HAMMICK PATRICIA A
Form 4
January 04, 2011

FORM 4

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

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

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

OMB APPROVAL

OMB Number:	3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
HAMMICK PATRICIA A

(Last) (First) (Middle)

109 LAWRENCE COVE LANE

(Street)

KILMARNOCK, VA 22482

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
DYNEGY INC. [DYN]

3. Date of Earliest Transaction (Month/Day/Year)
12/31/2010

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ 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. 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			

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

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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	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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

Derivative Security					Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock	(1)	12/31/2010	A		3,110.06 (2)		(3)	(3)	Common Stock	3,110.06

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HAMMICK PATRICIA A 109 LAWRENCE COVE LANE KILMARNOCK, VA 22482	X			

Signatures

/s/ Heidi D. Lewis, Attorney-in-Fact	01/04/2011
**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) These shares are held in a rabbi trust and are deemed to be phantom stock that are convertible on a 1-for-1 basis.

(2) Reflects shares of phantom stock issued to the Reporting Person pursuant to the Dynegy Inc. Deferred Compensation Plan for Certain Directors, as amended, a Rule 16b-3 Plan with the issuer. The shares of phantom stock were issued in connection with the Reporting Person's director compensation for the fourth quarter of 2010, and the number of shares of phantom stock issued with respect to the quarter was calculated based on the stock price of the issuer's common stock of $5.63 (rounded) on December 31, 2010, the last trading day of the quarter.

(3) Upon termination of the Reporting Person's service as a director, the shares of phantom stock become payable, at the election of the Reporting Person, in a lump sum payment or in monthly, quarterly or annual installment payments following such termination. The shares of phantom stock are payable in cash or in shares of the issuer's common stock.

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. bsp;   In March 1997, the Company adopted the 1997 Employee Stock Purchase Plan ("the 1997 Plan") and reserved 100 shares of Common Stock for issuance thereunder. Employees, subject to certain limitations, may purchase shares at 85% of the lower of the fair market value of the Common Stock at the beginning of the six-month offering period, or the last day of the purchase period. During 1999, 2000 and 2001, 36, 41 and 38 shares, respectively, were sold under the 1997 Plan. At December 31, 2001, there were 58 shares available for issuance under the 1997 Plan.

Stock-Based Compensation

Southwall has stock option plans that reserve shares of Common Stock for issuance to employees, officers, directors and consultants. The Company applies APB Opinion 25 and related interpretations in accounting for its plans. Accordingly, no compensation cost is recognized for grants at fair market value. Southwall adopted the disclosure-only provisions of SFAS No. 123, Accounting for Stock-Based Compensation. Had compensation cost for our stock option plans and stock purchase plans been determined based on the fair value at the grant date for awards granted in 1999, 2000 and 2001 consistent with the provisions of SFAS No. 123, net income (loss) and net income (loss) per share would have been reduced to the pro forma amounts indicated below:

	1999	2000	2001
Net income (loss) as reported	$ (1,865)	$ (6,180)	$ 4,635
Net income (loss) pro forma	$ (2,659)	$ (7,830)	$ 3,833
Net income (loss) per share as reported			
Basic	$ (0.25)	$ (0.81)	$ 0.58
Diluted	$ (0.25)	$ (0.81)	$ 0.57
Net income (loss) per share pro forma			
Basic	$ (0.36)	$ (1.02)	$ 0.48
Diluted	$ (0.36)	$ (1.02)	$ 0.47

For the stock option plans, the fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model for the multiple option approach with the following weighted average assumptions used for grants in 1999, 2000 and 2001, respectively. Expected volatility of 110% in 1999, 134% in 2000, and 89% in 2001; risk-free interest rate of 5.4%, 6.2% and 4.6%; and expected lives from vesting date of 3.23, 2.54 and 3.26 years. Southwall has not paid dividends and assumed no dividend yield. The weighted average fair value of stock options granted in 1999, 2000 and 2001 was $2.60, $3.74 and $1.89 per share, respectively.

