

POWER ONE INC
Form SC 13D/A
November 10, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 2)*

Power-One, Inc.
(Name of Issuer)

Common Stock, par value \$0.001 per share
(Title of Class of Securities)

739308104
(CUSIP Number)

Ajay Shah

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SLTA Sumeru (GP), L.L.C.

2775 Sand Hill Road, Suite 100

Menlo Park, CA 94025

(650) 233-8120

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

November 8, 2011

(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 which 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(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 (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

Silver Lake Sumeru Fund, L.P.

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

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO

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

NUMBER OF

SHARES 25,786,472
8. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0
EACH 9. SOLE DISPOSITIVE POWER

REPORTING

PERSON 52,710,422
10. SHARED DISPOSITIVE POWER
WITH

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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52,710,422

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):

33.7%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

1. NAME OF REPORTING PERSON

Silver Lake Technology Investors Sumeru, L.P.

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

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO

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

NUMBER OF

SHARES 434,021

8. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0

EACH 9. SOLE DISPOSITIVE POWER

REPORTING

PERSON 434,021

10. SHARED DISPOSITIVE POWER

WITH

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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434,021

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):

0.4%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

1. NAME OF REPORTING PERSON

2. Silver Lake Technology Associates Sumeru, L.P.
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO
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

NUMBER OF

SHARES 25,786,472*
8. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0
EACH 9. SOLE DISPOSITIVE POWER

REPORTING

PERSON 53,144,443*
10. SHARED DISPOSITIVE POWER

WITH

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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53,144,443*

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):

33.9%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

PN

* The Reporting Person disclaims beneficial ownership as described under Item 5.

1. NAME OF REPORTING PERSON

SLTA Sumeru (GP), L.L.C.

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

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (SEE INSTRUCTIONS)

OO

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

NUMBER OF

SHARES 25,786,472*
8. SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0
EACH 9. SOLE DISPOSITIVE POWER

REPORTING

PERSON 53,144,443*
10. SHARED DISPOSITIVE POWER
WITH

0

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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53,144,443*

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):

33.9%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

* The Reporting Person disclaims beneficial ownership as described under Item 5.

This Amendment No. 2 supplements and amends (i) the statement on Schedule 13D initially filed on May 18, 2009 (the Original Schedule 13D) and (ii) Amendment No. 1 to such Schedule 13D, filed on June 9, 2010 (Amendment No. 1), and, together with the Original Schedule 13D, the Schedule 13D). Each Item below amends and supplements the information disclosed under the corresponding Item of the Schedule 13D. Except as specifically provided herein, this Amendment No. 2 does not modify any of the information previously reported in the Schedule 13D. Capitalized terms used but not defined herein shall have the meanings attributed to them in the Schedule 13D.

Item 2 Identity and Background

The penultimate paragraph in Item 2 is amended and restated in its entirety as follows.

The members of the investment committee of SLTA are John Brennan, James Davidson, Hollie Moore Haynes, Glenn Hutchins, Paul Mercadante, Kyle Ryland and Ajay Shah (collectively, the Committee Members). Each of the Committee Members is a United States citizen. The present principal occupation of each of the Committee Members is serving as managing directors of the Silver Lake organization. The principal office of each of the Committee Members, other than Glenn Hutchins, is located at 2775 Sand Hill Road, Suite 100, Menlo Park, California 94025. The principal office of Glenn Hutchins is located at 9 West 57th Street, 32nd Floor, New York, New York 10019.

Item 4 Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended and supplemented by adding the following paragraphs:

On November 8, 2011, the Issuer converted all Series A Preferred Stock owned by SLSF and SLTI into Common Stock pursuant to the terms of the Series A Certificate of Designation.

On October 25, 2011, the Issuer called all outstanding Notes held by SLSF and SLTI for redemption. On November 10, 2011, pursuant to the Indenture, both SLSF and SLTI elected to convert all outstanding Notes into Series C Preferred Stock instead of receiving the proceeds from redemption of the Notes. The terms of the Series C Preferred Stock are set forth in the Series C Certificate of Designation

Certificate of Designation: Certain Terms of the Series C Preferred Stock

The Series C Junior Participating Convertible Preferred Stock, par value \$0.001 per share of the Issuer (Series C Preferred Stock), were issued pursuant to the terms of the Series C Certificate of Designation.

