

RELIABILITY INC
Form 4
September 02, 2014

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 *
Eberwein Jeffrey E.

2. Issuer Name and Ticker or Trading Symbol
RELIABILITY INC [RLBY]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
53 FOREST AVENUE, 1ST FLOOR

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/29/2014

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

OLD GREENWICH, CT 06870

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

(City) (State) (Zip)

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		
Common Stock	08/29/2014			S	6,786,588	D	Jeffrey E. Eberwein Revocable Trust ⁽²⁾
Common Stock	08/29/2014			P	6,786,588	A	Lone Star Value Investors, LP ⁽³⁾

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474
(9-02)

displays a currently valid OMB control number.

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 Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Following Reporting Transaction (Instr. 6)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Eberwein Jeffrey E. 53 FOREST AVENUE, 1ST FLOOR OLD GREENWICH, CT 06870		X		
Lone Star Value Investors LP 53 FOREST AVENUE, 1ST FLOOR OLD GREENWICH, CT 06870		X		
Lone Star Value Investors GP LLC 53 FOREST AVENUE, 1ST FLOOR OLD GREENWICH, CT 06870		X		
Lone Star Value Management LLC 53 FOREST AVENUE, 1ST FLOOR OLD GREENWICH, CT 06870		X		

Signatures

Jeffrey E. Eberwein	09/02/2014
__Signature of Reporting Person	Date
Jeffrey E. Eberwein, Authorized Person, Lone Star Value Investors, LP	09/02/2014
__Signature of Reporting Person	Date
Jeffrey E. Eberwein, Authorized Person, Lone Star Value Investors GP, LLC	09/02/2014
__Signature of Reporting Person	Date

Jeffrey E. Eberwein, Authorized Person, Lone Star Value Management,
LLC

09/02/2014

__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 reported transaction involved a contribution of shares of the Issuer's common stock that were held within the Jeffrey E. Eberwein Revocable Trust, for which Jeffrey E. Eberwein is the trustee. The shares were contributed to Lone Star Value Investors, LP. In exchange for the contribution, Mr. Eberwein received limited partnership units of Lone Star Value Investors, LP with a deemed value of \$0.125 per

- (1) share. Mr. Eberwein, by virtue of his position as the manager of Lone Star Value Investors GP, LLC, the general partner of Lone Star Value Investors, LP and as the sole member of Lone Star Value Management, LLC, the investment manager of Lone Star Value Investors, LP, may be deemed to beneficially own the shares owned directly by Lone Star Value Investors, LP for purposes of Section 16. Mr. Eberwein expressly disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- (2) Jeffrey E. Eberwein is the trustee exercising investment control and management authority over the Jeffrey E. Eberwein Revocable Trust. Lone Star Value Investors, LP is the record and direct owner of 10,187,948 shares of common stock. Lone Star Value Investors GP, LLC is the general partner of, and controls, Lone Star Value Investors, LP. Lone Star Value Management, LLC exercises contractual voting and investment control over securities held by Lone Star Value Investors, LP. Mr. Eberwein is the managing member of Lone Star Value
- (3) Management, LLC and exercises indirect voting and investment control over these securities. Mr. Eberwein disclaims beneficial ownership of these shares of the Issuer's common stock except to the extent of any pecuniary interest therein, and the filing of this report is not an admission that Mr. Eberwein is the beneficial owner of these shares for purposes of Section 16 or for any other purpose.

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.