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

**FORM 8-K**

Date of Report (Date of earliest event reported) **July 20, 2009**

**MathStar, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**000-51560**  
(Commission  
File Number)

**41-1881957**  
(IRS Employer  
Identification No.)

**19075 N.W. Tanasbourne Drive, Suite 200, Hillsboro, OR**  
(Address of principal executive offices)

**97124**  
(Zip Code)

Registrant's telephone number, including area code **(503) 726-5500**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## Section 7 – Regulation FD

### Item 7.01. Regulation FD Disclosure.

On July 20, 2009, MathStar, Inc. (the “Company”) issued a press release regarding the extension of the exclusivity period during which the Company and Sajan, Inc. are to negotiate a potential merger. The press release is attached.

Statements in this Current Report on Form 8-K, including the attached exhibit, may be “forward-looking” in nature within the meaning of the Private Securities Litigation Reform Act of 1995 and are subject to various risks, uncertainties and assumptions. These statements are based on management’s current expectations, estimates and projections about the Company and include, but are not limited to, those set forth in the section of the Company’s Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on March 31, 2009 under the heading “Risk Factors.” Unless otherwise required by law, the Company undertakes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this Current Report on Form 8-K.

The information in this Current Report on Form 8-K, including the attached exhibit, shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities under that Section. Furthermore, the information in this Current Report on Form 8-K, including the exhibit, shall not be deemed to be incorporated by reference into the filings of the Company under the Exchange Act or the Securities Act of 1933, as amended.

## Section 9 - Financial Statements and Exhibits

### Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is being filed with this Current Report on Form 8-K and is hereby incorporated herein by reference:

99.1 Press release dated July 20, 2009.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MathStar, Inc.

Date: July 20, 2009

By /s/ Benno G. Sand

Benno G. Sand

Director

**Contact:**

**The Proxy Advisory Group, LLC**  
(888) 337-7699 (888-33PROXY)

**MathStar and Sajan Extend Exclusivity Period for Proposed Merger**

HILLSBORO, Ore., July 20, 2009 – MathStar, Inc. (MATH.PK) announced today that Sajan, Inc. has agreed to extend the exclusivity period during which MathStar and Sajan are to negotiate a definitive merger agreement. The exclusivity period will now expire on August 24, 2009.

As previously announced, MathStar has entered into a non-binding letter of intent with Sajan. The letter of intent provides as follows:

- MathStar is to acquire all of Sajan’s stock in a merger transaction for approximately \$16.0 million, consisting of approximately \$5.6 million in cash and 8.8 million shares of MathStar’s common stock. By using cash as a component of the merger price, the Board is attempting to minimize the dilution from the potential transaction.
- If the transaction occurs as currently contemplated, MathStar stockholders would continue to own over 50% of the combined company.
- The MathStar Board is working with Sajan to develop a detailed and comprehensive business plan for the combined entity as a public company.

The MathStar Board is enthusiastic about MathStar’s new, positive direction and the potential merger with Sajan.

Statements in this press release, other than historical information, may be “forward-looking” in nature and are subject to various risks, uncertainties and assumptions. These statements are based on management’s current expectations, estimates and projections about MathStar and include, but are not limited to, those set forth in the section of MathStar’s Annual Report on Form 10-K for the year ended December 31, 2008 filed with the Securities and Exchange Commission on March 31, 2009 under the heading “Item 1A. Risk Factors” and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2009. Except as may be required by law, MathStar undertakes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

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