

PRECISION OPTICS CORPORATION INC  
Form SC 13G/A  
February 12, 2002

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No.  2 )\*

Precision Optics Corporation Inc.

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(Name of Issuer)

Common Stock, \$0.01 Par Value

---

(Title of Class of Securities)

740294103

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(CUSIP Number)

December 31, 2001

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

<input checked="" type="checkbox"/>	Rule 13d-1(b)
<input type="checkbox"/>	Rule 13d-1(c)
<input type="checkbox"/>	Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No.740294103                                  13G                                  Page 2 of 14

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(1) NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Special Situations Fund III, L.P.    F13-3737427

MGP Advisers Limited Partnership    F13-3263120

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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) | |  
(b) |X|

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(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware/New York

NUMBER OF (5) SOLE VOTING POWER See Marxe/Greenhouse  
SHARES

BENEFICIALLY OWNED BY (6) SHARED VOTING POWER None

EACH REPORTING PERSON WITH: (7) SOLE DISPOSITIVE POWER See Marxe/Greenhouse

(8) SHARED DISPOSITIVE POWER None

(9) AGGREGATE AMOUNT BENEFICALLY OWNED BY EACH REPORTING PERSON

374,300

(10) CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (See Instructions)

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

3.6

(12) TYPE OF REPORTING PERSON (See Instructions)

IV/IA

CUSIP No.740294103

13G

Page 3 of 14

(1) NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Special Situations Private Equity Fund, L.P. F13-3916551  
MG Advisers, L.L.C. F13-3916549

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See  
Instructions)

(a) | |

(b) |X|

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware/New York

NUMBER OF (5) SOLE VOTING POWER See Marxe/Greenhouse  
SHARES

BENEFICIALLY OWNED BY (6) SHARED VOTING POWER None

EACH REPORTING PERSON WITH: (7) SOLE DISPOSITIVE POWER See Marxe/Greenhouse

(8) SHARED DISPOSITIVE POWER None

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(9) AGGREGATE AMOUNT BENEFICALLY OWNED BY EACH REPORTING PERSON

210,800

-----  
(10) CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (See Instructions)

-----  
(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

2.0

-----  
(12) TYPE OF REPORTING PERSON (See Instructions)

IV/IA  
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CUSIP No. 740294103                      13G                      Page 4 of 14

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(1) NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Special Situations Technology Fund, L.P. F13-3937585  
SST Advisers, L.L.C.                      F13-3937583

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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See  
Instructions)

(a) | |  
(b) |X|

-----  
(3) SEC USE ONLY

-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

-----  
NUMBER OF                      (5) SOLE VOTING POWER                      See Marxe/Greenhouse  
SHARES

BENEFICALLY                      -----  
- OWNED BY                      (6) SHARED VOTING POWER                      None  
EACH

-----  
REPORTING                      (7) SOLE DISPOSITIVE POWER                      See Marxe/Greenhouse  
PERSON WITH:

-----  
(8) SHARED DISPOSITIVE POWER                      None

-----  
(9) AGGREGATE AMOUNT BENEFICALLY OWNED BY EACH REPORTING PERSON

149,000

-----  
(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (See Instructions)

-----  
(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

1.4

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(12) TYPE OF REPORTING PERSON\*

IV/IA  
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CUSIP No. 740294103                      13G                      Page 5 of 14  
-----

(1) NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Special Situations Cayman Fund, L.P.    98-0132442  
AWM Investment Company, Inc.            11-3086452  
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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See  
Instructions)

(a) | |

(b) |X|  
-----

(3) SEC USE ONLY  
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(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Grand Cayman/Delaware  
-----

NUMBER OF            (5) SOLE VOTING POWER    See Marxe/Greenhouse  
SHARES

BENEFICIALLY

- OWNED BY            (6) SHARED VOTING POWER            None

EACH

REPORTING            (7) SOLE DISPOSITIVE POWER    See Marxe/Greenhouse  
PERSON WITH:

-----  
(8) SHARED DISPOSITIVE POWER            None  
-----

(9) AGGREGATE AMOUNT BENEFICALLY OWNED BY EACH REPORTING PERSON

117,500  
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(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (See Instructions)

-----  
(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

1.1  
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(12) TYPE OF REPORTING PERSON\*

IV/IA  
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CUSIP No. 740294103                      13G                      Page 6 of 14  
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(1) NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY).

