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STAAR SURGICAL CO
Form SC 13D/A
August 14, 2006

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)
AMENDMENT 2

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

STAAR Surgical Company

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

85231230-5

(CUSIP Number)

Neal C. Bradsher
Broadwood Capital, Inc.
724 Fifth Avenue, 9th Floor
New York, New York 10019

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

August 4, 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 Rule 13d-1(e), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

(1) 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 or otherwise subject to the liabilities of that section of the Act

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but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 85231230-5

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

Broadwood Partners, L.P.
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)
 3. SEC USE ONLY
 4. SOURCE OF FUNDS*

WC, AF
 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)
 6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON
7. SOLE VOTING POWER

0
 8. SHARED VOTING POWER

1,874,200
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

1,874,200
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,874,200
 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.4%
 14. TYPE OF REPORTING PERSON*

PN

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*SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP No. 85231230-5

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

Broadwood Capital, Inc.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

WC, AF

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

New York

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,874,200

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

1,874,200

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,874,200

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

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

7.4%

14. TYPE OF REPORTING PERSON*

CO

CUSIP No. 85231230-5

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-
1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Neal C. Bradsher
 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)
 3. SEC USE ONLY
 4. SOURCE OF FUNDS*

WC, AF, OO
 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)
 6. CITIZENSHIP OR PLACE OF ORGANIZATION

U.S.A.
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON
7. SOLE VOTING POWER

25,900
 8. SHARED VOTING POWER

1,874,200
 9. SOLE DISPOSITIVE POWER

25,900
 10. SHARED DISPOSITIVE POWER

1,874,200
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,900,100
 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.5%
 14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 85231230-5

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Item 1. Security and Issuer.

STAAR Surgical Company, Common Stock, par value \$0.01 per share (the "Shares")

1911 Walker Avenue
Monrovia, California 91016

Item 2. Identity and Background.

(a-c,f) This Schedule 13D is being filed by Broadwood Partners, L.P. ("Broadwood Partners"), Broadwood Capital, Inc. ("Broadwood Capital"), the general partner of Broadwood Partners and Neal C. Bradsher, the President of Broadwood Capital (each of Broadwood Partners, Broadwood Capital and Neal C. Bradsher may be referred to herein as a "Reporting Person" and collectively may be referred to as "Reporting Persons").

Broadwood Partners is a Delaware limited partnership with its principal business address at 724 Fifth Avenue, 9th Floor, New York, New York 10019. Broadwood Capital is a New York corporation with its principal business address at 724 Fifth Avenue, 9th Floor, New York, New York 10019. Neal C. Bradsher is a United States citizen whose principal business address is c/o Broadwood Capital, Inc., 724 Fifth Avenue, 9th Floor, New York, New York 10019.

The Shares reported herein are held in the name of Broadwood Partners and Neal C. Bradsher.

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

(e) None of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgement, 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.

Item 3. Source and Amount of Funds or Other Consideration.

As of the date hereof Broadwood Partners may be deemed to beneficially own 1,874,200 Shares.

As of the date hereof Broadwood Capital may be deemed to beneficially own 1,874,200 Shares.

As of the date hereof Neal C. Bradsher may be deemed to beneficially own 1,900,100 Shares.

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. Purpose of Transaction.

The Reporting Persons acquired their Shares of the Issuer for investment purposes.

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The Reporting Persons have no plans or proposals which, other than as expressly set forth below, would relate to or would result in: (a) the acquisition of additional securities of the Issuer or the disposition of presently-owned securities of the Issuer; (b) any extraordinary corporate transaction involving the Issuer; (c) a sale or transfer of a material amount of assets of the Issuer; (d) any change in the present Board of Directors or management of the Issuer; (e) any material change in the present capitalization or dividend policy of the Issuer; (f) any material change in the operating policies or corporate structure of the Issuer; (g) any change in the Issuer's charter or by-laws; (h) the Shares of the Issuer ceasing to be authorized to be quoted in the over-the-counter security markets; or (i) causing the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934. The Reporting Persons, however, reserve the right, at a later date, to effect one or more of such changes or transactions in the number of shares they may be deemed to beneficially own.

The Reporting Persons have been and may continue to be in contact with members of the Issuer's management, the Issuer's Board of Directors, other significant shareholders and others regarding alternatives that the Issuer could employ to improve shareholder value including, but not limited to, its plans with respect to financial matters and avoiding the dilution of shareholder value.

