

DATAWATCH CORP
Reported by
G2 INVESTMENT PARTNERS GP LLC

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 01/26/17 for the Period Ending 01/24/17

Address	4 CROSBY DRIVE BEDFORD, MA 01730
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FORM 4

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

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[X] 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 or
Section 30(h) of the Investment Company Act of 1940

G2 Investment Partners Management LLC (Last) (First) (Middle) ONE ROCKEFELLER PLAZA, 23RD FLOOR (Street) NEW YORK, NY 10020 (City) (State) (Zip)	DATAWATCH CORP [DWCH] 3. Date of Earliest Transaction (MM/DD/YYYY) <p align="center">1/24/2017</p> 4. If Amendment, Date Original Filed (MM/DD/YYYY)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)
6. Individual or Joint/Group Filing (Check Applicable Line) <input type="checkbox"/> Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Trans. Date	2A. Deemed Execution Date, if any	3. Trans. 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	1/24/2017	1/24/2017	S		20136	D	\$5.58 (2)	1241992	I	See Footnote (1)
Common Stock	1/25/2017	1/25/2017	S		37265	D	\$5.62 (3)	1204727	I	See Footnote (1)
Common Stock	1/26/2017	1/26/2017	S		21262	D	\$5.98 (4)	1183465	I	See Footnote (1)

Table II - Derivative Securities 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. Trans. Date	3A. Deemed Execution Date, if any	4. Trans. 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		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				

Explanation of Responses:

- (These securities are held in the accounts of private investment funds managed by G2 Investment Partners Management LLC ("G2 Investment Partners Management") and may be deemed to be beneficially owned by (i) G2 Investment Partners Management, (ii) G2 Investment Partners GP LLC, and (iii) Josh Goldberg, the managing member of G2 Investment Partners Management and G2 Investment Partners GP LLC (collectively, the "Reporting Persons"). The Reporting Persons disclaim beneficial ownership of the reported securities except to the extent of their pecuniary interest therein, and affirmatively disclaim being a "group" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.
- (The reported price is the weighted average sale price for sales on January 24, 2017 by the Reporting Persons. The actual prices of such sales ranged from \$5.40 to \$5.65. The Reporting Persons undertake to provide, upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (The reported price is the weighted average sale price for sales on January 25, 2017 by the Reporting Persons. The actual prices of such sales ranged from \$5.60 to \$5.65. The Reporting Persons undertake to provide, upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.
- (The reported price is the weighted average sale price for sales on January 26, 2017 by the Reporting Persons. The actual prices of such sales ranged from \$5.80 to \$6.08. The Reporting Persons undertake to provide, upon request by the Commission staff, the issuer, or a security holder of the issuer, full information regarding the number of shares sold at each separate price.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

G2 Investment Partners Management LLC ONE ROCKEFELLER PLAZA, 23RD FLOOR NEW YORK, NY 10020		X		
G2 Investment Partners GP LLC ONE ROCKEFELLER PLAZA, 23RD FLOOR NEW YORK, NY 10020		X		
Goldberg Josh ONE ROCKEFELLER PLAZA, 23RD FLOOR NEW YORK, NY 10020		X		

Signatures

G2 Investment Partners Management, LLC, By: /s/ Josh Goldberg, Managing Member

1/26/2017

—Signature of Reporting Person

Date

G2 Investment Partners GP LLC, By: /s/ Josh Goldberg, Managing Member

1/26/2017

—Signature of Reporting Person

Date

/s/ Josh Goldberg

1/26/2017

—Signature of Reporting Person

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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.