

Edgar Filing: AVID TECHNOLOGY INC - Form SC 13D/A

AVID TECHNOLOGY INC
Form SC 13D/A
June 19, 2006

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

SCHEDULE 13D
(Amendment No. 3)

Under the Securities Exchange Act of 1934

AVID TECHNOLOGY INC.

(Name of Issuer)

Common Stock, Par Value \$.01 Per Share

(Title of Class of Securities)

05367P100

(CUSIP Number)

Gregory D. Hitchan
Blum Capital Partners, L.P.
909 Montgomery Street, Suite 400
San Francisco, CA 94133
(415) 434-1111

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

June 14, 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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box [].

*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 provisions of the Act (however, see the Notes).

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1. NAME OF REPORTING PERSON

BLUM CAPITAL PARTNERS, L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

94-3205364

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES 8. SHARED VOTING POWER 4,652,430**

BENEFICIALLY
OWNED BY EACH
PERSON WITH 9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 4,652,430**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

14. TYPE OF REPORTING PERSON PN, IA

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON RICHARD C. BLUM & ASSOCIATES, INC.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 94-2967812

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED

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PURSUANT TO ITEMS 2(d) or 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION California

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY EACH
PERSON WITH

8. SHARED VOTING POWER 4,652,430**

9. SOLE DISPOSITIVE POWER -0-

10. SHARED DISPOSITIVE POWER 4,652,430**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

14. TYPE OF REPORTING PERSON CO

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.L.C.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 04-3809436

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
(b) [x]

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

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

7. SOLE VOTING POWER -0-

NUMBER OF
SHARES
BENEFICIALLY

8. SHARED VOTING POWER 4,652,430**

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OWNED BY EACH PERSON WITH -----
 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 4,652,430**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

 14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

 ** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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 1. NAME OF REPORTING PERSON BLUM STRATEGIC GP III, L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 02-0742606

 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
 (b) [x]

 3. SEC USE ONLY

 4. SOURCE OF FUNDS* See Item 3

 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

 7. SOLE VOTING POWER -0-

NUMBER OF SHARES -----
 8. SHARED VOTING POWER 4,652,430**

BENEFICIALLY OWNED BY EACH PERSON WITH -----
 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 4,652,430**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

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 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

 14. TYPE OF REPORTING PERSON PN

 ** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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 1. NAME OF REPORTING PERSON BLUM STRATEGIC PARTNERS III, L.P.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 04-3809438

 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) [x]
 (b) [x]

 3. SEC USE ONLY

 4. SOURCE OF FUNDS* See Item 3

 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

 7. SOLE VOTING POWER -0-

 NUMBER OF
 SHARES
 BENEFICIALLY
 OWNED BY EACH
 PERSON WITH

 8. SHARED VOTING POWER 4,652,430**

 9. SOLE DISPOSITIVE POWER -0-

 10. SHARED DISPOSITIVE POWER 4,652,430**

 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

 14. TYPE OF REPORTING PERSON PN

 ** See Item 5

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 1. NAME OF REPORTING PERSON SADDLEPOINT PARTNERS GP, L.L.C.

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 83-0424234

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

3. SEC USE ONLY

4. SOURCE OF FUNDS* See Item 3

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

7. SOLE VOTING POWER -0-

| | | |
|---|--|---|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH PERSON WITH | ----- 8. SHARED VOTING POWER ----- 9. SOLE DISPOSITIVE POWER ----- | ----- 4,652,430** ----- -0- ----- |
|---|--|---|

10. SHARED DISPOSITIVE POWER 4,652,430**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 4,652,430**

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 11.0%**

14. TYPE OF REPORTING PERSON OO (Limited Liability Company)

** See Item 5

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 1. Security and Issuer

This Amendment No. 3 amends the Statement on Schedule 13D (the "Schedule

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13D") filed with the Securities and Exchange Commission (the "Commission") on June 12, 2006 by Blum Capital Partners, L.P., a California limited partnership, ("Blum LP"); Richard C. Blum & Associates, Inc., a California corporation ("RCBA Inc."); Blum Strategic GP III, L.L.C., a Delaware limited liability company ("Blum GP III"); Blum Strategic GP III, L.P., a Delaware limited partnership ("Blum GP III LP"); Blum Strategic Partners III, L.P., a Delaware limited partnership ("Blum Strategic III") and Saddlepoint Partners GP, L.L.C., a Delaware limited liability company ("Saddlepoint GP") (collectively, the "Reporting Persons"). This amendment relates to shares of common stock, \$.01 par value per share (the "Common Stock") of Avid Technology, Inc., a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is One Park West, Tewksbury, MA 01876. The following amendments to the Schedule 13D are hereby made. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D.

