

MOBIUS TECHNOLOGY VENTURES SIDE FUND VI L P  
Form 4  
October 19, 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 \*  
MOBIUS TECHNOLOGY  
VENTURES VI LP

(Last) (First) (Middle)

228 HAMILTON AVE., 3RD  
FLOOR

(Street)

PALO ALTO, CA 94301

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
TERABEAM, INC. [TRBM]

3. Date of Earliest Transaction  
(Month/Day/Year)  
10/17/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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			
Common Stock, par value \$0.01 per share	10/17/2006		S	21,200 D \$ 2.5408	3,005,700 (1)	I (2) (3) (4) (5)	See footnotes. (2) (3) (4) (5)
Common Stock, par value \$0.01 per share	10/18/2006		S	6,516 D \$ 2.4453	2,999,184 (1)	I (2) (3) (4) (5)	See footnotes. (2) (3) (4) (5)

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

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

## Reporting Owners

### Reporting Owner Name / Address

### Relationships

MOBIUS TECHNOLOGY VENTURES VI LP  
228 HAMILTON AVE.  
3RD FLOOR  
PALO ALTO, CA 94301

Director 10% Owner Officer Other

X

SOFTBANK U S VENTURES VI L P  
228 HAMILTON AVE.  
THIRD FLOOR  
PALO ALTO, CA 94301

X

MOBIUS VI LLC  
228 HAMILTON AVE.  
THIRD FLOOR  
PALO ALTO, CA 94301

X

SOFTBANK TECHNOLOGY VENTURES V LP  
228 HAMILTON AVE.  
THIRD FLOOR  
PALO ALTO, CA 94301

X

SOFTBANK TECHNOLOGY VENTURES ADVISORS FUND V LP  
228 HAMILTON AVE.  
THIRD FLOOR  
PALO ALTO, CA 94301

X

SOFTBANK Technology Entrepreneurs Fund V, L.P.  
 228 HAMILTON AVE. X  
 THIRD FLOOR  
 PALO ALTO, CA 94301

SBTV V LLC  
 228 HAMILTON AVE. X  
 THIRD FLOOR  
 PALO ALTO, CA 94301

MOBIUS TECHNOLOGY VENTURES ADVISORS FUND VI L P  
 228 HAMILTON AVE. X  
 THIRD FLOOR  
 PALO ALTO, CA 94301

MOBIUS TECHNOLOGY VENTURES SIDE FUND VI L P  
 228 HAMILTON AVE. X  
 THIRD FLOOR  
 PALO ALTO, 2L 94301

## Signatures

/s/ Jason Mendelson as  
 Attorney-in-Fact

10/19/2006

\_\_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).

(1) The reporting person is a member of a Section 13(d) group that owns more than 10% of the issuer's outstanding common stock.

These shares are owned directly by the following entities: (i) 675,958 shares held by Mobius Technology Ventures VI, L.P. ("MTV"); (ii) 26,395 shares held by Mobius Technology Ventures Advisors Fund VI, L.P. ("MTAF"); (iii) 27,577 shares held by Mobius Technology

(2) Ventures Side Fund VI, L.P. ("MTSF"); (iv) 724,809 shares held by SOFTBANK US Ventures VI, L.P. ("SUSV"); (v) 1,477,474 shares held by SOFTBANK Technology Ventures V, L.P. ("STV"); (vi) 40,367 shares held by SOFTBANK Technology Advisors Fund V, L.P. ("STAF"), and (vii) 26,604 shares held by SOFTBANK Technology Entrepreneurs Fund V, L.P. ("STEF").

(3) Mobius VI LLC ("Mobius"), as general partner of MTV, MTAF, MTSF and SUSV (the "Mobius VI Funds"), has an indirect interest in 1,454,739 of these shares. Mobius disclaims beneficial ownership with respect to all shares held of record by the Mobius VI Funds and the SBTV V Funds (as defined below), except, or as applicable, to the extent of its pecuniary interest therein. SBTV V LLC ("SBTV V"), as general partner of STV, STAF and STEF (the "SBTV V Funds"), has an indirect interest in 1,544,445 of these shares. SBTV V disclaims beneficial ownership with respect to all shares held of record by the Mobius VI Funds, except, or as applicable, to the extent of its pecuniary interest therein.

(4) Bradley A. Feld ("BAF"), D. Rex Golding ("DRG"), and Jo Ann Heidi Roizen ("JR") are managing members of (i) Mobius, the general partner of each of the Mobius VI Funds, and (ii) SBTV V, the general partner of each of the SBTV V Funds, BAF, DRG, and JR disclaim beneficial ownership with respect to all of the 2,999,184 shares held of record by the Mobius VI Funds and the SBTV V Funds except, or as applicable to the extent of their pecuniary interests in the Mobius VI Funds and the SBTV V Funds.

(5) Greg P. Galanos ("GPG") is a managing member of Mobius, the general partner of each of the Mobius VI Funds. GPG disclaims beneficial ownership with respect to all of the 1,454,739 shares held of record by the Mobius VI Funds except, or as applicable, to the extent of his pecuniary interests in the Mobius VI Funds. GPG disclaims all beneficial ownership and pecuniary interest with respect to the 1,544,445 shares held of record by the SBTV V Funds.

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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