Austin W. Marxe  
David Greenhouse  
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(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See  
Instructions)

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(a) | |  
(b) |X|

-----  
(3) SEC USE ONLY  
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-----  
(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
-----

United States of America  
-----

NUMBER OF (5) SOLE VOTING POWER 851,600  
SHARES

BENEFICIALLY (6) SHARED VOTING POWER None  
OWNED BY

EACH (7) SOLE DISPOSITIVE POWER 851,600  
REPORTING

PERSON WITH: (8) SHARED DISPOSITIVE POWER None  
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-----  
(9) AGGREGATE AMOUNT BENEFICALLY OWNED BY EACH REPORTING PERSON  
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851,600  
-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  
CERTAIN SHARES (See Instructions)  
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(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9  
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8.1  
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(12) TYPE OF REPORTING PERSON\*  
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IN  
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Page 7 of 14 Pages

Item 1.

(a) Name of Issuer: Precision Optics Corporation Inc.

(b) Address of Issuer's Principal Executive Offices:

22 East Broadway, Gardner, MA 01440-3338

Item 2.

(a) Name of Person Filing: This statement is filed on behalf of (i) Special Situations Fund III, L.P., a Delaware limited partnership ("SSF"); (ii) Special Situations Private Equity Fund, L.P., a Delaware limited partnership (the "Private Equity Fund"); (iii) Special Situations Technology Fund, L.P., a Delaware Limited Partnership (the "Technology Fund"); (iv) Special Situations Cayman Fund, L.P., a Cayman Islands limited partnership ("CAY"); (v) MGP Advisers Limited Partnership, a Delaware limited partnership, ("MGP") (vi) MG Advisers L.L.C., a New York limited liability company, ("MG"); (vii) SST Advisers, L.L.C., a Delaware limited liability company ("SST"); (viii) AWM Investment Company, Inc.; a Delaware Corporation, ("AWM"); (ix) Austin W. Marxe and (x) David Greenhouse. Each of the foregoing is hereinafter individually referred to as a "Reporting Person" and collectively as the "Reporting Persons."

(b) Address of Principal Business Office or, if none, Residence: The principal office and business address of the Reporting Persons, other than CAY, is 153 East 53rd Street, New

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York, New York 10022. The principal office and business address of Cay is c/o CIBC Bank and Trust Company (Cayman) Limited, CIBC Bank Building, P. O. Box 694, Grand Cayman, Cayman Islands, BWI

Page 8 of 14 Pages

(c) Citizenship: SSF, the Private Equity Fund and Technology Fund are Delaware limited partnerships. CAY is a Cayman Island limited partnership. MGP is a Delaware limited partnership. MG is a New York limited liability company and SST Advisers L.L.C. is a Delaware limited liability company. AWM Investment Company, Inc., is a Delaware corporation. Austin W. Marx and David M. Greenhouse are United States citizens. The business of SSF, the Private Equity Fund, the Technology Fund and CAY is to acquire, purchase, invest in, sell, convey, transfer, exchange and otherwise trade in principally equity and equity related securities. The principal business of MGP is to act as general partner of and investment adviser to SSF. The principal business of MG is to act as general partner of and investment adviser to the Private Equity Fund. The principal business of SST is to act as general partner of and investment adviser to the Technology Fund. The principal business of AWM is the act as the general partner of and investment adviser to CAY. In addition, AWM is the general partner of MGP. The principal occupation of Austin W. Marx and David Greenhouse is to serve as officers, directors and members or principal shareholders of the Advisers.

2(d) Title of Class of Securities: See cover sheets.

2(e) CUSIP Number: See cover sheets.

Item 3. If this statement is filed pursuant to §240.13d-1(b) or 240.13d-2(b), check whether the person filing is a:

(a)  Broker or Dealer registered under section 15 of the

Page 9 of 14 Pages

Act;

(b)  Bank as defined in section 3(a) (6) of the Act;

(c)  Insurance Company as defined in section 3(a) (19) of the Act;

(d)  Investment Company registered under section 8 of the Investment Company Act of 1940;

(e)  An Investment Adviser in accordance with §240.13d-1(b) (I) (ii) (E);

(f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b) (I) (ii) (F);

(g)  A parent holding company or control person in accordance with §240.13d-1(b) (1) (ii) (G);

(h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;

(i)  A church plan that is excluded from the definition of an investment company under section 3(c) (14) of the Investment Company Act of 1940;

(j)  Group, in accordance with §240.13d-1(b) (1) (ii) (J). See Exhibit A attached hereto.

