

7.6% (1)

14 TYPE OF REPORTING PERSON (See Instructions)

PN

(1) Based on 18,934,024 shares of the Company's Common Stock outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

VV II Management, L.L.C.

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (See Instructions) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS (See Instructions)**

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

NUMBER OF SHARES	7	SOLE VOTING POWER	866,229 shares
BENEFICIALLY OWNED BY EACH	8	SHARED VOTING POWER	0 shares
REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	866,229 shares
	10	SHARED DISPOSITIVE POWER	0 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

866,229 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES(See Instructions) **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

4.6% (1)

14 TYPE OF REPORTING PERSON (See Instructions)

OO

(1) Based on 18,934,024 shares of the Company's Common Stock outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

VV III Management, L.L.C.

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) x

(See Instructions)

(b) o**3 SEC USE ONLY****4 SOURCE OF FUNDS (See Instructions)**

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT

TO ITEM 2(d) or 2(e)

 o**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware

NUMBER OF SHARES	7	SOLE VOTING POWER	1,431,697 shares
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	0 shares
	9	SOLE DISPOSITIVE POWER	1,431,697 shares
	10	SHARED DISPOSITIVE POWER	0 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,431,697 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(See Instructions)

 o**13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

7.6% (1)

14 TYPE OF REPORTING PERSON (See Instructions)

OO

(1) Based on 18,934,024 shares of the Company's Common Stock outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

John M. Holliman III

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x
 (See Instructions) (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) o

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7	SOLE VOTING POWER	0 shares
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	2,297,926 shares
	9	SOLE DISPOSITIVE POWER	0 shares
	10	SHARED DISPOSITIVE POWER	2,297,926 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,297,926 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(See Instructions) o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

12.1% (1)

14 TYPE OF REPORTING PERSON (See Instructions)

IN

(1) Based on 18,934,024 shares of the Company's Common Stock outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

Gregg E. Adkin

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) (See Instructions) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS (See Instructions)**

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

United States

NUMBER OF SHARES	7	SOLE VOTING POWER	35,000 shares
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	2,297,926 shares
	9	SOLE DISPOSITIVE POWER	35,000 shares
	10	SHARED DISPOSITIVE POWER	2,297,926 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,332,926 shares (1)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES(See Instructions) **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

12.3% (2)

14 TYPE OF REPORTING PERSON (See Instructions)

IN

(1) Includes 35,000 shares of Common Stock that can be acquired upon the exercise of stock options that are or will be exercisable within 60 days.

(2) Based on 18,934,024 shares of the Company's Common Stock outstanding as of April 30, 2006, as reported on the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2006.

CUSIP No. 54140W 10 7

1 NAMES OF REPORTING PERSONS

Lawrence J. Aldrich

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) x

(See Instructions) (b) o

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) o

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES	7	SOLE VOTING POWER	0 shares
BENEFICIALLY OWNED BY EACH	8	SHARED VOTING POWER	0 shares
REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	0 shares
	10	SHARED DISPOSITIVE POWER	0 shares

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

0 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES

(See Instructions) o

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

0.0%

14 TYPE OF REPORTING PERSON (See Instructions)

IN

Item 1. Security and Issuer

This Amendment No. 2 to Schedule 13D (the “Statement”) is filed in relation to the Company’s Common Stock. The Company’s principal executive office address is 25 Metro Drive, Third Floor, San Jose, California 95110.

Item 2. Identity and Background

(a) This Statement is jointly filed by the following persons (each a “Reporting Person”):

- Valley Ventures II, L.P., a Delaware limited partnership (“Ventures II”);
- Valley Ventures III, L.P., a Delaware limited partnership (“Ventures III”);
- VV II Management, L.L.C., a Delaware limited liability company, which is the General Partner of Ventures II (“VVII”);
- VV III Management, L.L.C., a Delaware limited liability company, which is the General Partner of Ventures III (“VVIII”);
- John M. Holliman III, who is a managing member of VVII and VVIII and a limited partner of Ventures II and Ventures III (“Holliman”);
- Gregg E. Adkin, who is a managing member of VVII and VVIII and a limited partner of Ventures II and Ventures III (“Adkin”); and
- Lawrence J. Aldrich, who was formerly a managing member of VVIII and a limited partner of Ventures III (“Aldrich”).

