

CAPTARIS INC
Form SC 13G/A
September 28, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

Captaris, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

14071N104

(CUSIP Number)

September 15, 2006

(Date of Event which Requires Filing of this Statement)

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

X Rule 13d-1(b)

Rule 13d-1(c)

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).

1 NAME OF REPORTING PERSON

S.S. OR IRS. IDENTIFICATION NO. OF ABOVE PERSON

Riley Investment Management, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	5	SOLE VOTING POWER
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SHARES		1,399,143 ¹
BENEFICIALLY	6	SHARED VOTING POWER

OWNED BY		92,922 ²
EACH	7	SOLE DISPOSITIVE POWER

REPORTING		1,399,143 ¹
PERSON	8	SHARED DISPOSITIVE POWER

WITH		92,922 ²
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,399,143

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

[X]

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

4.87%³

12 TYPE OF REPORTING PERSON*

IA

1

Because Riley Investment Management LLC has sole investment and voting power over 1,399,143 shares of Common Stock owned of record by SACC Partners LP, Riley Investment Management LLC may be deemed to have beneficial ownership of these shares.

2.

Riley Investment Management LLC has shared voting and dispositive power over 92,922 shares of Common Stock owned of record by investment advisory clients of Riley Investment Management LLC. However, Riley Investment Management LLC disclaims beneficial ownership of these shares pursuant to Rule 13d-4.

3.

Based on 28,133,676 shares of Common Stock outstanding at August 3, 2006, as reported in Captaris, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed with the Securities and Exchange Commission on August 9, 2006.

1 NAME OF REPORTING PERSON

S.S. OR IRS. IDENTIFICATION NO. OF ABOVE PERSON

SACC Partners, LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	5	SOLE VOTING POWER
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SHARES		1,399,143
BENEFICIALLY	6	SHARED VOTING POWER

OWNED BY		-0-
EACH	7	SOLE DISPOSITIVE POWER

REPORTING		1,399,143
PERSON	8	SHARED DISPOSITIVE POWER

WITH		-0-
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,399,143

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

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

4.87%¹

12 TYPE OF REPORTING PERSON*

PN

1.

Based on 28,133,676 shares of Common Stock outstanding at August 3, 2006, as reported in Captaris, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed with the Securities and Exchange Commission on August 9, 2006.

1 NAME OF REPORTING PERSON

S.S. OR IRS. IDENTIFICATION NO. OF ABOVE PERSON

B. Riley & Co.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF	5	SOLE VOTING POWER
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SHARES	1,024	
BENEFICIALLY	6	SHARED VOTING POWER

OWNED BY	-0-	
EACH	7	SOLE DISPOSITIVE POWER

REPORTING	1,024	
PERSON	8	SHARED DISPOSITIVE POWER

WITH	-0-	
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,024

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

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

0%¹

12 TYPE OF REPORTING PERSON*

BD

1

Because Riley Investment Management LLC has sole investment and voting power over 1,399,143 shares of Common Stock owned of record by SACC Partners LP, Riley Investment Management LLC may be deemed to have beneficial ownership of these shares.

1 NAME OF REPORTING PERSON

S.S. OR IRS. IDENTIFICATION NO. OF ABOVE PERSON

Bryant R. Riley

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

California

NUMBER OF	5	SOLE VOTING POWER
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SHARES		1,400,170 ¹
BENEFICIALLY	6	SHARED VOTING POWER

OWNED BY		92,922 ²
EACH	7	SOLE DISPOSITIVE POWER

REPORTING		1,400,170
PERSON	8	SHARED DISPOSITIVE POWER

WITH	92,922
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9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,400,170

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

[X]

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

4.88%³

12 TYPE OF REPORTING PERSON*

IN

1.

Includes 1,399,143 shares of Common Stock owned by SACC Partners, LP. Because Riley Investment Management LLC has sole voting and investment power over SACC Partners LP's security holdings and Mr. Riley, in his role as sole manager of Riley Investment Management LLC, controls its voting and investment decisions, each of SACC Partners LP, Riley Investment Management LLC and Mr. Riley may be deemed to have beneficial ownership of the 1,399,143 shares owned of record by SACC Partners LP. Includes 1,024 shares of Common Stock owned of record by B. Riley & Co. Mr. Riley, in his role as Chairman of B. Riley & Co., may be deemed to have beneficial ownership of the 1,024 shares owned of record by B. Riley & Co.

2.

Riley Investment Management LLC has shares voting and dispositive power over 92,922 shares of Common Stock owned by advisory clients of Riley Investment Management LLC. Although Mr. Riley controls Riley Investment Management LLC's voting and investment decisions for the investment advisory clients, Mr. Riley disclaims beneficial interest in these shares.

3.

Based on 28,133,676 shares of Common Stock outstanding at August 3, 2006, as reported in Captaris, Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2006 filed with the Securities and Exchange Commission on August 9, 2006.

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Item 1.

(a)

Name of Issuer

Captaris, Inc.

(b)

Address of Issuer's Principal Executive Offices

10885 NE 4th Street

Suite 400

Bellevue, WA 98004

Item 2.

(a)

Name of Person Filing

SACC Partners LP (Delaware limited partnership)

Riley Investment Management LLC (Delaware limited liability company)

B. Riley & Co. (Delaware incorporated broker dealer)

Mr. Bryant R. Riley (individual residing in California)

(b)

Address of Principal Business Office or, if none, Residence

11100 Santa Monica Blvd.

Suite 810

Los Angeles, CA 90025

(c)

Citizenship

United States

(d)

Title of Class of Securities

Common Stock

(e)

CUSIP Number

14071N104

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:

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with § 240.13d-1(b)(1)(ii)(G);
- (h) A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (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 (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

Item 4.

Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a)

Amount beneficially owned: 1,400,170

(b)

Percent of class: 4.87%

(c)

Number of shares as to which the person has:

(i)

Sole power to vote or to direct the vote 1,400,170

(ii)

Shared power to vote or to direct the vote 92,922

(iii)

Sole power to dispose or to direct the disposition of 1,400,170

(iv)

Shared power to dispose or to direct the disposition of 92,922

Instruction: For computations regarding securities which represent a right to acquire an underlying security see §240.13d-3(d)(1).

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 [X].

Instruction: Dissolution of a group requires a response to this item.

Item 6.

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

N/A

Item 7.

Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company.

N/A

Item 8.

Identification and Classification of Members of the Group.

N/A

Item 9.

Notice of Dissolution of Group.

N/A

Item 10.

Certification

(a)

The following certification shall be included if the statement is filed pursuant to §240.13d-1(b):

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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.

(b)

The following certification shall be included if the statement is filed pursuant to §240.13d-1(c):

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: September 27, 2006

SACC Partners, LP

By: Riley Investment Management, its
General

Partner

By:

/s/ Bryant R. Riley

Bryant R. Riley, Managing Partner

Riley Investment Management, LLC

By:

/s/ Bryant R. Riley

Bryant R. Riley, President

B. Riley & Co.

By:

/s/ Bryant R. Riley

Bryant R. Riley, Chairman

By: /s/ Bryant R. Riley

Bryant R. Riley