Item 4. Ownership:

(a) Amount Beneficially Owned: 851,600 shares of Common Stock are beneficially owned by Austin W. Marx and David Greenhouse; of which 374,300 shares of common stock are owned by SSF, 210,800 shares of common stock are owned by the Private Equity Fund, 149,000 shares of common stock are owned by the Technology Fund and 117,500 shares of common stock are owned by CAY.

Page 10 of 14 Pages

(b) Percent of Class: 8.1 percent of the Common Stock are beneficially owned by Austin Marx and David Greenhouse. 3.6 percent are owned by SSF, 2.0 percent are owned by the Private Equity Fund, 1.4 percent are beneficially owned by the

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Technology Fund, and 1.1 percent are beneficially owned by CAY.

(c) Number of Shares as to which the person has Rights to Vote and/or Dispose of Securities: SSF, MGP, The Private Equity Fund, MG Adviser L.L.C, the Technology Fund, SST Advisers L.L.C., CAY and AWM have sole power to vote or to direct the vote and to dispose or to direct the disposition of all securities reported hereby which are respectively beneficially owned by each Fund and its Adviser.

Austin Marx and David Greenhouse have shared power to vote or to direct the vote of and to dispose or to direct the disposition of securities reported hereby which are beneficially owned by Austin Marx and David Greenhouse by virtue of being Executive Officers of the Investment Advisers.

Item 5. Ownership of Five Percent or Less of a Class: If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

Page 11 of 14 Pages

Item 6. Ownership of More than Five Percent on Behalf of Another Person: SSF, The Private Equity Fund, the Technology Fund and CAY as owners of the securities in question, have the right to receive any dividends from, or proceeds from the sale of, such securities.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security being Reported on By the Parent Holding Company: See Exhibit A attached hereto.

Item 8. Identification and Classification of Members of the Group: Not applicable

Item 9. Notices of Dissolution of Group: Not applicable.

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Page 12 of 14 Pages

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: February 8, 2002

SPECIAL SITUATIONS FUND III, L.P.

By: /s/ Austin W. Marx

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Austin W. Marxe  
Managing Director

MGP ADVISERS LIMITED PARTNERSHIP

By: /s/ Austin W. Marxe  
Austin W. Marxe  
Chief Executive Officer

SPECIAL SITUATIONS PRIVATE EQUITY FUND, L.P.

By: /s/ Austin W. Marxe  
Austin W. Marxe  
Managing Director

MG ADVISERS L.L.C.

By: /s/ Austin W. Marxe  
Austin W. Marxe  
President and Chief Executive Officer

SPECIAL SITUATIONS TECHNOLOGY FUND, L.P.

By: /s/ Austin W. Marxe  
Austin W. Marxe  
Managing Director

Page 13 of 14 Pages

SST ADVISERS L.L.C

By: /s/ Austin W. Marxe  
Austin W. Marxe  
President and CEO

SPECIAL SITUATIONS CAYMAN FUND, L.P.

By: /s/ Austin W. Marxe  
Austin W. Marxe  
Managing Director

AWM INVESTMENT COMPANY, INC.

By: /s/ Austin W. Marxe  
Austin W. Marxe  
President and CEO



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/s/ Austin W. Marxe  
AUSTIN W. MARXE

/s/David M Greenhouse  
DAVID GREENHOUSE

Page 14 of 14 Pages

EXHIBIT A

This Exhibit explains the relationship between the Reporting Persons. MGP Advisers Limited Partnership (MGP), a Delaware limited partnership, is the general partner of the Special Situations Fund III, L.P., a Delaware limited partnership. MG Advisers L.L.C. (MG), a New York limited liability company, is the general partner of the Special Situations Private Equity Fund, L.P., a Delaware Limited Partnership. SST Advisers L.L.C., A Delaware limited liability company (SST) is the general partner of the Special Situations Technology Fund, L.P., a Delaware Limited Partnership. AWM Investment Company, Inc., a Delaware corporation (AWM) is the general partner of the Special Situations Cayman Fund, L.P., a Cayman Islands limited partnership as well as the general partner of MGP. Austin W. Marxe and David M. Greenhouse are the principal owners of MGP, MG and SST and are principally responsible for the selection, acquisition and disposition of the portfolios securities by the investment advisers on behalf of their Fund.