

Herenstein Andrew
 Form 3
 October 27, 2006

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0104
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â Herenstein Andrew</p> <p>(Last) (First) (Middle)</p> <p>C/O QUADRANGLE GROUP LLC,Â 375 PARK AVENUE, 14TH FLOOR</p> <p>(Street)</p> <p>NEW YORK,Â NYÂ 10152</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>10/17/2006</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>SILICON GRAPHICS INC [SGI]</p>	<p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p>	<p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	3,097,140	I	See footnote ⁽¹⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly. SEC 1473 (7-02)

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.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
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Date Exercisable	Expiration Date	Title	Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
6.50% Senior Secured Convertible Notes Due 2009 ⁽²⁾	06/01/2009 ⁽²⁾	Old Common Stock ⁽²⁾ ₍₃₎	40,791,200 ⁽²⁾ ₍₃₎	\$ 1.25 ⁽³⁾	I ⁽¹⁾	See footnote ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Herenstein Andrew C/O QUADRANGLE GROUP LLC 375 PARK AVENUE, 14TH FLOOR NEW YORK, NY 10152	^	^ X	^	^

Signatures

Andrew Herenstein, By: /s/ Robert Burns,
 Attorney-in-Fact 10/27/2006

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) All securities disclosed in this Form 3 are owned by certain funds (the "Funds") to which Quadrangle Debt Recovery Advisors LLC acts as investment advisor. Andrew Herenstein ("Mr. Herenstein") is a managing member of Quadrangle Debt Recovery Advisors LLC. By reason of the provisions of Rule 16a-1 under the Securities Exchange Act of 1934, as amended, Quadrangle Debt Recovery Advisors LLC and Mr. Herenstein may be deemed to be the beneficial owners of the securities beneficially owned by the Funds. Quadrangle Debt Recovery Advisors LLC and Mr. Herenstein each disclaim beneficial ownership of all such securities, except to the extent of any indirect pecuniary interest therein.
- (2) As a result of the reorganization of the Issuer under chapter 11 of the federal bankruptcy code, which reorganization was effective as of October 17, 2006 (the "Effective Date"), the common stock, par value \$0.001 per share (the "Old Common Stock"), of the Issuer and the 6.50% Senior Secured Convertible Notes Due 2009 (the "Convertible Notes") were cancelled and ceased to be outstanding, and Mr. Herenstein therefore ceased to beneficially own Old Common Stock as of the Effective Date. Prior to the Effective Date, Mr. Herenstein had become the indirect beneficial owner of greater than 10% of the total outstanding shares of Old Common Stock.
- (3) The Convertible Notes were convertible into shares of Old Common Stock of the Company at any time at the option of the holder, at a conversion price equal to \$1.25 per share, subject to adjustment in certain events. As indicated above, the Old Common Stock and the Convertible Notes were cancelled and ceased to exist on the Effective Date.

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.