The holders of shares of Series C Preferred Stock have the option, at any time and from time-to-time, to convert all or any portion of their Series C Preferred Stock into Common Stock at a rate determined by dividing the original purchase price per share of the Series C Preferred Stock to be so converted by the conversion price then in effect (the Series C Conversion Price). The Series C Conversion Price is initially \$1.35 and is subject to adjustments upon certain events. However, no shares of Series C Preferred Stock will be converted into Common Stock to the extent that following such conversion the holder of such shares of Series C Preferred Stock, along with its affiliates, would exceed (i) the Maximum Voting Power or (ii) the 19.9% Threshold, except for any conversion in connection with and subject to the completion of (x) a public sale of the Common Stock issued upon such conversion, if following consummation of such public sale, such holder and its affiliates would not own more than 19.9% of the total shares of Common Stock then outstanding or (y) a third party tender offer for the Common Stock issuable thereupon. If at any time, conversion of the Series C Preferred Stock into Common Stock would not exceed either (i) the Maximum Voting Threshold or (ii) the 19.9% Threshold, then, subject to approval under applicable antitrust laws, the maximum number of Series C Preferred Stock that can be converted into Common Stock without exceeding either (i) the Maximum Voting Threshold or (ii) the 19.9% Threshold will be automatically converted into Common Stock.

The holders of shares of Series C Preferred Stock vote separately as a class with respect to the following matters: (1) any change to the preferences, rights or privileges of the Series C Preferred Stock in any manner adverse thereto to the holders thereof, (2) any increase or decrease in the authorized amount of shares of Series C Preferred Stock, (3) any issuance of additional shares of Series C Preferred Stock, or (4) any agreement to do any of the foregoing. Other than described above, the holders of shares of Series C Preferred Stock have no voting privileges with respect to the Issuer.

Item 5 Interest in Securities of the Issuer.

Item 5(a) and Item 5(b) are amended and restated to read in their entirety as follows:

The following disclosure assumes that there are 103,793,790 shares of Common Stock outstanding as of August 5, 2011, which figure is based on the Issuer's Quarterly Report on Form 10-Q filed on August 12, 2011.

On November 8, 2011, the Issuer converted all Series A Preferred Stock owned by SLSF and SLTI into Common Stock pursuant to the terms of the Series A Certificate of Designation. As a result, as of November 8, 2011 the Investors beneficially own 17,500,000 shares of Common Stock issued upon conversion of the Series A Preferred Stock (as described in Item 4).

On October 25, 2011, the Issuer called all outstanding Notes held by SLSF and SLTI for redemption. On November 10, 2011, pursuant to the Indenture, both SLSF and SLTI elected to convert all outstanding Notes into Series C Preferred Stock instead of receiving the proceeds from redemption of the Notes. As a result, as of November 10, 2011 the Investors beneficially own the 36,375 shares of Series C Preferred Stock issued upon conversion of the Notes. These 36,375 shares of Series C Preferred Stock are convertible into 26,944,444 shares of Common Stock. The terms of the Series C Preferred Stock are governed by the Series C Certificate of Designation.

On November 8, 2011, the Issuer converted all Series A Preferred Stock owned by SLSF into Common Stock pursuant to the terms of the Series A Certificate of Designation. In addition, on November 10, 2011, SLSF elected to convert all outstanding Notes into Series C Preferred Stock. Following the conversions, pursuant to Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the Exchange Act), SLSF may be deemed to beneficially own (i) 17,357,037 outstanding shares of Common Stock, (ii) 36,078 shares of Series C Preferred Stock, which are convertible into 26,724,444 shares of Common Stock, and (iii) 8,628,941 Warrants, which are exercisable for 8,628,941 share of Common Stock. Due to the 19.9% Threshold, SLSF may only convert Series C Preferred Stock or exercise the Warrant so as to acquire voting power with respect to a maximum of 25,786,472 shares of Common Stock. The 17,357,037 shares of Common Stock beneficially owned by SLSF plus the aggregate 35,353,385 shares of Common Stock issuable upon conversion of the Series C Preferred Stock and exercise of the Warrant, would, as of August 5, 2011, constitute approximately 33.7% of the Common Stock outstanding upon such conversion and exercise.

