

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

SCHEDULE 14D-9

**SOLICITATION/RECOMMENDATION STATEMENT UNDER SECTION 14(d)(4)
OF THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No. 8)**

MathStar, Inc.

(Name of Subject Company)

MathStar, Inc.

(Name of Person(s) Filing Statement)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

576801302

(CUSIP Number of Class of Securities)

Alex H. Danzberger, Jr.

Chief Executive Officer, Chief Financial Officer

19075 NW Tanasbourne Drive, Suite 200

Hillsboro, Oregon 97124

(503) 726-5500

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of the Person(s) Filing Statement)

With copies to:

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

[Table of Contents](#)

TABLE OF CONTENTS

Explanatory Note	1
Item 2. Identity and Background of Filing Person	1
Item 3. Past Contacts, Transactions, Negotiations and Agreements	1
Item 4. The Solicitation or Recommendation	3
Annex A	4
Signatures	5

Explanatory Note

This Amendment No. 8 to Schedule 14D-9 amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9, including all exhibits thereto (as amended from time to time, the “Statement”), originally filed by MathStar, Inc., a Delaware corporation (the “Company”), with the Securities and Exchange Commission on June 12, 2009, as amended on June 26, 2009, July 2, 2009, July 7, 2009, July 13, 2009, July 15, 2009, July 17, 2009 and July 23, 2009 relating to the unsolicited offer by Tiberius Capital II, LLC, an Illinois limited liability company (the “Purchaser”), as disclosed in the Tender Offer Statement on Schedule TO dated June 1, 2009, and as amended on June 22, 2009, July 1, 2009, July 6, 2009, July 9, 2009, July 14, 2009, July 16, 2009, July 17, 2009, July 21, 2009 and August 17, 2009, (as further amended or supplemented from time to time, the “Schedule TO”), to acquire all of the 9,181,497 outstanding shares of common stock (the “Shares”), par value \$0.01 per share, of the Company (the “Common Stock”), at a net price per Share equal to \$1.35 in cash (without interest and subject to applicable withholding taxes) upon the terms and subject to the conditions set forth in the Purchaser’s Offer to Purchase dated June 1, 2009, as amended (the “Offer to Purchase”), and the related Letter of Transmittal (the “Letter of Transmittal,” and, together with the Offer to Purchase and any amendments or supplements thereto from time to time, the “Offer”). Capitalized terms used but not defined herein have the meanings set forth in the Statement. Except as specifically noted herein, the information set forth in the Statement remains unchanged. All references herein to page numbers refer to the printed Schedule 14D-9 dated June 12, 2009 sent by the Company to its stockholders.

Item 2. Identity and Background of Filing Person.

“*Item 2. Identity and Background of Filing Person*” is hereby amended by restating the first paragraph beginning in the middle of page 1 under the heading “*The Offer*” in its entirety as follows:

This Statement relates to the unsolicited tender offer by Tiberius Capital II, LLC, an Illinois limited liability company (the “Purchaser”), which was newly organized for the purpose of making such offer, to acquire all of the 9,181,497 of the issued and outstanding shares of Common Stock (“Shares”) of the Company, at a net price per Share equal to \$1.35 in cash (without interest and subject to applicable withholding taxes) upon the terms and subject to the conditions set forth in the Purchaser’s Offer to Purchase dated June 1, 2009 (the “Offer to Purchase”) and the related Letter of Transmittal (the “Letter of Transmittal,” and, together with the Offer to Purchase and any amendments or supplements thereto, the “Offer”).

“*Item 2. Identity and Background of Filing Person*” is hereby further amended by restating the first sentence of the third full paragraph under the heading “*The Offer*” at the end of page 1 in its entirety as follows:

The Offer was commenced on June 1, 2009 and is presently scheduled to expire at 11:59 P.M., New York City time, on Monday, August 31, 2009, unless it is extended or terminated in accordance with its terms.

Item 3. Past Contacts, Transactions, Negotiations and Agreements.