The Reporting Persons have expressed their appreciation to the Issuer's Board of Directors for the Board's response to the concerns outlined in the Reporting Persons' letters to the Board of October 12, 2004 and April 8, 2005, including the Issuer's implementation of the governance reforms that the Reporting Persons requested in their letter of April 8, 2005. The Reporting Persons believe that these reforms, along with related changes in management and corporate priorities, played an important role in the Issuer's subsequent successful resolution of its regulatory difficulties and the resulting large increase in shareholder value. The Reporting Persons are now focused on the Issuer's continued success with respect to its principal new product introduction and its management of cash flow because future large increases in shareholder value are likely to depend on the continued success of the new product and continued avoidance of unnecessary dilution. The Reporting Persons would also oppose any proposed acquisition of the Issuer at a price that did not represent a very large premium to its current market value, because such a price would not, in the Reporting Persons' opinion, reflect the Issuer's long term value.

Item 5. Interest in Securities of the Issuer.

(a, b) As of the date hereof, Broadwood Partners may be deemed to be the beneficial owner of 1,874,200 Shares, constituting 7.4% of the Shares of the Issuer, based upon the 25,285,643 Shares outstanding as of August 6, 2006.

Broadwood Partners has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,874,200 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 1,874,200 Shares.

Broadwood Partners specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, Broadwood Capital may be deemed to be the beneficial owner of 1,874,200 Shares, constituting 7.4% of the Shares of the Issuer, based upon the 25,285,643 Shares outstanding as of August 6, 2006.

Broadwood Capital has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,874,200 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 1,874,200 Shares.

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Broadwood Capital specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, Neal C. Bradsher may be deemed to be the beneficial owner of 1,900,100 Shares, constituting 7.5% of the Shares of the Issuer, based upon the 25,285,643 Shares outstanding as of August 6, 2006.

Neal C. Bradsher has the sole power to vote or direct the vote of 25,900 Shares; has the shared power to vote or direct the vote of 1,874,200 Shares; has sole power to dispose or direct the disposition of 25,900 Shares; and has shared power to dispose or direct the disposition of 1,874,200 Shares.

Neal C. Bradsher specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(c) The trading dates, number of Shares purchased and sold and price per share for all transactions in the Shares during the past 60 days by the Reporting Persons are set forth in Exhibit B.

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

N/A

Item 7. Material to be Filed as Exhibits.

Exhibit A: Agreement between the Reporting Persons to file jointly
Exhibit B: Schedule of Transactions in the Shares of the Issuer

SIGNATURE

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.

Broadwood Partners, L.P.
By: Broadwood Capital, Inc.
By: Neal C. Bradsher, President

By: /s/ Neal C. Bradsher

Broadwood Capital, Inc.
By: Neal C. Bradsher, President

By: /s/ Neal C. Bradsher

/s/ Neal C. Bradsher

Neal C. Bradsher

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August 14, 2006

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D dated August 14, 2006 relating to the Common Stock, par value \$0.01 per share of STAAR Surgical Company shall be filed on behalf of the undersigned.

Broadwood Partners, L.P.
By: Broadwood Capital, Inc.
By: Neal C. Bradsher, President

By: /s/ Neal C. Bradsher

Broadwood Capital, Inc.
By: Neal C. Bradsher, President

By: /s/ Neal C. Bradsher

/s/ Neal C. Bradsher

Neal C. Bradsher

August 14, 2006

Exhibit B

TRANSACTIONS IN THE SHARES

TRANSACTIONS BY BROADWOOD PARTNERS

| Date of Transaction ----- | Number of Shares Purchase/(Sold) ----- | Price of Shares ----- |
|---------------------------------|--|--------------------------|
| 6/23/06 | 5,000 | 7.24 |

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| | | |
|---------|--------|------|
| 7/11/06 | 15,000 | 7.13 |
| 7/12/06 | 5,000 | 7.04 |
| 7/13/06 | 32,900 | 7.20 |
| 7/14/06 | 20,000 | 7.16 |
| 7/17/06 | 3,000 | 7.14 |
| 7/18/06 | 10,000 | 7.11 |
| 7/19/06 | 8,500 | 7.12 |
| 7/20/06 | 701 | 7.14 |
| 7/24/06 | 25,000 | 7.04 |
| 7/25/06 | 3,402 | 7.09 |
| 7/27/06 | 7,000 | 7.08 |
| 7/28/06 | 5,000 | 7.09 |
| 8/2/06 | 41,713 | 6.98 |
| 8/3/06 | 24,471 | 6.99 |
| 8/4/06 | 79,700 | 6.91 |
| 8/7/06 | 25,000 | 6.98 |
| 8/8/06 | 1,000 | 6.99 |
| 8/9/06 | 8,110 | 6.99 |
| 8/10/06 | 14,900 | 6.97 |
| 8/11/06 | 31,000 | 6.90 |
| 8/14/06 | 33,973 | 6.83 |

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