

INTRUSION INC
Form SC 13D
February 16, 2018

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. __)*

INTRUSION INC.
(Name of Issuer)

Common Stock, par value \$0.01 per share
(Title of Class of Securities)

46121E205
(CUSIP Number)

Walter Schenker

Maz Partners LP

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1130 Route 46, Suite 12

Parsippany, New Jersey 07054

(973) 641-5643

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

January 18, 2018

(Date of Event which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss. 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss. 240.13d-7(b) for other parties to whom copies are to be sent.

* 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 disclosures provided in a prior cover page.

The information required on 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 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).

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1. Name of Reporting Persons.

Maz Partners LP

2. Check the Appropriate Box If a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES 0

8. Shared Voting Power

BENEFICIALLY

OWNED BY 944,209 (1)

EACH 9. Sole Dispositive Power

REPORTING

PERSON 0

10. Shared Dispositive Power

WITH

944,209 (1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

944,209 (1)

12. Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

7.4% (2)

14. Type of Reporting Person (See Instructions)

PN

- (1) Excludes 46,000 of Common Stock issuable upon the conversion of Series 3.5% Preferred Stock, which are convertible only to the extent that the number of shares of Common Stock issuable pursuant to the 5% Preferred Stock, together with the number of shares of Common Stock owned by the stockholder (but not including shares of Common Stock underlying unconverted portions of the 5% Preferred Stock) would not exceed 9.9% of the then outstanding Common Stock.
- (2) Calculated based on 12,797,836 shares of Common Stock outstanding as of November 1, 2017 as disclosed by the Issuer in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2017.

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1. Name of Reporting Persons.

MAZ Capital Advisers, LLC

2. Check the Appropriate Box If a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

WC

5. Check If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES 0
8. Shared Voting Power

BENEFICIALLY

OWNED BY 944,209 (1)
EACH 9. Sole Dispositive Power

REPORTING

PERSON 0
10. Shared Dispositive Power

WITH

944,209 (1)

11. Aggregate Amount Beneficially Owned by Each Reporting Person

944,209 (1)

12. Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

7.4% (2)

14. Type of Reporting Person (See Instructions)

OO

- (1) Excludes 46,000 of Common Stock issuable upon the conversion of Series 3.5% Preferred Stock, which are convertible only to the extent that the number of shares of Common Stock issuable pursuant to the 5% Preferred Stock, together with the number of shares of Common Stock owned by the stockholder (but not including shares of Common Stock underlying unconverted portions of the 5% Preferred Stock) would not exceed 9.9% of the then outstanding Common Stock.
- (2) Calculated based on 12,797,836 shares of Common Stock outstanding as of November 1, 2017 as disclosed by the Issuer in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2017.

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1. Name of Reporting Persons.

Walter Schenker

2. Check the Appropriate Box If a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

PF

5. Check If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

7. Sole Voting Power

NUMBER OF

SHARES 298,699

8. Shared Voting Power

BENEFICIALLY

OWNED BY 944,209

EACH 9. Sole Dispositive Power

REPORTING

PERSON 298,699

10. Shared Dispositive Power

WITH

944,209

11. Aggregate Amount Beneficially Owned by Each Reporting Person

1,242,908

12. Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

9.7% (1)

14. Type of Reporting Person (See Instructions)

IN

(1) Calculated based on 12,797,836 shares of Common Stock outstanding as of November 1, 2017 as disclosed by the Issuer in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2017.

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1. Name of Reporting Persons.

Richard McGowan

2. Check the Appropriate Box If a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

PF

5. Check If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

Delaware

NUMBER OF 7. Sole Voting Power

SHARES

BENEFICIALLY 38,509

8. Shared Voting Power

OWNED BY

EACH

9. Sole Dispositive Power

REPORTING

PERSON

38,509
10. Shared Dispositive Power

WITH

11. Aggregate Amount Beneficially Owned by Each Reporting Person

38,509

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12. Check Box If the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

0.3% (1)

14. Type of Reporting Person (See Instructions)

IN

(1) Calculated based on 12,797,836 shares of Common Stock outstanding as of November 1, 2017 as disclosed by the Issuer in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2017.

ITEM 1. Security and Issuer.

This Statement on Schedule 13D relates to the common stock, par value \$0.01 per share (the **Common Stock**) of Intrusion Inc., a Delaware corporation (the **Issuer**), whose principal executive offices are located at 1101 East Arapaho Road, Suite 200, Richardson, TX 75081.

ITEM 2. Identity and Background.

(a-f) This Schedule 13D is jointly filed by MAZ Partners LP (**MAZ Partners**), a Delaware limited partnership, MAZ Capital Advisers, LLC (**MAZ Capital**), a Delaware limited liability company, Walter Schenker (**Schenker**) and Richard McGowan (**McGowan**). MAZ Partners, MAZ Capital, Schenker, and McGowan are collectively referred to as the **Reporting Persons** . Mr. McGowan is a retired attorney and private investor. Schenker is the sole managing member of MAZ Capital, which is the sole general partner of MAZ Partners. The principal occupation of Schenker is serving as the managing member of MAZ Capital. The principal business of MAZ Partners is investment management. The principal business of MAZ Partners is investing in securities. The address of each of MAZ Partners, MAZ Capital and Schenker is 1130 Route 46, Suite 12, Parsippany, New Jersey 07054. The address of McGowan is 2445 Congress Street, Fairfield, Connecticut 06824. During the last five years, none of the Reporting Persons have been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors). During the last five years, none of the Reporting Persons have been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, were or are subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. Schenker and McGowan are United States citizens.

