BSQUARE CORP /WA
Form SC 13G
June 16, 2010

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

SCHEDULE 13G

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

BSQUARE CORPORATION
(Name of Issuer)
Common Stock
(Title of Class of Securities)
11776U300
(CUSIP Number)
June 10, 2010
(Date of Event Which Requires Filing of this Statement)

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

o Rule 13d-1(b)

þ Rule 13d-1(c)

o 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).

Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications:

Taylor H. Wilson, Esq.
Haynes and Boone, LLP
2323 Victory Avenue, Suite 700
Dallas, Texas 75219
(214) 651-5000

CUSIP No. 11776U300

1	NAMES OF REPORTING PERSONS Palogic Capital Management, LLC		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) þ		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 857,600	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 857,600	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 857,600		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 8.4%[1]
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) OO/HC

[1] Based upon 10,184,797 shares of common stock outstanding as of April 30, 2010, as disclosed in the Form 10-Q for the quarter ended March 31, 2010 filed by the issuer with the U.S. Securities and Exchange Commission on May 13, 2010.

CUSIP No. 11776U300

1	NAMES OF REPORTING PERSONS Palogic Value Fund, L.P.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) þ	
3	SEC USE ONLY	
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware	

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0
	6	SHARED VOTING POWER 857,600
	7	SOLE DISPOSITIVE POWER 0
	8	SHARED DISPOSITIVE POWER 857,600

9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 857,600

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 8.4%[2]
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN

[2] Based upon 10,184,797 shares of common stock outstanding as of April 30, 2010, as disclosed in the Form 10-Q for the quarter ended March 31, 2010 filed by the issuer with the U.S. Securities and Exchange Commission on May 13, 2010.

CUSIP No. 11776U300

1	NAMES OF REPORTING PERSONS Palogic Value Management, L.P.		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) þ		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 857,600	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 857,600	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 857,600		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 8.4%[3]
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) PN/HC

[3] Based upon 10,184,797 shares of common stock outstanding as of April 30, 2010, as disclosed in the Form 10-Q for the quarter ended March 31, 2010 filed by the issuer with the U.S. Securities and Exchange Commission on May 13, 2010.

CUSIP No. 11776U300

1	NAMES OF REPORTING PERSONS Ryan L. Vardeman		
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS) (a) o (b) þ		
3	SEC USE ONLY		
4	CITIZENSHIP OR PLACE OF ORGANIZATION United States		
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	**5**	SOLE VOTING POWER 0	
	6	SHARED VOTING POWER 857,600	
	7	SOLE DISPOSITIVE POWER 0	
	8	SHARED DISPOSITIVE POWER 857,600	
9	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 857,600		

10	CHECK IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) o
11	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) 8.4%[4]
12	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) IN/HC

[4] Based upon 10,184,797 shares of common stock outstanding as of April 30, 2010, as disclosed in the Form 10-Q for the quarter ended March 31, 2010 filed by the issuer with the U.S. Securities and Exchange Commission on May 13, 2010.

Item 1.

(a) Name of Issuer

BSQUARE CORPORATION

(b) Address of Issuer s Principal Executive Offices

110 110th Avenue NE, Suite 200, Bellevue, Washington 98004

Item 2.

(a) Name of Person Filing

This statement is jointly filed by and on behalf of each of Palogic Capital Management, LLC, Palogic Value Fund, L.P., Palogic Value Management, L.P. and Ryan L. Vardeman. Palogic Value Fund is the record and direct beneficial owner of the securities covered by this statement. Palogic Value Management is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Palogic Value Fund. Palogic Capital Management is the general partner of, and may be deemed to indirectly beneficially own securities owned by, Palogic Value Management. Ryan Vardeman is the sole Member of, and may be deemed to indirectly beneficially own securities owned by, Palogic Capital Management.

Each reporting person declares that neither the filing of this statement nor anything herein shall be construed as an admission that such person is, for the purposes of Sections 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by this statement.

(b) Address of Principal Business Office or, if none, Residence

The address of the principal business office of each of the reporting persons is 1700 Pacific Avenue, Suite 4535, Dallas, Texas 75201.

(c) Citizenship

See Item 4 on the cover page(s) hereto.

(d) Title of Class of Securities

Common Stock

(e) CUSIP Number

11776U300

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

(a) o A Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).

(b) o A Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).

(c) o An insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).

(d) o An investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

(e) o An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

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

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

(h) o A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);

(i) o 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 (15 U.S.C. 80a-3);

(j) o A non-U.S. institution in accordance with §240.13d-1(b)(1)(ii)(J);

(k) o A group, in accordance with §240.13d-1(b)(1)(ii)(K).

Item 4. Ownership.

(a) Amount beneficially owned: See Item 9 on the cover page(s) hereto.

(b) Percent of class: See Item 11 on the cover page(s) hereto.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote: See Item 5 on the cover page(s) hereto.

(ii) Shared power to vote or to direct the vote: See Item 6 on the cover page(s) hereto.

(iii) Sole power to dispose or to direct the disposition of: See Item 7 on the cover page(s) hereto.

(iv) Shared power to dispose or to direct the disposition of: See Item 8 on the cover page(s) hereto.

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 o.

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

Not Applicable

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not Applicable

Item 10. Certifications

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above 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.

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.

Date: June 16, 2010

PALOGIC CAPITAL MANAGEMENT, LLC

By: /s/ Ryan L. Vardeman
Name: Ryan L. Vardeman
Title: Sole Member

PALOGIC VALUE FUND, L.P.

By: Palogic Value Management, L.P., its general partner

By: Palogic Capital Management, LLC, its general partner

By: /s/ Ryan L. Vardeman
Name: Ryan L. Vardeman
Title: Sole Member

PALOGIC VALUE MANAGEMENT, L.P.

By: Palogic Capital Management, LLC, its general partner

By: /s/ Ryan L. Vardeman
Name: Ryan L. Vardeman
Title: Sole Member

RYAN L. VARDEMAN

/s/ Ryan L. Vardeman

EXHIBIT INDEX

Exhibit	Description of Exhibit
99.1	Joint Filing Agreement (furnished herewith).