For the employee stock purchase plans, the fair value of each purchase right is estimated at the beginning of the offering period using the Black-Scholes option-pricing model with the following weighted-average assumptions used in 1999, 2000, and 2001 respectively. Expected volatility of 139%, 134% and 89%; risk-free interest rate of 5.8%, 6.32% and 4.19%; and expected lives of 0.5 years in each year. The Company has not paid dividends and assumed no dividend yield. The weighted-average fair value of those purchase rights granted in 1999, 2000 and 2001 was $1.98, $2.19 and $1.21 per right, respectively.

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NOTE 7 BENEFIT PLANS (Continued)

The following table summarizes information about stock options outstanding at December 31, 2001:

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number Outstanding at 12/31/01	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at 12/31/01	Weighted Average Exercise Price
$1.56 - $2.75	137	5.96	$ 2.39	12	$ 2.20
$2.81 - $2.81	230	6.07	2.81		0.00
$2.94 - $3.71	221	4.44	3.38	106	3.14
$3.75 - $4.50	275	4.65	4.16	161	4.18
$4.63 - $5.00	307	2.81	4.91	239	4.89
$5.07 - $5.07	70	6.72	5.07		0.00
$5.20 - $5.20	209	5.74	5.20	53	5.21
$5.75 - $6.88	216	3.51	6.59	175	6.58
$7.00 - $8.13	193	4.87	7.30	79	7.23
$8.25 - $11.50	53	5.60	10.24	25	9.82
$1.56 - $11.50	1,911	4.71	$ 4.81	850	$ 5.23

401(k) Plan

In 1998, the Company sponsored a 401(k) defined contribution plan covering eligible employees who elect to participate. Southwall is allowed to make discretionary profit sharing and 401(k) matching contributions as defined in the plan and as approved by the board of directors. The Company matches 25% of each eligible participant's 401(k) contribution up to a maximum of 20% of the participant's compensation, not to exceed one thousand dollars per year. Southwall's actual contribution may be reduced by certain available forfeitures, if any, during the plan year. No discretionary or profit sharing contributions were made for the years ending December 31, 1999, 2000 and 2001. Matching contributions for the years ended December 31, 1999, 2000 and 2001 were $0.1 million, $0.2 million, and $0.1 million respectively.

NOTE 8 SEGMENT REPORTING

Southwall reports segment information using the management approach to determine segment information. The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as the source of its reportable segments. The Company has one segment and is organized on the basis of products and services. The

total net revenues for the automotive glass, electronic display, and architectural product lines were as follows:

	Year			Quarter ended	
	1999	2000	2001	April 1, 2001 (unaudited)	March 31, 2002 (unaudited)
Automotive glass	$ 19,477	$ 20,198	$ 37,385	$ 8,007	$ 7,003
Electronic display	16,014	47,734	29,691	6,724	7,925
Architectural	19,107	17,416	15,900	2,982	4,341
Total net revenues	$ 54,598	$ 85,348	$ 82,976	$ 17,713	$ 19,269

The following is a summary of net revenue by geographic area for 1999, 2000 and 2001.

	Year			Quarter ended	
	1999	2000	2001	April 1, 2001 (unaudited)	March 31, 2002 (unaudited)
United States	$ 12,550	$ 12,750	$ 10,881	$ 3,211	$ 2,710
Japan	12,948	34,956	26,755	4,989	7,600
France	9,508	12,030	19,842	3,763	4,034
Pacific Rim	8,088	14,681	9,113	1,972	1,856
Rest of world	5,735	6,763	7,830	1,421	1,549
Germany	5,769	4,168	8,555	2,357	1,520
Total net revenues	$ 54,598	$ 85,348	$ 82,976	$ 17,713	$ 19,269

Southwall operates from facilities located in the United States and Germany. Identifiable assets were as follows:

	As of December 31,	
	2000	2001
United States	$ 64,145	$ 54,813
Germany	16,317	18,345
Consolidated	$ 80,462	$ 73,158

Four customers accounted for net sales in 1999, 2000, 2001, and the quarters ended:

Customer	Year 1999	Year 2000	Year 2001	Quarter ended April 1, 2001 (unaudited)	Quarter ended March 31, 2002 (unaudited)
A	18.0%	14.5%	24.0%	20.9%	20.9%
B	9.4%	39.5%	20.5%	26.0%	20.9%
C	0.0%	0.0%	7.7%	4.9%	14.6%
D	11.7%	6.7%	15.3%	18.5%	10.8%
Total	39.1%	60.7%	67.5%	70.3%	67.2%

