

DATAWATCH CORP

Reported by
OSBORNE RICHARD DE J

FORM 4 (Statement of Changes in Beneficial Ownership)

Filed 07/31/17 for the Period Ending 07/27/17

Address	4 CROSBY DRIVE BEDFORD, MA 01730
Telephone	978-441-2200
CIK	0000792130
Symbol	DWCH
SIC Code	7372 - Prepackaged Software
Industry	Software
Sector	Technology
Fiscal Year	09/30

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

1. Name and Address of Reporting Person * OSBORNE RICHARD DE J <small>(Last) (First) (Middle)</small> C/O DATAWATCH CORPORATION, 4 CROSBY DRIVE <small>(Street)</small> BEDFORD, MA 01730 <small>(City) (State) (Zip)</small>	2. Issuer Name and Ticker or Trading Symbol DATAWATCH CORP [DWCH] 3. Date of Earliest Transaction (MM/DD/YYYY) 7/27/2017 4. If Amendment, Date Original Filed (MM/DD/YYYY)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director _____ 10% Owner _____ Officer (give title below) _____ Other (specify below)
		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input 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	7/27/2017		M		25000	A	\$4.97	396502 (1)	D	
Common Stock	7/27/2017		S (2)		18000	D	\$10.81 (3)	378502 (1)	D	
Common Stock								3000	I	Spouse (4)

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

1. Title of Derivate 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				
Stock Option (Right to Buy)	\$4.97	7/27/2017		M		25000		(5)	4/25/2018	Common Stock	25000	\$0	25000	D	

Explanation of Responses:

- (1) Includes 143,370 shares held by Carnegie Hill Associates, LLC. Mr. Osborne is the Managing Principal of Carnegie Hill Associates, LLC and may be deemed a beneficial owner of the shares held by Carnegie Hill Associates, LLC. Mr. Osborne disclaims beneficial ownership of these shares except to the extent of his pecuniary interest therein.
- (2) The purpose of this sale was to cover the cost of: (i) the aggregate exercise price payable by the reporting person and (ii) income taxes liabilities of the reporting person upon the exercise of stock options reported in the row immediately above for the same date.
- (3) The price reported in Column 4 is a weighted average price. These shares were sold in multiple transactions at prices ranging from \$10.80 to \$10.90. The reporting person undertakes to provide to the Issuer, any security holder of the Issuer, or the staff of the Securities and Exchange Commission, upon request, full information regarding the number of shares sold at each separate price within this range.
- (4) These shares are owned by Mr. Osborne's wife. The reporting person acquired beneficial ownership of these shares upon his marriage to the owner of the shares on November 22, 2014. The reporting person disclaims beneficial ownership of these securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of the securities for purposes of Section 16 or for any other purpose.
- (5) The stock option, representing a right to purchase a total of 50,000 shares of Common Stock of the Issuer, became fully exercisable on April 26, 2014.

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
OSBORNE RICHARD DE J C/O DATAWATCH CORPORATION 4 CROSBY DRIVE BEDFORD, MA 01730	X			

Signatures

/s/ Robert V. Jahrling, as attorney-in-fact

7/31/2017

** 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.

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