

CYPRESS MERCHANT BANKING PARTNERS II L P
 Form 4
 May 01, 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 *
 CYPRESS ASSOCIATES II LLC

2. Issuer Name and Ticker or Trading Symbol
 CPI INTERNATIONAL, INC.
 [CPII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 65 EAST 55TH STREET, 28TH FLOOR

3. Date of Earliest Transaction (Month/Day/Year)
 04/27/2006

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

(Street)
 NEW YORK, NY 10022

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 Ownership (Instr. 4)			
			Code	V	Amount	(A) or (D)	Price			
Common Stock, \$0.01 per share	04/27/2006		S		4,109,435	D	\$ 16.74	8,868,738	I	Shares owned by certain funds ⁽¹⁾ _{(6) (7)}
Common Stock, \$0.01 per share	04/27/2006		S		3,905,706	D	\$ 16.74	8,429,065	D	⁽²⁾ ⁽⁶⁾ ⁽⁷⁾
Common Stock,	04/27/2006		S		166,038	D	\$ 16.74	358,332	D	⁽³⁾ ⁽⁶⁾

\$0.01 per share

Common Stock, \$0.01 per share 04/27/2006 S 37,691 D \$ 16.74 81,341 D (4) (6) (7)

Common Stock, \$0.01 per share 04/27/2006 S 8,235 D \$ 16.74 17,773 D (5) (6) (7)

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 displays a currently valid OMB control number. SEC 1474 (9-02)

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 Beneficially (Instr. 5)
				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

CYPRESS ASSOCIATES II LLC
65 EAST 55TH STREET
28TH FLOOR
NEW YORK, NY 10022

X

CYPRESS MERCHANT BANKING PARTNERS II L P
65 EAST 55TH STREET
28TH FLOOR
NEW YORK, NY 10022

X

55th Street Partners II L.P.
65 EAST 55TH STREET
28TH FLOOR
NEW YORK, NY 10022 X

Cypress Merchant B II C.V.
65 EAST 55TH STREET
28TH FLOOR
NEW YORK, NY 10022 X

Cypress Side-By-Side LLC
65 EAST 55TH STREET
28TH FLOOR
NEW YORK, NY 10022 X

Signatures

/s/ Jeffrey P. Hughes, Managing Member, on behalf of Cypress Associates II LLC	05/01/2006
__Signature of Reporting Person	Date
/s/ Jeffrey P. Hughes, Managing Member, on behalf of Cypress Associates II LLC, general partner of Cypress Merchant Banking Partners II L.P.	05/01/2006
__Signature of Reporting Person	Date
/s/ Jeffrey P. Hughes, Managing Member, on behalf of Cypress Associates II LLC, managing general partner of Cypress Merchant Banking II C.V.	05/01/2006
__Signature of Reporting Person	Date
/s/ Jeffrey P. Hughes, Managing Member, on behalf of Cypress Associates II LLC, general partner of 55th Street Partners II L.P.	05/01/2006
__Signature of Reporting Person	Date
/s/ James A. Stern, Managing Member, on behalf of Cypress Side-By-Side LLC	05/01/2006
__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) Consists of 8,429,065 shares owned by Cypress Merchant Banking Partners II L.P., 358,332 shares owned by Cypress Merchant B II C.V. and 81,341 shares owned by 55th Street Partners II L.P. (collectively, the "Cypress Funds"). Cypress Associates II LLC ("Cypress Associates") is the managing general partner of Cypress Merchant B II C.V. and the general partner of Cypress Merchant Banking Partners II L.P. and 55th Street Partners II L.P. and has voting and investment power over the shares held or controlled by each of these funds. Cypress Associates disclaims beneficial ownership of the shares owned by the Cypress Funds, except to the extent of its pecuniary interest therein.
 - (2) These shares are directly owned by Cypress Merchant Banking Partners II L.P.
 - (3) These shares are directly owned by Cypress Merchant B II C.V.
 - (4) These shares are directly owned by 55th Street Partners II L.P..
 - (5) These shares are directly owned by Cypress Side-By-Side LLC.
- (6) The filing of this statement shall not be deemed an admission that, for purposes of Section 16 of the Securities Exchange Act of 1934 or otherwise, any Reporting Person is the beneficial owner of equity securities (other than those described in this statement as directly owned by such Reporting Person).
- (7) Because Cypress Associates controls each of the Cypress Funds, and because the Cypress Funds and Cypress Side-By-Side LLC acted together in their acquisition of the securities of CPI International, Inc., the Cypress Funds and Cypress Side-By-Side LLC may be deemed

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to be members of "group" in relation to their respective investments in CPI International, Inc. Each of the reporting persons disclaims the existence of a group.

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.