On November 8, 2011, the Issuer converted all Series A Preferred Stock owned by SLTI into Common Stock pursuant to the terms of the Series A Certificate of Designation. In addition, on November 10, 2011, SLTI elected to convert all outstanding Notes into Series C Preferred Stock. Following the conversions, pursuant to Rule 13d-3 under the Exchange Act, SLTI may be deemed to beneficially own (i) 142,963 outstanding shares of Common Stock, (ii) 297 shares of Series C Preferred Stock, which are convertible into 220,000 shares of Common Stock, and (iii) 71,059 Warrants, which are exercisable for 71,059 share of Common Stock. The 142,963 shares of Common Stock beneficially owned by SLTI plus the aggregate 291,059 shares of Common Stock issuable upon conversion of the Series C Preferred Stock and exercise of the Warrant, would, as of August 5, 2011, constitute approximately 0.4% of the Common Stock outstanding upon such conversion and exercise.

SLT LP, as the general partner of SLSF and SLTI, may be deemed to be the beneficial owner of (i) 17,500,000 outstanding shares of Common Stock deemed to be beneficially owned by SLSF and SLTI, (ii) 36,375 shares of Series C Preferred Stock deemed to be beneficially owned by SLSF and SLTI, which are convertible into 26,944,444 shares of Common Stock, and (iii) 8,700,000 Warrants deemed to be beneficially owned by SLSF and SLTI, which are exercisable for 8,700,000 shares of Common Stock. If the Series C Preferred Stock were to be converted and the Warrants were to be exercised, SLT LP would beneficially own approximately 33.9% of the Common Stock outstanding as of August 5, 2011; however, due to the 19.9% Threshold, SLT LP may only acquire voting power with respect to a maximum of 25,786,472 shares of Common Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that SLT LP is the beneficial owner of the Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of SLT LP's pecuniary interest.

SLTA, as the general partner of SLT LP, may be deemed to be the beneficial owner of (i) 17,500,000 outstanding shares of Common Stock deemed to be beneficially owned by SLSF and SLTI, (ii) 36,375 shares of Series C Preferred Stock deemed to be beneficially owned by SLSF and SLTI, which are convertible into 26,944,444 shares of Common Stock, and (iii) 8,700,000 Warrants deemed to be beneficially owned by SLSF and SLTI, which are exercisable for 8,700,000 shares of Common Stock. If the Series C Preferred Stock were to be converted and the Warrants were to be exercised, SLTA would beneficially own approximately 33.9% of the Common Stock outstanding as of August 5, 2011; however, due to the 19.9% Threshold, SLTA may only acquire voting power with respect to a maximum of 25,786,472 shares of Common Stock. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that SLTA is the beneficial owner of the Common Stock referred to herein for purposes of Section 13(d) of the Exchange Act or for any other purpose, and such beneficial ownership is expressly disclaimed, except to the extent of SLTA's pecuniary interest.

Item 5(c) is amended and restated to read in its entirety as follows:

Except as set forth in this Item 5 with respect to the conversion of Series A Preferred Stock and the conversion of the Notes into Series C Preferred Stock, none of the Reporting Persons nor, to the best knowledge of the Reporting Persons, any of the other persons named in Item 2 of this Schedule 13D has engaged in any transaction during the past 60 days in any shares of Common Stock.

Item 6 Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 of the Schedule 13D is hereby amended and supplemented by deleting the first ten paragraphs and replacing them with the following new paragraphs:

Certificate of Designation: Additional Terms of the Series C Preferred Stock

Pursuant to the terms of the Series C Certificate of Designation, the shares of Series C Preferred Stock have an initial aggregate liquidation preference equal to the greater of (i) \$1,000 per share, plus all accrued and unpaid dividends (as adjusted for subsequent stock splits, combinations and similar events, the Regular Liquidation Preference) and (ii) an amount equal to the amount the holders of the Series C Preferred Stock would have received upon liquidation had such holders converted their shares of Series C Preferred Stock into shares of Common Stock immediately prior thereto, plus all accrued and unpaid dividends.

The Series C Preferred Stock is entitled to dividends of the same type to be made on outstanding shares of Common Stock in an amount equal to the amount of such dividends as would have been made on the number of shares of Common Stock issuable upon conversion of the Series C Preferred Stock (without giving effect to any limitations on conversion).

The Series C Preferred Stock ranks senior to the Common Stock, and on parity with (i) the Junior Participating Preferred Stock, par value \$0.001 per share, of the Issuer and the (ii) the Series B Preferred Stock with respect to liquidation payments and dividends.

The description of the terms and conditions of the Series C Certificate of Designation set forth herein does not purport to be complete and is qualified in its entirety by reference to the full text of the Series C Certificate of Designation attached hereto as Exhibit 6, which is incorporated by reference.

