

SMC Reserve Fund II LP
 Form 4
 April 11, 2013

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 Spring Mountain Capital, LLC

2. Issuer Name and Ticker or Trading Symbol
 AMERICAN POWER GROUP Corp [APGI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/28/2013

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O SPRING MOUNTAIN CAPITAL, 65 EAST 55TH STREET, 33RD FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

NEW YORK, NY 10022

(City) (State) (Zip)

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Stock	03/31/2013		J	59,863 A \$ 0.6781	246,870	D ⁽¹⁾	
Common Stock	03/31/2013		J	37,413 A \$ 0.6781	154,292	D ⁽²⁾	
Common Stock	03/31/2013		J	112,241 A \$ 0.6781	462,879	I	See Footnotes ⁽³⁾ ⁽⁴⁾
Common Stock	03/31/2013		J	130,573 A \$ 0.6781	538,482	I	See Footnote

(5)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(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 Derivative Security	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 Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	
Additional Investment Right (right to buy)	<u>(6)</u>	03/28/2013		C		53.33	03/28/2013	03/31/2013	Common Stock
10% Convertible Preferred Stock	\$ 0.4	03/28/2013		C		53.33	03/28/2013	<u>(6)</u>	Common Stock
Common Stock Warrants (right to buy)	\$ 0.5	03/28/2013		C		1,333,333	03/28/2013	09/28/2018	Common Stock
Additional Investment Right (right to buy)	<u>(7)</u>	03/28/2013		C		33.33	03/28/2013	03/31/2013	Common Stock
10% Convertible Preferred Stock	\$ 0.4	03/28/2013		C		33.33	03/28/2013	<u>(7)</u>	Common Stock
Common Stock Warrants (right to buy)	\$ 0.5	03/28/2013		C		833,333	03/28/2013	09/28/2018	Common Stock
Additional Investment	<u>(8)</u> <u>(9)</u> <u>(10)</u>	03/28/2013		C		99.99	03/28/2013	03/31/2013	Common Stock

Right (right to buy)								
10% Convertible Preferred Stock	\$ 0.4	03/28/2013	C	99.99	03/28/2013	(8)(9)(10)		Common Stock
Common Stock Warrants (right to buy)	\$ 0.5	03/28/2013	C	2,499,999	03/28/2013	09/28/2018		Common Stock
Additional Investment Right (right to buy)	(11) (12)	03/28/2013	C	116.32	03/28/2013	03/31/2013		Common Stock
10% Convertible Preferred Stock	\$ 0.4	03/28/2013	C	116.32	03/28/2013	(11)(12)		Common Stock
Common Stock Warrants (right to buy)	\$ 0.5	03/28/2013	C	2,908,332	03/28/2013	09/28/2018		Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Spring Mountain Capital, LLC C/O SPRING MOUNTAIN CAPITAL 65 EAST 55TH STREET, 33RD FLOOR NEW YORK, NY 10022	X	X		
SMC Select Co-Investment Fund I LP C/O SPRING MOUNTAIN CAPITAL 65 EAST 55TH STREET, 33RD FLOOR NEW YORK, NY 10022	X	X		
SMC Select Co-Investment I GP, LLC C/O SPRING MOUNTAIN CAPITAL 65 EAST 55TH STREET, 33RD FLOOR NEW YORK, NY 10022	X	X		
SMC Reserve Fund II LP C/O SPRING MOUNTAIN CAPITAL 65 EAST 55TH STREET, 33RD FLOOR NEW YORK, NY 10022	X	X		

Spring Mountain Capital G.P., LLC
 C/O SPRING MOUNTAIN CAPITAL
 65 EAST 55TH STREET, 33RD FLOOR X X
 NEW YORK, NY 10022

Spring Mountain Capital, LP
 C/O SPRING MOUNTAIN CAPITAL
 65 EAST 55TH STREET, 33RD FLOOR X X
 NEW YORK, NY 10022

Steffens John
 C/O SPRING MOUNTAIN CAPITAL
 65 EAST 55TH STREET, 33RD FLOOR X X
 NEW YORK, NY 10022

Ho Gregory P.
 C/O SPRING MOUNTAIN CAPITAL
 65 EAST 55TH STREET, 33RD FLOOR X X
 NEW YORK, NY 10022

Signatures

SPRING MOUNTAIN CAPITAL, LLC, By: /s/ Gregory P. Ho, Managing Member 04/11/2013
 **Signature of Reporting Person Date