(b)-(c) The business address of Ventures II and Ventures III is 80 East Rio Salado Parkway, Suite 710, Tempe, Arizona 85281. Ventures II and Ventures III are venture capital investment funds.

The business address of VVII and VVIII is 80 East Rio Salado Parkway, Suite 710, Tempe, Arizona 85281. VVII serves as the General Partner of Ventures II and VVIII serves as the General Partner of Ventures III.

The business address of Holliman is 80 East Rio Salado Parkway, Suite 710, Tempe, Arizona 85281. Holliman is a venture capital investor who, among other things, serves as a managing member of VVII and VVIII and who is a limited partner of Ventures II and Ventures III.

The business address of Adkin is 80 East Rio Salado Parkway, Suite 710, Tempe, Arizona 85281. Adkin is a venture capital investor who, among other things, serves as a managing member of VVII and VVIII and who is a limited partner of Ventures II and Ventures III.

The business address of Aldrich is 4280 N. Campbell Ave., Suite 214, Tucson, Arizona 85718. Aldrich is the Chief Operating Officer of The Critical Path Institute, a publicly-funded non-profit organization that fosters research and educational programs intended to enable the pharmaceutical industry to safely accelerate the development of new medications.

(d) During the last five years, none of the Reporting Persons have been convicted in a criminal proceeding (excluding, if any, traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction, as a result of which proceeding, he, she or it was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Holliman, Adkin, and Aldrich are United States citizens.

Item 3. Source and Amount of Funds or Other Consideration

On June 27, 2006, Ventures II acquired 317,300 shares of Common Stock and Ventures III acquired 524,431 shares of Common Stock. As reported on Amendment No. 1 to Schedule 13D, as filed with the Securities and Exchange Commission on March 29, 2005 ("Amendment No. 1"), Ventures II and Ventures III received shares of Common Stock from the Company as consideration for the Company's acquisition of SiVerion, Inc., an entity in which both Ventures II and Ventures III had invested. As part of this acquisition, the Company agreed to pay Ventures II and Ventures III an additional sum of cash in November 2006 if the price of the Company's Common Stock was not trading at certain predetermined levels. In lieu of this cash settlement, on June 23, 2006, the Company and each of Ventures II and Ventures III agreed to accept additional shares of the Company's Common Stock, at a price equal to the trading price of the Company's Common Stock on the date of the acquisition in 2004, or \$1.73 per share. This Statement is being filed to report this acquisition.

Item 4. Purpose of Transaction

Ventures II and Ventures III acquired the shares of Common Stock for investment. The Reporting Persons currently do not have any plans or proposals that relate to or would result in any of the actions enumerated in Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a)-(b) Ventures II beneficially owns an aggregate of 866,229 shares of the Company's Common Stock, representing approximately 4.6% of the Company's outstanding Common Stock. Ventures II holds sole power to vote and to dispose of the shares that it owns.

Ventures III beneficially owns an aggregate of 1,431,697 shares of the Company's Common Stock, representing approximately 7.6% of the Company's outstanding Common Stock. Ventures III holds sole power to vote and to dispose of the shares that it owns.

VVII beneficially owns an aggregate of 866,229 shares of the Company's Common Stock, representing approximately 4.6% of the Company's outstanding Common Stock, by virtue of its role as General Partner of Ventures II. As such, VVII has sole power to vote or to direct the vote and sole power to dispose or direct the disposition of the shares of Common Stock held by Ventures II. VVII disclaims beneficial ownership of all shares of Common Stock held by Ventures II except to the extent that its interest in such shares arises from its interest, if any, in Ventures II.

VVIII beneficially owns an aggregate of 1,431,697 shares of the Company's Common Stock, representing approximately 7.6% of the Company's outstanding Common Stock, by virtue of its role as General Partner of Ventures III. As such, VVIII has sole power to vote or to direct the vote and sole power to dispose or direct the disposition of shares of Common Stock held by Ventures III. VVIII disclaims beneficial ownership of all shares of Common Stock

held by Ventures III except to the extent that its interest in such shares arises from its interest, if any, in Ventures III.