SIGNATURES

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

Dated: November 10, 2011

SILVER LAKE SUMERU FUND, L.P.

By: SILVER LAKE TECHNOLOGY ASSOCIATES
SUMERU, L.P., its general partner

By: SLTA SUMERU (GP), L.L.C.,
its general partner

By: /s/ Ajay Shah
Name: Ajay Shah
Title: Managing Director

SILVER LAKE TECHNOLOGY INVESTORS

SUMERU, L.P.

By: SILVER LAKE TECHNOLOGY ASSOCIATES
SUMERU, L.P., its general partner

By: SLTA SUMERU (GP), L.L.C.,
its general partner

By: /s/ Ajay Shah
Name: Ajay Shah
Title: Managing Director

SILVER LAKE TECHNOLOGY ASSOCIATES

SUMERU, L.P.

By: SLTA SUMERU (GP), L.L.C.,
its general partner

By: /s/ Ajay Shah
Name: Ajay Shah
Title: Managing Director

SLTA SUMERU (GP), L.L.C.

By: /s/ Ajay Shah
Name: Ajay Shah
Title: Managing Director

RDER-BOTTOM:1px solid #999999"> Alameda, CA, Corridor Transportation Authority Second Subordinate Lien Rev., B , AGM, 5%,
10/01/2036 \$310,000 \$345,994 Alameda, CA, Corridor Transportation Authority Second Subordinate Lien Rev., B , 5%, 10/01/2037 470,000 517,348

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Port Revenue - continued		
Port of Oakland, CA, Rev., P, 5%, 5/01/2033	\$ 1,000,000	\$ 1,091,660
		\$ 1,955,002
Sales & Excise Tax Revenue - 1.3%		
California Economic Recovery, A, 5%, 7/01/2020 (Prerefunded 7/01/2019)	\$ 250,000	\$ 273,208
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, 5%, 8/01/2040	215,000	154,561
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, NATL, 0%, 8/01/2042	120,000	28,394
		\$ 456,163
Secondary Schools - 2.0%		
California School Finance Authority, Charter School Rev. (Aspire Public Schools - Obligated Group), 5%, 8/01/2040	\$ 85,000	\$ 88,434
California School Finance Authority, Charter School Rev. (Aspire Public Schools - Obligated Group), 5%, 8/01/2045	85,000	88,131
California School Finance Authority, School Facility Rev. (Alliance for College-Ready Public Schools Projects), A, 5%, 7/01/2030	255,000	262,877
California Statewide Communities Development Authority, School Facility Rev. (Alliance for College-Ready Public Schools), A, 6.375%, 7/01/2047	230,000	252,713
		\$ 692,155
Single Family Housing - State - 2.7%		
California Housing Finance Agency Rev. (Home Mortgage), E, 4.75%, 2/01/2030	\$ 305,000	\$ 305,357
California Housing Finance Agency Rev. (Home Mortgage), K, 5.3%, 8/01/2023	175,000	176,251
California Housing Finance Agency Rev. (Home Mortgage), L, 5.45%, 8/01/2033	440,000	452,958
		\$ 934,566
State & Agency - Other - 1.5%		
Sacramento County, CA, Public Facilities Project, COP, AMBAC, 4.75%, 10/01/2027	\$ 500,000	\$ 500,480
State & Local Agencies - 13.3%		
California Public Works Board Lease Rev. (Department of Corrections), E, AGM, 3%, 10/01/2036	\$ 415,000	\$ 378,629
California Public Works Board Lease Rev. (Judicial Council Projects), A, 5%, 3/01/2028	380,000	432,698
California Public Works Board Lease Rev. (New Stockton Courthouse), B, 5%, 10/01/2033	275,000	313,288
Los Angeles County, CA, Schools Regionalized Business Service Corp., Pooled Financing, Capital Appreciation, A, AMBAC, 0%, 8/01/2018	2,020,000	1,972,914
Los Angeles County, CA, Schools Regionalized Business Service Corp., Pooled Financing, Capital Appreciation, A, AMBAC, 0%, 8/01/2023	1,220,000	1,021,433
Los Angeles, CA, Municipal Improvement Corp. Lease Rev., B, ASSD GTY, 5.5%, 4/01/2030 (Prerefunded 4/01/2019)	390,000	426,578
		\$ 4,545,540
Tax - Other - 1.5%		
Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Rev., A, AMBAC, 5%, 7/01/2031	\$ 90,000	\$ 90,189
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2024	105,000	109,926
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2026	80,000	83,955
Puerto Rico Infrastructure Financing Authority Special Tax Rev., C, AMBAC, 5.5%, 7/01/2027	210,000	220,634
		\$ 504,704
Tax Assessment - 10.0%		
Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana Redevelopment), A, AMBAC, 5%, 10/01/2029	\$ 1,000,000	\$ 1,003,520
Huntington Park, CA, Public Financing Authority Rev., A, AGM, 5.25%, 9/01/2019	500,000	501,945
North Tatomas, CA, Community Facilities District Special Tax, 4-E, 5.25%, 9/01/2033	160,000	178,437
Riverside County, CA, Jurupa Valley Redevelopment Project Rev., B, AGM, 5%, 10/01/2030	190,000	216,657
Riverside County, CA, Jurupa Valley Redevelopment Project Rev., B, AGM, 5%, 10/01/2031	225,000	258,669
Riverside County, CA, Redevelopment Agency, Tax Allocation, A, AGM, 5%, 10/01/2034	295,000	330,952
San Dieguito, CA, Public Facilities Authority, A, AMBAC, 5%, 8/01/2032	500,000	522,705
San Francisco, CA, City & County Redevelopment Successor Agency, Community Facilities District No. 6 (Mission Bay South Public Improvements), A, 5%, 8/01/2033	130,000	137,220

