

CONSTELLATION VENTURE CAPITAL II LP  
 Form 4  
 April 17, 2007

**FORM 4**

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

OMB APPROVAL

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**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 \*  
**BEAR STEARNS ASSET MANAGEMENT INC**

(Last) (First) (Middle)

383 MADISON AVENUE,

(Street)

NEW YORK, NY 10179

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

MTM Technologies, Inc. [MTMC]

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

03/29/2007

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)

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 Following 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.

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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 Security (Instr. 3)	2. Conversion or Exercise Price of	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. T
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	Derivative Security		Code	V	Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title
	(A)	(D)							
Series A-6 Convertible Preferred Stock	\$ 1.485 <u>(1) (2) (3)</u>	03/29/2007	P		258,367 <u>(1) (2) (3)</u>		03/29/2007 <u>(1)(2)(3)</u>	<u>(1)(2)(3)</u>	Co S
Series A-6 Convertible Preferred Stock	\$ 1.485 <u>(1) (2) (3)</u>	03/29/2007	P		137,491 <u>(1) (2) (3)</u>		03/29/2007 <u>(1)(2)(3)</u>	<u>(1)(2)(3)</u>	Co S
Series A-6 Convertible Preferred Stock	\$ 1.485 <u>(1) (2) (3)</u>	03/29/2007	P		115,216 <u>(1) (2) (3)</u>		03/29/2007 <u>(1)(2)(3)</u>	<u>(1)(2)(3)</u>	Co S
Series A-6 Convertible Preferred Stock	\$ 1.485 <u>(1) (2) (3)</u>	03/29/2007	P		6,452 <sup>(1)</sup> <u>(2) (3)</u>		03/29/2007 <u>(1)(2)(3)</u>	<u>(1)(2)(3)</u>	Co S
Common Stock Warrants (Right to Buy)	\$ 1.63 <sup>(5)</sup> <u>(5)</u>	03/29/2007	P		78,014 <u>(5)</u>		03/29/2007 <u>(5)</u>	03/29/2011 <u>(5)</u>	Co S
Common Stock Warrants (Right to Buy)	\$ 1.63 <sup>(5)</sup> <u>(5)</u>	03/29/2007	P		41,515 <u>(5)</u>		03/29/2007 <u>(5)</u>	03/29/2011 <u>(5)</u>	Co S
Common Stock Warrants (Right to Buy)	\$ 1.63 <sup>(5)</sup> <u>(5)</u>	03/29/2007	P		34,790 <u>(5)</u>		03/29/2007 <u>(5)</u>	03/29/2011 <u>(5)</u>	Co S
Common Stock Warrants (Right to Buy)	\$ 1.63 <sup>(5)</sup> <u>(5)</u>	03/29/2007	P		1,948 <sup>(5)</sup> <u>(5)</u>		03/29/2007 <u>(5)</u>	03/29/2011 <u>(5)</u>	Co S
Option (Right to buy Preferred Stock)	\$ 1.485 <u>(6) (7)</u>	03/29/2007	J	<u>(6)(7)</u>	673,401 <u>(6) (7)</u>		03/29/2007 <u>(6)(7)</u>	04/10/2007 <u>(6)(7)</u>	Co S

Option  
(Right to  
buy  
Warrants  
for  
Common  
Stock)

\$ 1.63 <sup>(6)</sup>/<sub>(7)</sub>

03/29/2007

J<sup>(6)</sup>(7)

203,333  
<sup>(6)</sup>/<sub>(7)</sub>

03/29/2007<sup>(6)</sup>(7)

04/10/2007<sup>(6)</sup>(7)

Co  
St

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BEAR STEARNS ASSET MANAGEMENT INC 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
BEAR STEARNS COMPANIES INC 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
Constellation Ventures Management II, LLC 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
Friedman Clifford H C/O BEAR STEARNS ASSET MANAGEMENT, INC. 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
BSC EMPLOYEE FUND VI LP 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
CONSTELLATION VENTURE CAPITAL II LP 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
CVC II Partners, LLC 383 MADISON AVENUE NEW YORK, NY 10179	X	X		
Constellation Venture Capital Offshore II, LP 383 MADISON AVENUE NEW YORK, NY 10179	X	X		

## Signatures

/s/ Clifford H. Friedman, as Member of Constellation Ventures Management II, LLC, the  
General Partner of The BSC Employee Fund VI, L.P.

04/17/2007

\*\*Signature of Reporting Person

Date

/s/ Clifford H. Friedman, as Member of Constellation Ventures Management II, LLC, the  
General Partner of Constellation Venture Capital II, L.P.