Item 5. Interest in Securities of the Issuer

(a), (b) According to the Issuer's Form 10-Q filed with the Commission on May 10, 2006, there were 42,239,625 shares of Common Stock issued and outstanding as of April 24, 2006. Based on such information, after taking into account the transactions described in Item 5(c) below, the Reporting Persons report beneficial ownership of the following shares of Common Stock: (i) 1,684,476 shares of Common Stock held by Blum LP and RCBA Inc. on behalf of the limited partnerships for which Blum LP serves as the general partner, or on behalf of an entity for which Blum LP serves as investment advisor, which represents 4.0% of the outstanding shares of the Common Stock; (ii) 2,711,504 shares of the Common Stock held by Blum GP III which serves as general partner of Blum GP III LP which, in turn, serves as the general partner of Blum Strategic III, which represents 6.4% of the outstanding shares of the Common Stock; (iii) 150,450 shares of the Common Stock held by Saddlepoint GP on behalf of a partnership for which it serves as the general partner, which represents 0.4% of the outstanding shares of the Common Stock; and (iv) 53,000 shares of the Common Stock that are legally owned by The Nuclear Decommissioning Trust of Dominion Nuclear Connecticut, Inc. ("Dominion Connecticut"), which represents 0.1% of the outstanding shares of the Common Stock and 53,000 shares of the Common Stock that are legally owned by Virginia Electric and Power Company Qualified Nuclear Decommissioning Trust ("Virginia Electric"), which represents 0.1% of the outstanding shares of the Common Stock (collectively, the "Investment Advisory Clients"), with respect to which Blum LP has voting and investment power. Each Investment Advisory Client has entered into an investment management agreement with Blum LP, but neither Investment Advisory Client has any contract, arrangement or understanding with the other Investment Advisory Client, or any other Reporting Person, with respect to the acquisition, ownership, disposition or voting of any shares of the Common Stock. Each Investment Advisory Client disclaims membership in a group with any Reporting Person or with the other Investment Advisory Client, and each disclaims beneficial ownership of any shares beneficially owned by the Reporting Persons other than for their own account.

Voting and investment power concerning the above shares are held solely by Blum LP, Blum GP III and Saddlepoint GP. The Reporting Persons

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therefore may be deemed to be members in a group, in which case the group would be deemed to have beneficial ownership of an aggregate of 4,652,430 shares of the Common Stock, which is 11.0% of the outstanding Common Stock. As the sole general partner of Blum LP, RCBA Inc. is deemed the beneficial owner of the securities over which Blum LP has voting and investment power. The filing of this Schedule shall not be construed as an admission that any of the shareholders, directors or executive officers of RCBA Inc. or the managing members and members of Blum GP III, Blum GP III LP and Saddlepoint GP, is, for any purpose, the beneficial owner of any of the securities that are beneficially owned by RCBA Inc., Blum GP III LP, Blum GP III or Saddlepoint GP.

c) Since the most recent filing of Schedule 13D, the Reporting Persons purchased the following shares of Common Stock in the open market:

| Entity | Trade Date | Shares | Price/Share |
|--|------------|--------|-------------|
| Investment partnerships for which Blum LP serves as the general partner and on behalf of an entity for which Blum LP serves as investment advisor. | 06-09-06 | 59,950 | 37.4307 |
| | 06-09-06 | 6,700 | 37.5405 |
| | 06-09-06 | 12,100 | 37.5626 |
| | 06-12-06 | 9,200 | 36.6237 |
| | 06-12-06 | 20,300 | 36.6517 |
| | 06-13-06 | 6,700 | 36.2521 |
| | 06-13-06 | 8,200 | 36.3390 |
| | 06-14-06 | 20,900 | 35.2242 |
| | 06-14-06 | 60,000 | 35.2476 |
| | 06-14-06 | 44,300 | 35.3930 |
| | 06-15-06 | 37,200 | 35.4886 |