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Tax Assessment - continued		
San Francisco, CA, City & County Redevelopment Successor Agency, Tax Allocation (Mission Bay South Redevelopment Project), A, 5%, 8/01/2043	\$ 250,000	\$ 274,328
		\$ 3,424,433
Tobacco - 5.0%		
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 5.125%, 6/01/2047	\$ 1,000,000	\$ 999,840
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 5.75%, 6/01/2047	715,000	718,575
		\$ 1,718,415
Toll Roads - 1.0%		
Riverside County, CA, Transportation Commission, Toll Rev., A, 5.75%, 6/01/2044	\$ 320,000	\$ 358,605
Transportation - Special Tax - 2.3%		
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., D, AGM, 5%, 7/01/2032	\$ 55,000	\$ 55,564
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., J, NATL, 5%, 7/01/2029	10,000	10,007
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L, NATL, 5.25%, 7/01/2035	25,000	25,743
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., L, AMBAC, 5.25%, 7/01/2038	275,000	283,206
Commonwealth of Puerto Rico Highway & Transportation Authority Rev., N, NATL, 5.25%, 7/01/2032	35,000	36,578
San Francisco, CA, Municipal Transportation Agency Rev., B, 5%, 3/01/2037	335,000	377,170
		\$ 788,268
Universities - Colleges - 7.0%		
California Educational Facilities Authority Rev. (Dominican University of California), 5%, 12/01/2025	\$ 120,000	\$ 120,390
California Educational Facilities Authority Rev. (Loma Linda University), A, 5%, 4/01/2036	75,000	83,327
California Educational Facilities Authority Rev. (Loma Linda University), A, 5%, 4/01/2037	235,000	260,255
California Educational Facilities Authority Rev. (University of San Francisco), 6.125%, 10/01/2030	285,000	336,910
California Municipal Finance Authority Rev. (Azusa Pacific University Project), B, 5%, 4/01/2035	345,000	363,778
California Public Works Board Lease Rev. (The Regents of the University of California), 5%, 12/01/2028 (Prerefunded 12/01/2021)	375,000	437,175
California State University Rev., A, 5%, 11/01/2024	370,000	422,251
California State University Rev., A, 5%, 11/01/2030	270,000	314,404
Puerto Rico Industrial, Tourist, Educational, Medical & Environmental Control Facilities Financing Authority, Educational Facilities Rev. (University Plaza Project), NATL, 5%, 7/01/2033	75,000	75,874
		\$ 2,414,364
Universities - Dormitories - 0.8%		
California Municipal Finance Authority, Student Housing Rev. (Bowles Hall Foundation) A, 5%, 6/01/2035	\$ 25,000	\$ 26,543
California Statewide Communities Development Authority Rev. (Lancer Plaza Project), 5.875%, 11/01/2043	230,000	236,879
		\$ 263,422
Utilities - Cogeneration - 0.7%		
California Pollution Control Financing Authority, Water Furnishing Rev. (Poseidon Resources Desalination Project), 5%, 11/21/2045	\$ 150,000	\$ 155,571
California Pollution Control Financing Authority, Water Furnishing Rev. (San Diego County Water Desalination Project Pipeline), 5%, 11/21/2045	75,000	75,025
		\$ 230,596
Utilities - Municipal Owned - 7.7%		
California Department of Water Resources, Power Supply Rev., L, 5%, 5/01/2019	\$ 305,000	\$ 331,456
Guam Power Authority Rev., A, AGM, 5%, 10/01/2039	50,000	54,996
Guam Power Authority Rev., A, AGM, 5%, 10/01/2044	55,000	60,303
Northern California Power Agency, Capital Facilities Rev., A, 5.25%, 8/01/2024	390,000	431,800
Puerto Rico Electric Power Authority Rev., DDD, AGM, 3.625%, 7/01/2023	10,000	9,874
Puerto Rico Electric Power Authority Rev., DDD, AGM, 3.65%, 7/01/2024	55,000	54,162
Puerto Rico Electric Power Authority Rev., SS, ASSD GTY, 4.375%, 7/01/2030	5,000	4,972
Puerto Rico Electric Power Authority Rev., UU, ASSD GTY, 4.25%, 7/01/2027	40,000	40,123
Puerto Rico Electric Power Authority Rev., VV, NATL, 5.25%, 7/01/2032	5,000	5,231

