

MULTIMEDIA GAMES INC  
 Form 4  
 November 13, 2006

**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 \*  
 PEARLMAN EMANUEL R

2. Issuer Name and Ticker or Trading Symbol  
 MULTIMEDIA GAMES INC  
 [MGAM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
 330 MADISON AVENUE, 6TH FLOOR,  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 11/09/2006

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

NEW YORK, NY 10017

(City) (State) (Zip)

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

**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) |   |
|--|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---|
|  |                                      |  |                                | (A) or (D)  | Price   |  |                                   |   |
|  |                                      |  |                                | Code  | V   | Amount   |                                   |   |
| Common Stock, \$0.01 par value per share | 11/09/2006 <sup>(1)</sup>            |  | P <sup>(1)</sup>               | A <sup>(1)</sup>  | 0 <sup>(1)</sup>  | 2,311,327 <sup>(1)</sup>                                 | I                                 | See footnotes <u>(2)</u> <u>(3)</u> <u>(4)</u> <u>(5)</u> |

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

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SEC 1474 (9-02)

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**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 Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Underlying Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Non-Qualified Stock Options                | \$ 9.63  | 11/09/2006                           |  | A                              | 10,000  | 05/09/2007 <sup>(6)</sup> 11/09/2016                     | Common Stock                                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |                           |
|--|---------------|-----------|---------|---------------------------|
|  | Director      | 10% Owner | Officer | Other                     |
| PEARLMAN EMANUEL R<br>330 MADISON AVENUE, 6TH FLOOR<br>NEW YORK, NY 10017                                | X             |           |         |                           |
| LIBERATION INVESTMENTS LP<br>330 MADISON AVENUE, 6TH FLOOR<br>NEW YORK, NY 10017                         |               |           |         | See (1)(2)(3)(4)(5)(6)(7) |
| Liberation Investments, Ltd.<br>P.O. BOX 31106 SMB CORPORATE CENTRE<br>WEST BAY ROAD<br>GRAND CAYMAN, E9 |               |           |         | See (1)(2)(3)(4)(5)(6)(7) |
| LIBERATION INVESTMENT GROUP LLC<br>330 MADISON AVENUE, 6TH FLOOR<br>NEW YORK, NY 10017                   |               |           |         | See (1)(2)(3)(4)(5)(6)(7) |

## Signatures

|  |            |
|--|------------|
| /s/ Emanuel R. Pearlman  | 11/13/2006 |
| __Signature of Reporting Person  | Date       |
| /s/ Emanuel R. Pearlman, Chief Executive Officer (Liberation Investments, L.P., By: Liberation Investment Group, LLC, General Partner) | 11/13/2006 |
| __Signature of Reporting Person  | Date       |
| /s/ Emanuel R. Pearlman, Director (Liberation Investments, Ltd.)   | 11/13/2006 |
| __Signature of Reporting Person  | Date       |
| /s/ Emanuel R. Pearlman, Chief Executive Officer (Liberation Investment Group, LLC)  | 11/13/2006 |
| __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).

The information contained in Table I is solely intended to restate the beneficial ownership reported on Form 3, filed by Liberation

(1) Investments, L.P. ("LILP"), Liberation Investments, Ltd. ("LILtd"), Liberation Investment Group, LLC ("LIGLLC") and Emanuel R. Pearlman (collectively, the "Reporting Persons") on November 2, 2006. No transaction in non-derivative securities is reported herein.

(2) This is a joint filing by the Reporting Persons. Mr. Pearlman is the designated filer.

(3) LILP directly owns 1,543,418 shares of common stock, \$0.01 par value per share (the "Common Stock"), of Multimedia Games, Inc. (the "Issuer") and LILtd directly owns 767,909 shares of Common Stock. LIGLLC, as the sole general partner of LILP and the sole investment advisor to LILtd, may be deemed to beneficially own 2,311,327 shares of Common Stock. Mr. Pearlman, as the Chief Executive Officer and majority member of LIGLLC, may be deemed to beneficially own 2,311,327 shares of Common Stock.

(4) Each Reporting Person disclaims beneficial ownership of Common Stock owned by the other Reporting Persons, and this filing shall not be deemed an admission that any Reporting Person beneficially owns Common Stock owned by the other Reporting Persons, except to the extent of its pecuniary interest.

(5) The Reporting Persons may be deemed members of a group holding equity securities of the Issuer. Each Reporting Person disclaims membership in a group, and this filing shall not be deemed an admission that the Reporting Persons constitute a group. Mr. Pearlman is a member of the Issuer's board of directors. As a result thereof and the relationship among the Reporting Persons, each of LILP, LILtd and LIGLLC may be deemed to be a director of the Issuer for purposes of Section 16. This filing shall not be deemed to be an admission by any such entity that it is a director of the Issuer.

(6) Director option grants are exercisable six months from the date of grant. The underlying shares purchased via an option exercise may be sold at a rate of twenty-five percent per year over a four-year period commencing on the date of grant.

(7) Mr. Pearlman directly owns the options granted to him by the Issuer and reported in this Form 4, and LILP, LILtd and LIGLLC may be deemed to beneficially own such options. Each of LILP, LILtd and LIGLLC disclaims beneficial ownership of such options, and this filing shall not be deemed an admission that any of LILP, LILtd or LIGLLC beneficially owns such options owned by Mr. Pearlman, except to the extent of its pecuniary interest.

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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