ITEM 3. Source and Amount of Funds or Other Consideration.

As of the date of this Schedule 13D, MAZ Partners has invested \$706,616 (inclusive of brokerage commissions) in Common Stock of the Issuer. The source of these funds was the working capital of MAZ Partners. As of the date of this Schedule 13D, Schenker has invested \$529,270 (inclusive of brokerage commissions) in Common Stock of the Issuer either directly or through his IRA. The source of these funds was personal investment capital. As of the date of this Schedule 13D, McGowan has invested \$44,670 (inclusive of brokerage commissions) in Common Stock of the Issuer. The source of these funds was personal investment capital.

ITEM 4. Purpose of Transaction.

The Reporting Persons purchased the Common Stock for investment purposes. The intent of the Reporting Persons is to influence the policies of the Issuer and assert shareholder rights, with a goal of maximizing the value of the Common Stock.

Consistent with their investment purpose, the Reporting Persons may engage in communications with one or more officers of the Issuer and/or one or more members of the Board of Directors of the Issuer, and/or one or more representatives of the Issuer regarding the Issuer, including, but not limited to its business, management, operations, assets, capitalization, financial condition, governance, strategy and future plans.

On January 22, 2018, MAZ Capital and MAZ Partners delivered a letter to the Issuer stating that the Reporting Persons intend to nominate Richard McGowan and Walter Schenker for election to two of the five board seats of the

Board of Directors of the Issuer at the 2018 Annual Meeting of Shareholders.

The Reporting Persons from time to time intend to review their investment in the Issuer on the basis of various factors, including the Company's business, financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Common Stock in particular, as well as other developments and other investment opportunities. Based upon such review, the Reporting Persons will take such actions in the future as they may deem appropriate in light of the circumstances existing from time to time, which may include further acquisitions of shares of Common Stock or disposal of some or all of the shares of Common Stock currently owned by the Reporting Persons or otherwise acquired by them, either in the open market or in privately negotiated transactions. Any such transactions may be effected at any time or from time to time subject to any applicable limitations imposed on the sale of the Common Stock by applicable law.

Except to the extent the foregoing may be deemed a plan or proposal, the Reporting Persons have no plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of the Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

ITEM 5. Interest in Securities of the Issuer.

(a) As of the date hereof, (i) MAZ Partners and MAZ Capital may each be deemed to be the beneficial owner of 944,209 shares of Common Stock (the MAZ Shares), constituting approximately 7.4% of the shares of Common Stock, (ii) Schenker may be deemed to be the beneficial owner of 1,242,908 shares of Common Stock, constituting approximately 9.7% of the shares of Common Stock, and (iii) McGowan may be deemed to be the beneficial owner of 38,509 shares of Common Stock, constituting 0.3% of the shares of Common Stock, each based upon a total of 12,797,836 shares of Common Stock outstanding as of November 1, 2017 (based on disclosure in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 14, 2017).

(b) MAZ Partners may be deemed to have the shared power to vote or direct the vote (and the shared power to dispose or direct the disposition) of the MAZ Shares. MAZ Capital, as the sole general partner of MAZ Partners, may be deemed to have the shared power to vote or direct the vote (and the shared power to dispose or direct the disposition) of the MAZ Shares and therefore, MAZ Capital may be deemed to be the beneficial owner of the MAZ Shares. By virtue of Schenker's position as the sole managing member of MAZ Capital, Schenker may be deemed to have the shared power to vote or direct the vote (and the shared power to dispose or direct the disposition) of the MAZ Shares and therefore, Schenker may be deemed to be the beneficial owner of the MAZ Shares. Schenker also has the sole voting and dispositive power over 298,666 shares of Common Stock. McGowan has the sole voting and dispositive power over 38,509 shares of Common Stock.

(c) MAZ Partners effected the following transactions in the Common Stock within the past sixty days:

| Date | Number of Shares | | Price Per Share | Where and How Transaction Effected |
|------------|------------------|--------|-----------------|------------------------------------|
| | Purchased | (Sold) | | |
| 12/18/2017 | (500) | | 1.25 | Open Market |
| 12/28/2017 | 1,000 | | 1.11 | Open Market |
| 12/29/2017 | 4,500 | | 1.21 | Open Market |

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Common Stock.

(e) Not applicable.

ITEM 6. Contracts, Arrangements, Undertakings or Relationships with Respect to Securities of the Issuer. Pursuant to Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the Reporting Persons have entered into an agreement with respect to the joint filing of this Schedule, which agreement is attached hereto as Exhibit 99.1 to this Schedule 13D. Schenker and McGowan have an arrangement pursuant to which they are likely to confer on certain collaborative transactions in the future, which includes the election of the members of the Board of Directors of the Issuer.

Except as described herein or in other amendments to this Schedule 13D, there are no contracts, arrangements, understandings or relationships among the persons named in Item 2 hereof and between such persons and any person with respect to any securities of the Issuer.

ITEM 7. Material to Be Filed as Exhibits.

| Exhibit No. | Description |
|-------------|--|
| Exhibit 1 | Joint Filing Agreement by and among the Reporting Persons. |

SIGNATURES

After reasonable inquiry and to the best of the undersigned's knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

DATED: February 16, 2018

MAZ Partners LP

By: MAZ Capital Advisors, LLC,
its General Partner

By: /s/ Walter Schenker
Name: Walter Schenker
Title: Manager

MAZ Capital Advisors, LLC

By: /s/ Walter Schenker
Name: Walter Schenker
Title: Manager

/s/ Walter Schenker
Walter Schenker

/s/ Richard McGowan
Richard McGowan