| Entity | Trade Date | Shares | Price/Share |
|---|------------|--------|-------------|
| For Blum Strategic III for which Blum GP III LP serves as the general partner and for Blum GP III which serves as the general partner for Blum GP III LP. | 06-09-06 | 42,400 | 37.5405 |
| | 06-09-06 | 60,600 | 37.5626 |
| | 06-12-06 | 59,500 | 36.6237 |
| | 06-12-06 | 66,900 | 36.6517 |
| | 06-13-06 | 42,400 | 36.2521 |
| | 06-13-06 | 52,000 | 36.3390 |
| | 06-14-06 | 25,100 | 35.2242 |

| Entity | Trade Date | Shares | Price/Share |
|---|------------|--------|-------------|
| The partnership for which Saddlepoint GP serves as general partner. | 06-09-06 | 11,850 | 37.4307 |
| | 06-09-06 | 500 | 37.5405 |
| | 06-09-06 | 700 | 37.5626 |
| | 06-12-06 | 700 | 36.6237 |
| | 06-12-06 | 800 | 36.6517 |
| | 06-13-06 | 500 | 36.2521 |
| | 06-13-06 | 600 | 36.3390 |
| | 06-14-06 | 3,000 | 35.2242 |
| | 06-14-06 | 4,000 | 35.2476 |
| | 06-14-06 | 2,900 | 35.3930 |
| | 06-15-06 | 2,200 | 35.4886 |

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| ----- | ----- | ----- | ----- |
|-------------------------------|----------|-------|---------|
| The Investment Advisory | 06-09-06 | 3,200 | 37.4307 |
| Clients for which Blum LP | 06-09-06 | 400 | 37.5405 |
| serves as investment advisor. | 06-09-06 | 600 | 37.5626 |
| | 06-12-06 | 600 | 36.6237 |
| | 06-12-06 | 600 | 36.6517 |
| | 06-13-06 | 400 | 36.2521 |
| | 06-13-06 | 600 | 36.3390 |
| | 06-14-06 | 1,000 | 35.2242 |
| | 06-14-06 | 4,000 | 35.2476 |
| | 06-14-06 | 2,800 | 35.3930 |
| | 06-15-06 | 2,600 | 35.4886 |

(d) and (e) Not applicable.

Item 7. Material to be Filed as Exhibits

 Exhibit A Joint Filing Undertaking.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: June 19, 2006

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.

By: Richard C. Blum & Associates, Inc.
 Its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

 Gregory D. Hitchan
 Partner, General Counsel and
 Secretary

 Gregory D. Hitchan
 Partner, General Counsel and
 Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.

By: Blum Strategic GP III, L.L.C.
 Its General Partner

By: /s/ Gregory D. Hitchan

By: /s/ Gregory D. Hitchan

 Gregory D. Hitchan
 Member and General Counsel

 Gregory D. Hitchan
 Member and General Counsel

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BLUM STRATEGIC PARTNERS III, L.P.
By: Blum Strategic GP III, L.P.,
Its General Partner
By: Blum Strategic GP III, L.L.C.
Its General Partner

SADDLEPOINT PARTNERS GP, L.L.C.
By: Blum Capital Partners, L.P.
Its Managing Member
By: Richard C. Blum & Associates, Inc.
Its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Member and General Counsel

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, General Counsel and
Secretary

CUSIP NO. 05367P100

SCHEDULE 13D

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Exhibit A
JOINT FILING UNDERTAKING

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated: June 19, 2006

RICHARD C. BLUM & ASSOCIATES, INC.

BLUM CAPITAL PARTNERS, L.P.
By: Richard C. Blum & Associates, Inc.
Its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, General Counsel and
Secretary

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, General Counsel and
Secretary

BLUM STRATEGIC GP III, L.L.C.

BLUM STRATEGIC GP III, L.P.
By: Blum Strategic GP III, L.L.C.
Its General Partner

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Member and General Counsel

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Member and General Counsel

BLUM STRATEGIC PARTNERS III, L.P.
By: Blum Strategic GP III, L.P.,
Its General Partner
By: Blum Strategic GP III, L.L.C.
Its General Partner

SADDLEPOINT PARTNERS GP, L.L.C.
By: Blum Capital Partners, L.P.
Its Managing Member
By: Richard C. Blum & Associates, Inc.
Its General Partner

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By: /s/ Gregory D. Hitchan

Gregory D. Hitchan,
Member and General Counsel

By: /s/ Gregory D. Hitchan

Gregory D. Hitchan
Partner, General Counsel and
Secretary