Holliman beneficially owns an aggregate of 2,297,926 shares of the Company's Common Stock, representing approximately 12.1% of the Company's outstanding Common Stock, by virtue of his role as a managing member of VVII (which is the General Partner of Ventures II) and as a managing member of VVIII (which is the General Partner of Ventures III). Pursuant to the operating agreements of VVII and VVIII, Holliman has (a) shared power to vote or to direct the vote of all 2,297,926 shares held by Ventures II and Ventures III; and (b) shared power to dispose or direct the disposition of all 2,297,926 shares held by Ventures II and Ventures III. Holliman disclaims beneficial ownership of all shares of Common Stock held by Ventures II, Ventures III, VVII, or VVIII except to the extent that his interests in such shares arises from his interest, if any, in such entities.

Adkin beneficially owns an aggregate of 2,332,926 shares of the Company's Common Stock, representing approximately 12.3% of the Company's outstanding Common Stock, by virtue of (i) his role as a managing member of VVII (which is the General Partner of Ventures II) and as a managing member of VVIII (which is the General Partner of Ventures III), and (ii) his ownership of options to acquire 35,000 shares of Common Stock, which will vest within 60 days of the filing date of this Statement. Pursuant to the operating agreements of VVII and VVIII, Adkin has (a) shared power to vote or to direct the vote of all 2,297,926 shares held by Ventures II and Ventures III; and (b) shared power to dispose or direct the disposition of all 2,297,926 shares held by Ventures II and Ventures III. Adkin also has sole power to vote and dispose of the 35,000 shares of Common Stock issuable upon exercise of the options that he holds. Adkin disclaims beneficial ownership of all shares of Common Stock held by Ventures II, Ventures III, VVII, or VVIII except to the extent that his interests in such shares arises from his interest, if any, in such entities. Adkin holds options to acquire an additional 10,000 shares of the Company's Common Stock, but such shares are not included in the numbers shown in this Statement because such options are not exercisable within 60 days of the filing date of this Statement.

Aldrich beneficially owns an aggregate of 0 shares of the Company's Common Stock, representing 0% of the Company's outstanding Common Stock. As reported on Amendment No. 1, Aldrich was formerly a managing member of VVIII, which is the General Partner of Ventures III. Since the date of Amendment No. 1, Aldrich resigned his position as managing member of VVIII. Accordingly, although he remains a general member of VVIII and a limited partner in Ventures III, he no longer has any power to control VVIII or Ventures III, and in turn has no power to control the vote or disposition of Common Stock held by Ventures III.

(c) On May 12, 2006, Adkin acquired 10,000 non-qualified stock options to purchase shares of Common Stock for \$1.82 per share. These options vest on May 12, 2007. Other than this acquisition, the Reporting Persons did not engage in any transactions in the Company's Common Stock affected during the past 60 days.

(d) The limited partners of Ventures II and Ventures III have the right to receive dividends or proceeds from the sale of the Company's Common Stock held by Ventures II and Ventures III, respectively, according to the terms of those entities' respective partnership agreements.

(e) Aldrich ceased to be the beneficial owner of more than 5% of the Company's Common Stock since the date of Amendment No. 1 because he resigned his position as managing member of VVIII, which is the General Partner of Ventures III. Although Mr. Aldrich remains a general member of VVIII and a limited partner of Ventures III, he no longer has control over VVIII or Ventures III, and in turn has no power to control the vote or disposition of shares of the Company's Common Stock held by Ventures III.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer

Not applicable.

Item 7. Material to be Filed as Exhibits

The following documents are included as exhibits to this Schedule 13D:

Exhibit A: Joint filing agreement of the signatories to this Statement (previously filed).

SIGNATURES

After reasonable inquiry and to the best of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this Statement is true, complete and correct.

Dated: June 27, 2006.

Valley Ventures II, L.P.

By: VV II Management, L.L.C.
Its: General Partner

/s/ Gregg E. Adkin
Gregg E. Adkin, Managing Member

Valley Ventures III, L.P.

By: VV III Management, L.L.C.
Its: General Partner

/s/ Gregg E. Adkin
Gregg E. Adkin, Managing Member

VV II Management, L.L.C.

/s/ Gregg E. Adkin
Gregg E. Adkin, Managing Member

VV III Management, L.L.C.

/s/ Gregg E. Adkin
Gregg E. Adkin, Managing Member

/s/ *
John M. Holliman III

/s/ Gregg E. Adkin
Gregg E. Adkin

/s/ *
Lawrence J. Aldrich

*By: /s/ Gregg E. Adkin
Gregg E. Adkin, Attorney-in-Fact