“*Item 3. Past Contacts, Transactions, Negotiations and Agreements*” is hereby amended by restating in its entirety the sole paragraph in the section entitled “*Consideration Payable Pursuant to the Offer*” on page 4 as follows:

If the Company’s directors and executive officers, each of whom is identified on *Annex A* hereto, were to tender any Shares they own pursuant to the Offer, they would receive \$1.35 net per Share in cash on the same terms and conditions as the other stockholders of the Company tendering Shares in the Offer. As of August 21, 2009, the directors and executive officers of the Company beneficially owned 149,244 outstanding Shares in the aggregate (excluding warrants and options to purchase Shares, which are addressed below under the section entitled “Potential Payments upon Termination or Change in Control”). If the directors and executive officers of the Company were to tender all such Shares owned by them in the Offer, and the Purchaser accepted for purchase and purchased such Shares, the directors and executive officers would receive approximately \$201,479 in the aggregate. As discussed below under “Item 4.—The

Table of Contents

Solicitation or Recommendation,” to the knowledge of the Company, none of the Company’s directors or executive officers currently intends to tender any of their Shares for purchase pursuant to the Offer. In addition, to the knowledge of the Company, Mr. Alex H. Danzberger, Jr. and Mr. John M. Jennings, who are the only executive officers of the Company, do not intend to serve as executive officers of the Company if the Offer is successfully completed.

“Item 3. *Past Contacts, Transactions, Negotiations and Agreements*” is hereby further amended by adding as the third paragraph in the subsection “*Severance Agreements*” in the section entitled “*Potential Payments upon Termination or Change in Control*” on page 5 as follows:

On July 14, 2009, Douglas M. Pihl resigned his position as President, Chief Executive Officer and Chief Financial Officer of the Company and from the Company’s Board of Directors in connection with the Company’s decision to proceed with a potential merger. On August 5, 2009, the Company and Mr. Pihl entered into a Severance and Release Agreement (the “Agreement”), in substantially the form as described above. On August 14, 2009, effective as of August 1, 2009, the Company engaged Alex H. Danzberger, Jr. to serve as Chief Executive Officer and Chief Financial Officer.

“Item 3. *Past Contacts, Transactions, Negotiations and Agreements*” is hereby further amended by restating in its entirety the last sentence of the second full paragraph in the subsection “*Incentive Awards and Warrants*” in the section entitled “*Potential Payments upon Termination or Change in Control*” on page 5 as follows:

The remaining options held by the Company’s non-employee directors as of June 10, 2009, consisting of options to purchase a total of 33,667 Shares, had exercise prices above the \$1.35 Offer Price.

“Item 3. *Past Contacts, Transactions, Negotiations and Agreements*” is hereby further amended by restating in its entirety the third full paragraph in the subsection “*Incentive Awards and Warrants*” in the section entitled “*Potential Payments upon Termination or Change in Control*” on page 5 as follows:

Also, as of June 10, 2009, Mr. Pihl and Mr. Jennings, the two executive officers of the Company at that time, held options to purchase a total of 26,000 Shares, with exercise prices ranging from \$8.45 to \$31.50 per Share and an average exercise price of approximately \$15.54 per Share. Of these options, options to purchase 15,000 Shares were exercisable and options to purchase 11,000 Shares were not exercisable. All of these options have exercise prices above the \$1.35 Offer Price. As of August 21, 2009, Mr. Danzberger, the Company’s current Chief Executive Officer and Chief Financial Officer has options to purchase 15,000 Shares. The options have not vested and are therefore not yet exercisable, but have an exercise price of \$1.30.

“Item 3. *Past Contacts, Transactions, Negotiations and Agreements*” is hereby further amended by restating in its entirety the last sentence of the fourth full paragraph in the subsection “*Incentive Awards and Warrants*” in the section entitled “*Potential Payments upon Termination or Change in Control*” on page 5 as follows:

The warrants have an exercise price of \$24.00 per Share, which is greater than the \$1.35 Offer Price.

Table of Contents

“Item 3. Past Contacts, Transactions, Negotiations and Agreements” is hereby further amended by restating, in their entirety, the chart (including footnotes) and the subsequent paragraph in the subsection entitled “No Termination of Employment” in the section entitled “Potential Payments upon Termination or Change in Control” on page 6 as follows:

<u>Name</u>	<u>Acceleration of Vesting of Options (\$)(1)</u>	<u>Total (\$)</u>
Alex H. Danzberger, Jr.	750(2)	750
Benno G. Sand	630(3)	630
Merrill A. McPeak	630(3)	630
Michael O. Maerz	630(3)	630
Richard C. Perkins	2,350(4)	1,850
John M. Jennings	—	—

(1) Of the options to purchase Shares held by the Company’s directors and executive officers, options to purchase 47,000 Shares were vested and options to purchase 35,667 Shares were not vested. No value is recognized or shown for options or warrants with exercise prices above the \$1.35 Offer Price.

