

SAFEGUARD SCIENTIFICS INC
Form 4
August 18, 2005

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 *
BONI PETER J

2. Issuer Name and Ticker or Trading Symbol
SAFEGUARD SCIENTIFICS INC [SFE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
08/16/2005

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

800 THE SAFEGUARD BUILDING, 435 DEVON PARK DRIVE

(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

WAYNE, PA 19087-1945

(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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price (A) or (D) | | |
| Common Stock | 08/16/2005 | | P | | 1,900 | A | \$ 1.26 1,900 D |
| Common Stock | 08/16/2005 | | P | | 22,300 | A | \$ 1.28 24,200 D |
| Common Stock | 08/16/2005 | | P | | 81,400 | A | \$ 1.27 105,600 D |
| Common Stock | 08/16/2005 | | P | | 14,200 | A | \$ 1.29 119,800 D |
| | 08/16/2005 | | P | | 45,600 | A | \$ 1.3 165,400 D |

Common
Stock

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. SEC 1474 (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 | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|--|-----------|--|---|----------------------|-----------|
| | | | | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | | Title | Amount Number Shares | |
| Stock Option (right to buy) | \$ 1.275 | 08/16/2005 | | A | | 1,000,000 | (1) | 08/16/2013 | Common Stock | 1,000,000 |
| Stock Option (right to buy) | \$ 1.275 | 08/16/2005 | | A | | 3,000,000 | (2) | 08/16/2013 | Common Stock | 3,000,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BONI PETER J 800 THE SAFEGUARD BUILDING 435 DEVON PARK DRIVE WAYNE, PA 19087-1945 | X | | President & CEO | |

Signatures

Peter J. Boni 08/17/2005

**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) Option vesting: 25% on the first anniversary of the grant date and in equal monthly installments during the three-year period thereafter.

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- Options feature market performance-based vesting so that they only become exercisable upon sustained improvement in the trading price of the Issuer's common stock in the following increments: 10% of the options at \$2.0359 per share; an additional 20% at \$3.1548 per
- (2) share; an additional 30% at \$4.6466 per share; and the remaining 40% at \$6.5114 per share (based on the average daily closing price of the Issuer's common stock on the NYSE for any 20 consecutive trading days preceding a vesting date), with pro rata vesting based on sustained improvement in the trading price of the Issuer's common stock between the stock price thresholds set forth above.

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.