NOTE 9 COMMITMENTS and CONTINGENCIES

Commitments

The Company leases certain property and equipment as well as its facilities under noncancellable operating leases. These leases expire at various dates through 2009. As of December 31, 2001, the future minimum payments under these leases are as follows:

	Operating Leases
2002	$ 3,601
2003	2,832
2004	2,846
2005	475
2006	475
Thereafter	
Future minimum lease payments	$ 10,229

Rent expense under operating leases was approximately $1.5 million, $3.2 million and $3.7 million in 1999, 2000, and 2001 respectively.

Contingencies

The Company is a defendant in an action entitled "Portfolio Financial Servicing Company v. Southwall Technologies Inc.," which was filed in state court in Utah on May 22, 2002. This action arises out of sale-leaseback agreements which the Company entered into with an entity formerly known as Matrix Funding Corporation, or Matrix, in 1999 in connection with the acquisition of two of our production machines, as described in Note 4 to these financial statements. Matrix thereafter filed bankruptcy. In the action, the plaintiff purports to be an agent of the successor to Matrix. The plaintiff demands payment of $6,468,534, which it alleges constitutes unpaid lease payments, plus the alleged residual value of the equipment, less monies that Matrix owes to the Company. The Company intends to defend the action vigorously.

The Company is a defendant in an action filed on April 5, 1996 entitled "Four Seasons Solar Products Corp. vs. Black & Decker Corp., Bostik, Inc. and Southwall Technologies Inc.", No. 5 CV1695, pending in the United States District Court for the Eastern District of New York. Plaintiff is a manufacturer of insulated glass units which incorporate our Heat Mirror film. Plaintiff alleges that a sealant provided by the co-defendant is defective, asserts causes of action for breach of contract, unfair competition, and fraudulent concealment, and seeks monetary damages of approximately $36 million for past and future replacement costs, loss of customer goodwill, and punitive damages against all defendants. The Company filed a motion to dismiss. The Court has dismissed the unfair competition and fraudulent concealment claims against the Company. It has denied the Company's motion to dismiss the breach of contract claim. The Company believes the claim to be without merit. Defense of this action is covered by the Company's insurance carrier and the Company expects that settlements, if any, will be substantially covered by its insurance policy. The action is in the early stages, thus an estimate of the Company's loss exposure cannot be made. Management plans to vigorously contest the claim.

In October 2000, the Company was served with a complaint entitled Hurd Millwork, Inc. v. Southwall Technologies Inc., et. al., United States District Court, Northern District of California, Case No. C00-3820 (CRB). Hurd is a manufacturer of installed glass units which incorporated Heat Mirror film. Hurd alleged that various failures and deficiencies associated with the installed glass units gave rise to warranty and other consumer claims. The Company reached a settlement with plaintiffs, the terms of which are confidential. The cash portion of the settlement was paid by the Company's insurance carrier. The Company also agreed to provide a discount on the price of future film sales as part of the settlement. The Company did not commit to or guarantee an aggregate dollar amount that Hurd would be entitled to receive as a discount; the discount is entirely contingent on future purchases of architectural glass product by Hurd from the Company during a four-year period ending February 2006. Due to the contingent nature of the discount to be granted in the future, no amount has been recorded by the Company as a sales discount liability for the settlement at December 31, 2001 or March 31, 2002.

The Company's German subsidiary was a defendant in a lawsuit filed by one of our suppliers on March 21, 2000 in a German court to seek payment of $0.9 million for engineering services rendered in connection with developing the initial plans for the Dresden facility. The Company issued letters of award to the plaintiff amounting to $0.3 million prior to terminating plaintiff's services for not meeting expectations. The plaintiff claimed fees for services rendered, including the costs of significant modifications and revisions requested by us calculated in accordance with the German Federal Schedule of Architects' fees. The plaintiff further alleged that the Company utilized plaintiff's planning work in further developing the plant. In December 2001, a judgment was reached by the German court, in favor of the plaintiff, for approximately $0.3 million. In February 2002, the plaintiff elected to accept the court's ruling in lieu of an appeal. The award for engineering services has been accrued at December 31, 2001 as additional construction costs.

