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CEC ENTERTAINMENT INC
Form SC 13D/A
August 29, 2006

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

Under the Securities Exchange Act of 1934
(Amendment No. 2) *

CEC Entertainment, Inc.

(Name of Issuer)

Common Stock, par value \$.10 per share

(Title of Class of Securities)

125137109

(CUSIP Number)

Thomas R. Hudson Jr.
Pirate Capital LLC
200 Connecticut Avenue, 4th Floor
Norwalk, CT 06854
(203) 854-1100

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

August 22, 2006

(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 Rule 13d-1(e), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

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* 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 ("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).

CUSIP NO. 125137109

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

PIRATE CAPITAL LLC

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

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

5 CHECK BOX 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

-0-

NUMBER OF 8 SHARED VOTING POWER

SHARES

BENEFICIALLY 3,000,230

OWNED BY

EACH

REPORTING

PERSON

WITH

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

3,000,230

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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3,000,230

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

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

9.0%

14 TYPE OF REPORTING PERSON*

IA

* SEE INSTRUCTIONS BEFORE FILLING OUT!

CUSIP NO. 125137109

SCHEDULE 13D

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1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

THOMAS R. HUDSON JR.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

7 SOLE VOTING POWER

-0-

NUMBER OF 8 SHARED VOTING POWER
SHARES

BENEFICIALLY 3,000,230
OWNED BY

EACH 9 SOLE DISPOSITIVE POWER
REPORTING

PERSON -0-
WITH

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10 SHARED DISPOSITIVE POWER

3,000,230

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,000,230

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

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

9.0%

14 TYPE OF REPORTING PERSON*

IN

* SEE INSTRUCTIONS BEFORE FILLING OUT!

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SCHEDULE 13D

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The Schedule 13D filed on April 20, 2006 by Pirate Capital LLC, a Delaware limited liability company, and Thomas R. Hudson Jr. (together, the "Reporting Persons"), relating to the shares of common stock, par value \$.10 per share (the "Common Stock"), of CEC Entertainment, Inc. (the "Issuer"), as amended by Amendment No. 1 on July 17, 2006, is hereby amended as set forth below by this Amendment No. 2. The principal executive office of the Issuer is located at 4441 West Airport Freeway, Irving, Texas 75062.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 is hereby amended and restated as follows:

Funds for the purchase of the Shares reported herein were derived from available capital of the Holders (as defined below). A total of approximately \$96,264,133 was paid to acquire such Shares.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Paragraphs (a), (b) and (c) of Item 5 are hereby amended and restated as follows:

(a) The Reporting Persons beneficially own 3,000,230 Shares, constituting approximately 9.0% of the Shares outstanding.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 33,289,098 Shares outstanding, which is the total number of Shares outstanding as reported in the Issuer's Quarterly Report on Form 10-Q for the quarter ended April 2, 2006.

(b) By virtue of its position as general partner of Jolly Roger Fund LP, Pirate Capital has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 367,700 Shares held by Jolly Roger Fund LP. By virtue of agreements with Jolly Roger Offshore Fund LTD and Jolly Roger

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Activist Portfolio Company LTD (such funds, together with Jolly Roger Fund LP, the "Holders"), Pirate Capital has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 2,632,530 Shares held by Jolly Roger Offshore Fund LTD and Jolly Roger Activist Portfolio Company LTD. By virtue of his position as sole Managing Member of Pirate Capital, Thomas R. Hudson Jr. is deemed to have shared voting power and shared dispositive power with respect to all Shares as to which Pirate Capital has voting power or dispositive power. Accordingly, Pirate Capital and Thomas R. Hudson Jr. are deemed to have shared voting and shared dispositive power with respect to an aggregate of 3,000,230 Shares.

(c) The following transactions in the Shares were effected by the Reporting Persons since the last filing of this Schedule 13D, each of which was effected in open market transactions.

Jolly Roger Activist Portfolio Company LTD

Trade Date	Shares Purchased (Sold)	Price per Share (\$)
7/18/2006	1,500	28.30
7/20/2006	5,000	28.88
8/22/2006	50,000	30.99
8/23/2006	25,000	30.75
8/24/2006	61,500	30.70
8/29/2006	19,000	30.99

Jolly Roger Offshore Fund LTD

Trade Date	Shares Purchased (Sold)	Price per Share (\$)
8/10/2006	10,000	28.95
8/10/2006	5,000	28.98
8/11/2006	1,654	28.85
8/11/2006	600	28.85
8/11/2006	4,200	28.83
8/14/2006	50,000	29.89
8/15/2006	75,000	30.00
8/15/2006	68,200	30.00
8/16/2006	26,877	30.13
8/17/2006	38,200	30.80
8/18/2006	25,000	31.03
8/18/2006	10,000	31.05
8/21/2006	7,900	30.80
8/25/2006	50,000	30.59
8/28/2006	30,000	30.89

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SIGNATURES

After reasonable inquiry and to the best of each 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: August 29, 2006

PIRATE CAPITAL LLC

By: /s/ Thomas R. Hudson Jr.

Name: Thomas R. Hudson Jr.
Title: Managing Member

/s/ Thomas R. Hudson Jr.

Thomas R. Hudson Jr.