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Portfolio of Investments (unaudited) continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds - continued		
Utilities - Municipal Owned - continued		
Sacramento, CA, Municipal Utility District Electric Rev., U , AGM, 5%, 8/15/2019 (Prerefunded 8/15/2018)	\$ 290,000	\$ 307,693
Sacramento, CA, Municipal Utility District Electric Rev., X , 5%, 8/15/2025 (Prerefunded 8/15/2021)	95,000	110,018
Sacramento, CA, Municipal Utility District Electric Rev., Unrefunded Balance, U , AGM, 5%, 8/15/2019	460,000	487,623
Sacramento, CA, Municipal Utility District Electric Rev., Unrefunded Balance, X , 5%, 8/15/2025	275,000	316,286
Vernon, CA, Electric System Rev., A , 5.5%, 8/01/2041	370,000	408,961
		\$ 2,623,498
Utilities - Other - 2.9%		
California M-S-R Energy Authority Gas Rev., A , 6.5%, 11/01/2039	\$ 245,000	\$ 331,703
Southern California Public Power Authority (Natural Gas Project No. 1), A , 5%, 11/01/2033	585,000	675,810
		\$ 1,007,513
Water & Sewer Utility Revenue - 16.8%		
Atwater, CA, Public Financing Authority Wastewater Rev., ASSD GTY, 5%, 5/01/2034	\$ 500,000	\$ 517,890
California Department of Water Resources Rev. (Central Valley Project Water System), AE , 5%, 12/01/2028 (Prerefunded 6/01/2018)	480,000	505,373
California Department of Water Resources Rev. (Central Valley Project Water System), AM , 5%, 12/01/2024	500,000	588,745
California Department of Water Resources Rev., Unrefunded Balance, 5%, 12/01/2028	20,000	21,002
Chino Basin, CA, Regional Financing Authority Rev. (Inland Empire Utilities Agency), A , AMBAC, 5%, 11/01/2038 (Prerefunded 11/01/2017)	1,000,000	1,029,050
Escondido, CA, Joint Powers Financing Authority Rev. (Water System Financing), 5%, 9/01/2041	460,000	517,905
Guam Waterworks Authority Rev. (Water and Wastewater System), 5%, 7/01/2036	20,000	21,193
Guam Waterworks Authority Rev. (Water and Wastewater System), 5%, 1/01/2046	105,000	110,517
Guam Waterworks Authority Rev. (Water and Wastewater System), A , 5%, 7/01/2029	105,000	115,187
Guam Waterworks Authority Rev. (Water and Wastewater System), A , 5%, 7/01/2035	105,000	112,446
Madera, CA, Financing Authority, Irrigation Rev., 6.5%, 1/01/2040 (Prerefunded 1/01/2020)	440,000	506,018
Norco, CA, Financing Authority, Enterprise Rev., AGM, 5.625%, 10/01/2039	215,000	234,556
Oxnard, CA, Financing Authority, Wastewater Rev., AGM, 5%, 6/01/2030	340,000	386,220
Oxnard, CA, Financing Authority, Wastewater Rev., AGM, 5%, 6/01/2031	85,000	96,188
Soquel Creek, CA, Water District, COP, 5%, 3/01/2043	370,000	409,979
Tulare, CA, Sewer Rev., AGM, 5%, 11/15/2031	350,000	403,022
Tulare, CA, Sewer Rev., AGM, 5%, 11/15/2035	170,000	191,998
		\$ 5,767,289
Total Municipal Bonds		\$ 57,892,019
Money Market Funds - 1.6%		
MFS Institutional Money Market Portfolio, 0.64% (v)	534,849	\$ 534,849
Total Investments		\$ 58,426,868
Other Assets, Less Liabilities - 0.7%		240,358
VMTPS, at liquidation value of \$24,425,000 net of unamortized debt issuance costs of \$46,570 (issued by the fund) - (71.1)%		(24,378,430)
Net Assets applicable to common shares - 100.0%		\$ 34,288,796