The insurance carriers in some of the litigation related to alleged product failures and defects in window products manufactured by third parties in which the Company was a defendant paid the defense and settlement costs related to such litigation. Those insurance carriers reserved their rights and have expressed their intent to proceed against the Company to recover a portion or all of such payments. As a result, those insurance carriers could seek from the Company up to an aggregate of $12.9 million plus defense costs, although any such recovery would be restricted to claims that were not covered by the Company's insurance policies. The Company intends to vigorously defend any attempts by these insurance carriers to seek reimbursement. The Company is not able to estimate the likelihood that these insurance carriers will seek to recover any such payments, the amount, if any, they might seek, or the outcome of such attempts. As a result, no adjustment has been recorded due to the uncertainty surrounding the potential exposure. Management can give no assurance that a material claim will not be asserted at some future date by the insurers.

The Company's counsel has received a letter from a lawyer purporting to represent a manufacturer of skylights that allegedly incorporates the Company's Heat Mirror film. The letter alleges that a sealant provided by a third party and used with the Company's film was defective, and as a result the manufacturer and others similarly situated have suffered elevated warranty replacement claims and costs. The letter states that the manufacturer will bring legal action in the form of a class action lawsuit

if the parties are unable to resolve the matter quickly. The Company believes the allegations to be without merit and intends to defend any related action vigorously.

In addition, the Company is involved in certain other legal actions arising in the ordinary course of business. The Company believes, however, that none of these actions, either individually or in the aggregate, will have a material adverse effect on the Company's business or consolidated financial position, results of operations or cash flows.

NOTE 10 RELATED PARTY TRANSACTIONS

Teijin

On April 9, 1997, Southwall signed a comprehensive set of collaborative agreements with a major supplier of the Company's raw materials, Teijin Limited. The agreements provided for, among other things, the purchase by Teijin of 667,000 shares of the Company's common stock at a price of $7.50 per share; a guarantee by Teijin of a $10.0 million loan to the Company; and an agreement to collaborate to achieve closer marketing and product development ties between the two companies. The Company pays an annual loan guarantee fee to Teijin of 0.5625% of the outstanding principal balance of the loan guaranteed by Teijin. The Company paid a loan guarantee fee of approximately $53,000 to Teijin during 2001. As of December 31, 2001, $7.5 million was outstanding under the loan guaranteed by Teijin. Pursuant to a letter agreement dated

March 28, 2002, the Company is obligated to repay $2.5 million of the loan guaranteed by Teijin with the proceeds from common stock sold in a public offering or an amount equal to 10% of the proceeds from a sale of stock other than in a public offering.

Also under these agreements, Teijin has the right to nominate a representative to the Company's board of directors. During 1999, 2000 and 2001, the Company paid Teijin approximately $3.2 million, $10.3 million and $9.0 million for purchases of raw material substrates. At December 31, 2000 and 2001, accounts payable to Teijin were $2.8 million and $1.8 million.

Globamatrix

The Company has two distribution agreements with Globamatrix under which the Company granted it exclusive licenses in North America to distribute the Company's after-market applied film in the automotive and architectural glass markets. Under the agreements, which are scheduled to expire in 2007 and 2008, Globamatrix agreed to purchase an annually increasing amount of our products. During 1999, 2000 and 2001, sales to Globamatrix were $2.1 million, $2.2 million and $5.6 million. At December 31, 2000 and 2001, accounts receivable from Globamatrix were $0.6 million and $1.5 million.

On April 20, 2001, Globamatrix purchased 422,119 shares of the Company's common stock for $1.0 million (approximately $2.37 per share) pursuant to a stock purchase agreement. The closing price of the Company's common stock on the Nasdaq National Market was $2.10 per share on April 19, 2001, and $2.19 per share on April 20, 2001. The shares were not registered under the Securities Act. Globamatrix holds registration rights with respect to the shares.