(2) Consists of the difference between the \$1.30 exercise price of the options held by Mr. Danzberger and the \$1.35 Offer Price, multiplied by the 15,000 Shares subject to such options.

(3) Consists of the difference between the \$0.72 exercise price of the options held by each of such individuals and the \$1.25 Offer Price, multiplied by the 1,000 Shares subject to each of such options.

(4) Consists of the difference between the \$0.88 exercise price of the options held by Mr. Perkins and the \$1.25 Offer Price, multiplied by the 5,000 Shares subject to such options.

To the knowledge of the Company, Mr. Danzberger and Mr. Jennings, who are the Company’s executive officers, do not intend to serve as executive officers of the Company if the Offer is successfully completed.

“Item 3. Past Contacts, Transactions, Negotiations and Agreements” is hereby further amended by restating in its entirety footnote 2 of the chart in the subsection entitled “Qualified Termination of Employment” in the section entitled “Potential Payments upon Termination or Change in Control” on page 6 as follows:

(2) The options have no value, as their exercise prices are greater than the \$1.35 per Share Offer Price.

Item 4. The Solicitation or Recommendation.

“Item 4. The Solicitation or Recommendation” is hereby amended by restating in its entirety the subsection entitled “Intent to Tender” starting on page 7:

In light of (i) the Purchaser’s cash offer of \$1.35 per Share and (ii) the Board’s recommendation, to the Company’s knowledge, after making reasonable inquiry, the directors and executive officers of the Company do not currently intend to tender or sell Shares held of record or beneficially owned by them to the Purchaser in the Offer. In addition, to the knowledge of the Company, Mr. Danzberger and Mr. Jennings, who are the Company’s executive officers, do not intend to serve as executive officers of the Company if the Offer is successfully completed.

[Table of Contents](#)

“Item 4. The Solicitation or Recommendation” is hereby further amended by adding the following paragraphs at the end of the section entitled “Purposes of the Offer and Plans, Proposals or Negotiations” starting on page 9:

On August 17, 2009, the Purchaser issued a press release announcing that it had revised its Offer by increasing the Offer Price to \$1.35 and extending the Expiration Date until 11:59 P.M., New York City time, on Monday, August 31, 2009.

On August 17, 2009, the Purchaser filed with the SEC an amendment to its Tender Offer Statement on Schedule TO reflecting the revised terms of the Offer of increasing the Offer Price and extending the Expiration Date.

“Item 4. The Solicitation or Recommendation” is hereby further amended by restating in its entirety the second bulleted paragraph on page 10 under the section entitled “Reasons for the Board’s Recommendation” as follows:

The Purchaser’s \$1.35 per Share Offer is less than the estimated \$1.40 liquidation value of the Company and thus is financially inadequate. As of March 31, 2009, the Company had cash, cash equivalents and long-term investments of approximately \$14,782,000. After full payment of the Company’s outstanding obligations for its leased space and its contractual obligations for design tool leases, and assuming liquidation expenses of approximately \$500,000, the liquidation value per Share would be approximately \$1.40. This does not take into account revenue from any sales of the Company’s existing inventory of field programmable object array (“FPOA”) chips or its FPOA technology, neither of which can be assured.

Annex A.

Annex A is hereby amended and restated in its entirety as follows:

**ANNEX A
DIRECTORS AND EXECUTIVE OFFICERS OF MATHSTAR, INC.**

<u>Name</u>	<u>Position</u>
Alex H. Danzberger, Jr.	Chief Executive Officer and Chief Financial Officer
Benno G. Sand	Director
Merrill A. McPeak	Director
Richard C. Perkins	Director
John M. Jennings	Chief Accounting Officer

SIGNATURES

After due 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.

MathStar, Inc.

By: /s/ Alex H. Danzberger

Name: Alex H. Danzberger, Jr.

Title: Chief Executive Officer, Chief Financial Officer

Dated: August 24, 2009