SMC SELECT CO-INVESTMENT FUND I, LP, By: SMC Select Co-Investment I GP, LLC,
 General Partner, By: Spring Mountain Capital G.P., LLC, Member, /s/ Gregory P. Ho,
 Managing Member 04/11/2013
 **Signature of Reporting Person Date

SMC SELECT CO-INVESTMENT I GP, LLC, By: Spring Mountain Capital G.P., LLC,
 Member, /s/ Gregory P. Ho, Managing Member 04/11/2013
 **Signature of Reporting Person Date

SMC RESERVE FUND II, LP, By: Spring Mountain Capital G.P., LLC, General Partner, /s/
 Gregory P. Ho, Managing Member 04/11/2013
 **Signature of Reporting Person Date

SPRING MOUNTAIN CAPITAL G.P., LLC, By: /s/ Gregory P. Ho, Managing Member 04/11/2013
 **Signature of Reporting Person Date

SPRING MOUNTAIN CAPITAL, LP, By: Spring Mountain Capital, LLC, General Partner,
 /s/ Gregory P. Ho, Managing Member 04/11/2013
 **Signature of Reporting Person Date

/s/ John L. Steffens 04/11/2013
 **Signature of Reporting Person Date

/s/ Gregory P. Ho 04/11/2013
 **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).
- (1) SMC Reserve Fund II, LP ("SMC Reserve II") received 59,863 shares of the Issuer's common stock ("Common Stock") as a payment-in-kind dividend on 213.33 shares of the Issuer's 10% Convertible Preferred Stock ("Preferred Stock") owned at the time of the dividend payment date.
- (2) SMC Select Co-Investment Fund I, LP ("SMC Co-Investment") received 37,413 shares of the Common Stock as a payment-in-kind dividend on 133.33 shares of the Issuer's Preferred Stock owned at the time of the dividend payment date. SMC Select Co-Investment I GP, LLC is the general partner of SMC Co-Investment ("SMC Co-Investment GP") and pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, it may be deemed to be the beneficial owner of any securities reported herein that are beneficially owned by SMC Co-Investment. SMC Co-Investment GP disclaims beneficial ownership with respect to any shares of common stock except to the extent of its pecuniary interest therein.
- (3) Spring Mountain Capital G.P., LLC ("Spring Mountain GP") is the general partner to SMC Reserve II and SMC Reserve Fund II Offshore, LP ("SMC Reserve II Offshore"), which is not a reporting person, and is the sole member of SMC Co-Investment GP. Entities over which Spring Mountain GP is deemed to have voting and investment control received an aggregate of 112,241 shares of the Common Stock as a payment-in-kind dividend on 399.99 shares of the Issuer's Preferred Stock owned at the time of the dividend payment date. Spring Mountain Capital, LP ("SMC LP") acts as investment manager to SMC Reserve II, SMC Reserve II Offshore and SMC Co-Investment. Spring Mountain Capital, LLC ("SMC LLC") is the general partner of SMC LP.
- (4) Pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, each of Spring Mountain GP, SMC LP and SMC LLC may be deemed to be the beneficial owner of any securities reported herein that are beneficially owned by SMC Reserve II, SMC Reserve II Offshore and SMC Co-Investment. Each of Spring Mountain GP, SMC LP and SMC LLC disclaims beneficial ownership with respect to any shares of Common Stock except to the extent of its pecuniary interest therein. Spring Mountain GP has the right to appoint two Directors of the Issuer and currently, Avi Faliks and Jamie Weston, employees of SMC LP, have been appointed as Directors of the Issuer. The reporting persons may be deemed to be Directors by deputization by reason of Mr. Faliks and Mr. Weston, and any successor appointees, serving as Directors of the Issuer.
- (5) Mr. John L. Steffens and Mr. Gregory P. Ho are managing members of Spring Mountain GP and SMC LLC, and are also partners in SMC Employees Partnership ("SMC EP"). Entities over which Mr. Steffens and Mr. Ho are deemed to have voting and investment control received an aggregate of 130,573 shares of the Common Stock as a payment-in-kind dividend on 465.32 shares of the Issuer's Preferred Stock owned at the time of the dividend payment date. Pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, each of Mr. Steffens and Mr. Ho may be deemed to be the beneficial owner of any securities reported herein that may be deemed to be beneficially owned by SMC Reserve II, SMC Reserve II Offshore, SMC Co-Investment and SMC EP. Each of Mr. Steffens and Mr. Ho disclaims beneficial ownership with respect to any shares of Common Stock except to the extent of his pecuniary interest therein.
- (6) On March 28, 2013 (the "Exercise Date"), SMC Reserve II exercised an additional investment right ("AIR") issued to SMC Reserve II as part of an investment in the Issuer that closed on April 30, 2012. Pursuant to the terms of the AIR, in exchange for an aggregate exercise price of \$533,333.33, SMC Reserve II received an additional 53.33 shares of Preferred Stock which are convertible into 1,333,333 shares of the Common Stock and Common Stock purchase warrants (the "Warrants") exercisable for 1,333,333 shares of Common Stock. The Warrants expire on September 28, 2018 and the Preferred Stock has no expiration date.
- (7) On the Exercise Date, SMC Co-Investment exercised an additional investment right ("AIR") issued to SMC Co-Investment as part of an investment in the Issuer that closed on April 30, 2012. Pursuant to the terms of the AIR, in exchange for an aggregate exercise price of \$333,333.33, SMC Co-Investment received an additional 33.33 shares of Preferred Stock, which are convertible into 833,333 shares of the Common Stock, and 833,333 Warrants. The Warrants expire on September 28, 2018 and the Preferred Stock has no expiration date. Pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, SMC Co-Investment GP may be deemed to be the beneficial owner of any securities reported herein that may be deemed to be beneficially owned by SMC Co-Investment. SMC Co-Investment GP disclaims beneficial ownership with respect to any shares of Common Stock except to the extent of its pecuniary interest therein.
- (8) On the Exercise Date, each of SMC Reserve II, SMC Co-Investment and SMC Reserve II Offshore exercised additional investment rights ("AIRs") issued to each such entity as part of an investment in the Issuer that closed on April 30, 2012. Pursuant to the terms of the AIRs, in exchange for an aggregate purchase price of \$533,333.33, SMC Reserve II received an additional 53.33 shares of Preferred Stock which are convertible into 1,333,333 shares of Common Stock and 1,333,333 Warrants, in exchange for an aggregate purchase price of \$333,333.33, SMC Co-Investment received an additional 33.33 shares of Preferred Stock, which are convertible into 833,333 shares of the Common Stock, and 833,333 Warrants, in exchange for an aggregate purchase price of \$133,333.33, SMC Reserve II Offshore received an additional 13.33 shares of Preferred Stock, which are convertible into 333,333 shares of the Common Stock, and 333,333 Warrants.
- (9)