04/17/2007

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<u>    </u> **Signature of Reporting Person	Date
/s/ Clifford H. Friedman, as Senior Managing Director of Bear Stearns Asset Management Inc., the Managing Member of CVC II Partners, L.L.C.	04/17/2007
<u>    </u> **Signature of Reporting Person	Date
/s/ Clifford H. Friedman, as Member of Constellation Ventures Management II, LLC, the General Partner of Constellation Venture Capital Offshore II, L.P.	04/17/2007
<u>    </u> **Signature of Reporting Person	Date
/s/ Kenneth L. Edlow, as Secretary of The Bear Stearns Companies Inc.	04/17/2007
<u>    </u> **Signature of Reporting Person	Date
/s/ Clifford H. Friedman, as Member of Constellation Ventures Management II, LLC	04/17/2007
<u>    </u> **Signature of Reporting Person	Date
/s/ Clifford H. Friedman, as Senior Managing Director of Bear Stearns Asset Management Inc.	04/17/2007
<u>    </u> **Signature of Reporting Person	Date
/s/ Clifford H. Friedman	04/17/2007
<u>    </u> **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).

The Series A-6 Preferred Stock, \$0.001 par value per share (the Series A-6 Preferred Stock) is convertible into shares of Common Stock of the Issuer, \$0.001 par value per share (the Common Stock) at any time at the election of the individual holders. The Series A-6 Preferred Stock will automatically convert into Common Stock if at any time following the 18 months after the issuance of the Series A-6 Preferred Stock, the volume weighted average closing price of the Common Stock for the immediately preceding 60 consecutive trading days exceeds four times the applicable Series A-6 Preferred Stock conversion price then in effect. The Series A-6 Preferred Stock will then convert to Common Stock, initially at a ratio of one share of Common Stock for every share of Series A-6 Preferred Stock, subject to adjustments for common dilutive equity issuances for stock splits, stock dividends and similar events.

There will be no automatic conversion of the Series A-6 Preferred Stock unless at the time of such proposed conversion, the Issuer shall have on file with the SEC an effective registration statement with respect to the shares of Common Stock issued or issuable to the holders

(2) (A) on conversion of the Series A Preferred Stock of the Issuer, \$0.001 par value (the Series A Preferred Stock) then issued or issuable to such holders, (B) on exercise of all of the warrants to purchase Common Stock pursuant to the Purchase Agreement dated as of January 29, 2004 between the Issuer and the purchaser named therein...

...and (C) on exercise of all warrants to purchase Common Stock pursuant to that certain purchase agreement dated on or about the date of the Issuer's Restated Certificate of Incorporation, between the Issuer and the purchasers named therein, as may be amended,

(3) supplemented or restated from time to time, and such shares of Common Stock have been listed on the Nasdaq Stock Market (or other national exchange or national over-the-counter bulletin board approved by the holders of a majority of the then outstanding shares of Series A Preferred Stock. There is no expiration date for the Series A-6 Preferred Stock.

The Bear Stearns Companies, Inc. ("BSCI") is the sole managing member of Constellation Ventures Management II, LLC ("Management") and is the parent company of Bear Stearns Asset Management Inc. ("BSAM"). Mr. Clifford H. Friedman is a member of Management and a senior managing director of BSAM. Management is the sole managing general partner of The BSC Employee Fund

(4) VI, L.P. ("BSC"), the sole general partner of Constellation Venture Capital II, L.P. ("CVC") and the sole general partner of Constellation Venture Capital Offshore II, L.P. ("Offshore"). BSAM is the sole managing member of CVC II Partners, LLC ("CVCP") and is the investment adviser to BSC, CVC, Offshore and CVCP. Each Reporting Person disclaims beneficial ownership of any securities that exceed its pecuniary interest in the securities held by these entities.

The Warrants are exercisable at any time prior to 5:00PM on March 29, 2011, at an exercise price of \$1.63 per share of Common Stock.

(5) As of March 29, 2007, the warrants would be exercisable into 453,733 shares of Common Stock. The exercise price of the Warrants is subject to adjustment for stock splits, stock dividends and similar events. Cashless exercise is permitted.

(6) Subject to the terms and conditions of the Amended and Restated Purchase Agreement dated March 29, 2007 (a) CVC, Offshore, BSC and CVCP (together, the "Constellation Funds") and (b) Pequot Capital Management, Inc. ("Pequot" and all together, the "Purchasers"),

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were granted the right, on or prior to April 10, 2007, to purchase additional shares of Series A-6 Preferred Stock and detachable warrants to purchase shares of Common Stock on the same terms and conditions as the Series A-6 Preferred Stock and Warrants described herein (the "Additional Series A-6 Purchased Shares and Additional Warrants").

- (7) The Constellation Funds could acquire up to \$1,000,000 Additional Series A-6 Purchased Shares and Additional Warrants. Pequot could acquire up to \$1,000,000 Additional Series A-6 Purchased Shares and Additional Warrants. If either the Constellation Funds or Pequot did not purchase all of the Additional Series A-6 Purchased Shares and Additional Warrants that they were entitled to purchase, the other Purchasers could purchase such Additional Series A-6 Purchased Shares and Additional Warrants in such amounts as such Purchasers may agree representing up to an additional 673,401 shares of Additional Series A-6 Purchased Shares and up to 203,333 attributed to Additional Warrants to purchase common stock. The option expired April 10, 2007 without being exercised by the Constellation Funds.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.