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Transactions Involving Directors

In April 1997, the Company entered into a development and technology agreement with Energy Conversion Devices, Inc., or ECD. This agreement provides that the Company will pursue with ECD the commercialization of the process of sputter coating on flexible substrates using PECVD processes. The agreement further provides that the Company will pay ECD a royalty in an amount based upon the sales volume of product produced through the PECVD process. Southwall agreed to pay to ECD 2.25% of its net sales in connection with PECVD technology for five years and 1.25% of net sales after that. Through March 1, 2002, the process had not been commercialized and the Company had not paid ECD royalties under the agreement but expected to begin to pay royalties in 2002. In February 1999, the Company entered into an equipment purchase contract with ECD pursuant to which ECD agreed to modify one of the Company's production machines (PM 7) so that the machine would produce products by means of the PECVD process. The Company paid ECD approximately $0.9 million in 1999, $0.01 million in 2000 and $0.29 million in 2001 in connection with its conversion of PM 7 to the use of PECVD technology. A director of Southwall is the Chairman of ECD. The Company presently owes ECD approximately $0.57 million in connection with the conversion of PM 7, which is represented by a note payable. As of December 31, 2001, the Company owed ECD approximately $0.72 million. The Company has agreed under the note to pay ECD $0.05 million per month through December 2002, with a final payment of $0.07 million in January 2003. The Company has further agreed to attempt to procure for ECD a first priority security interest in PM 7.

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NOTE 11 BALANCE SHEET DETAIL

	December 31,	
Accounts receivable, net:	**2000**	**2001**
Accounts receivable	$ 13,957	$ 9,409
Allowance for doubtful accounts	(640)	(389)
Accounts receivable, net	$ 13,317	$ 9,020

	December 31,	
Inventories, net:		**March 31, 2002**

	December 31, 2000	December 31, 2001	(unaudited)
Raw materials	$ 4,394	$ 3,545	$ 3,033
Work-in-process	4,799	2,430	3,279
Finished goods	981	176	741
Total Inventories	$ 10,174	$ 6,151	$ 7,053

Property, plant and equipment, net:	**December 31, 2000**	**2001**
Land, buildings and leasehold improvements	$ 11,179	$ 8,968
Machinery and equipment	63,717	70,986
Furniture and fixtures	4,075	4,730
Construction-in-process	6,999	5,179
	$ 85,970	$ 89,863
Less Accumulated depreciation	(36,086)	(42,022)
Total property, plant and equipment	$ 49,884	$ 47,841

Depreciation and amortization expense for the years ended December 31, 1999, 2000 and 2001 was $4.9 million, $5.7 million, and $6.0 million respectively. See Note 5 to the financial statements with respect to a government grant received to offset construction and equipment costs for the German subsidiary.

Other accrued liabilities:	**December 31, 2000**	**2001**
Reserve for warranties and sales returns	$ 1,903	$ 2,642
Legal settlement	550	475
Accrued sales commission	441	405
Insurance premium financing	314	967
Accrued taxes	120	383
Accrued professional fees	393	187
Other	830	597
Total other accrued liabilities	$ 4,551	$ 5,656

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REPORT OF INDEPENDENT ACCOUNTANTS ON FINANCIAL STATEMENT SCHEDULE

To the Board of Directors and Stockholders of
Southwall Technologies Inc.

Our audits of the consolidated financial statements referred to in our report dated March 4, 2002, except as to Note 4, which is dated as of May 17, 2002, and Note 9, which is dated as of May 22, 2002, appearing in Item 14(a)(1) of the Annual Report on Form 10-K of Southwall Technologies Inc. included an audit of the financial statement schedule listed in Item 14(a)(2) of the Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

San Jose, California
March 4, 2002

FINANCIAL STATEMENT SCHEDULE
Valuation and qualifying accounts and reserves

Description	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
		(in thousands)		
December 31, 2001				
Inventory reserves	$ 1,418	$ 876	$ 1,293(2)	$ 1,001
Allowance for doubtful accounts	640	460	712(2)	388
Reserve for warranty and sales returns	1,903	3,945(1)	3,206(2)	2,642
December 31, 2000				
Inventory reserves	1,182	2,098	1,862(2)	1,418
Allowance for doubtful accounts	875	737	972(2)	640
Reserve for warranty and sales returns	1,174	3,008(1)	2,279(2)	1,903

(1) Charged against revenue.

(2) Reserves utilized during the year.

QuickLinks