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The Warrants expire on September 28, 2018 and the Preferred Stock has no expiration date. SMC LP acts as investment manager to SMC Reserve II, SMC Reserve II Offshore and SMC Co-Investment. SMC LLC is the general partner of SMC LP. Pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, each of Spring Mountain GP, SMC LP and SMC LLC may be deemed to be the beneficial owner of any securities reported herein that are beneficially owned by SMC Reserve II, SMC Reserve II Offshore and SMC Co-Investment. Each of Spring Mountain GP, SMC LP and SMC LLC disclaims beneficial ownership with respect to any shares of Common Stock except to the extent of its pecuniary interest therein. Spring Mountain GP has the right to appoint two Directors of the Issuer and currently, Avi Faliks and Jamie Weston, employees of SMC LP, have been appointed as Directors of the Issuer.

- (10) The reporting persons may be deemed to be Directors by deputization by reason of Mr. Faliks and Mr. Weston, and any successor appointees, serving as Directors of the Issuer.

- (11) Mr. John L. Steffens and Mr. Gregory P. Ho are managing members of Spring Mountain GP and SMC LLC, and are also partners in SMC Employees Partnership ("SMC EP"). On the Exercise Date, SMC EP exercised an additional investment right ("AIR") issued to SMC EP as part of an investment in the Issuer that closed on April 30, 2012. Pursuant to the terms of the AIR, in exchange for an aggregate exercise price of \$163,333.33, SMC EP received an additional 16.33 shares of Preferred Stock, which are convertible into 408,333 shares of Common Stock, and 408,333 Warrants. The Warrants expire on September 28, 2018 and the Preferred Stock has no expiration date. Pursuant to Rule 16a-1 of the Securities Exchange Act of 1934, as amended, each of Mssrs. John L. Steffens and Gregory P. Ho may be deemed to be the beneficial owners of any securities reported herein that may be deemed to be beneficially owned by SMC Reserve II, SMC Reserve II Offshore, SMC Co-Investment and SMC EP.

- (12) Each of Mssrs. John L. Steffens and Gregory P. Ho disclaims beneficial ownership with respect to any shares of Common Stock except to the extent of his pecuniary interest therein.

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.