(v) Underlying affiliated fund that is available only to investment companies managed by MFS. The rate quoted for the MFS Institutional Money Market Portfolio is the annualized seven-day yield of the fund at period end.

The following abbreviations are used in this report and are defined:

COP Certificate of Participation
VMTPS Variable Rate Municipal Term Preferred Shares

*Portfolio of Investments (unaudited) continued***Insurers**

AGM	Assured Guaranty Municipal
AMBAC	AMBAC Indemnity Corp.
ASSD GTY	Assured Guaranty Insurance Co.
BHAC	Berkshire Hathaway Assurance Corp.
CALHF	California Health Facility Construction Loan Insurance Program
NATL	National Public Finance Guarantee Corp.

Derivative Contracts at 02/28/17**Futures Contracts at 02/28/17**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Liability Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	20	\$2,491,563	June - 2017	\$(2,051)

At February 28, 2017, the fund had cash collateral of \$29,000 to cover any commitments for certain derivative contracts.

See attached supplemental information. For more information see notes to financial statements as disclosed in the most recent semiannual or annual report.

Supplemental Information

2/28/17 (unaudited)

The fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 946 Financial Services – Investment Companies.

(1) Investment Valuations

Debt instruments and floating rate loans, including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less may be valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price on their primary exchange as provided by a third-party pricing service. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation on their primary exchange as provided by a third-party pricing service. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially affected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures contracts. The following is a summary of the levels used as of February 28, 2017 in valuing the fund's assets or liabilities:

Investments at Value	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$	\$57,892,019	\$	\$57,892,019
Mutual Funds	534,849			534,849
Total Investments	\$534,849	\$57,892,019	\$	\$58,426,868
Other Financial Instruments				
Futures Contracts - Liabilities	\$(2,051)	\$	\$	\$(2,051)

For further information regarding security characteristics, see the Portfolio of Investments.

(2) Portfolio Securities

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The cost and unrealized appreciation and depreciation in the value of the investments owned by the fund, as computed on a federal income tax basis, are as follows:

Aggregate cost	\$54,756,359
Gross unrealized appreciation	3,827,172
Gross unrealized depreciation	(156,663)
Net unrealized appreciation (depreciation)	\$3,670,509

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

Supplemental Information (unaudited) continued

(3) Transactions in Underlying Affiliated Funds Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be an affiliated issuer:

Underlying Affiliated Fund	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount
MFS Institutional Money Market Portfolio	435,717	2,956,529	(2,857,397)	534,849
Underlying Affiliated Fund	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
MFS Institutional Money Market Portfolio	\$(7)	\$	\$1,210	\$534,849

(4) Jurisdiction Weightings

Jurisdiction weighting percentages based on net assets (applicable to common shares), as of February 28, 2017, are as follows:

California	95.0%
Puerto Rico	3.1%
New York	1.0%
Guam	1.0%

The jurisdiction weighting percentages include both accrued interest amounts and equivalent exposure from any derivatives holdings, if applicable.

ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

Notice

A copy of the Agreement and Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: MFS CALIFORNIA MUNICIPAL FUND

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President

Date: April 13, 2017

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* DAVID L. DILORENZO
David L. DiLorenzo, President
(Principal Executive Officer)

Date: April 13, 2017

By (Signature and Title)* JAMES O. YOST
James O. Yost, Treasurer

(Principal Financial Officer
and Accounting Officer)

Date: April 13, 2017

* Print name and title of each signing officer under his or her signature.