

INTERLINK ELECTRONICS INC  
Form SC 13G  
August 23, 2007

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

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**SCHEDULE 13G**  
**(Rule 13d-102)**

**Information Statement Pursuant to Rules 13d-1 and 13d-2**  
**Under the Securities Exchange Act of 1934**  
**(Amendment No. )\***

**Interlink Electronics, Inc.**  
(Name of Issuer)

**Common Stock**  
(Title of Class of Securities)

**458751104**  
(CUSIP Number)

**July 20, 2007**  
(Date of Event Which Requires Filing of this Statement)

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

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

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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. 458751104

**1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)**  
 Potomac Capital Management LLC  
 13-3984298

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

(a)

(b)

**3. SEC Use Only**

**4. Citizenship or Place of Organization**

Limited Liability Company formed under the laws of the State of New York

**Number of  
 Shares  
 Beneficially  
 Owned by  
 Each  
 Reporting  
 Person With**

**5. Sole Voting Power**  
 0

**6. Shared Voting Power**  
 2,320,689

**7. Sole Dispositive Power**  
 0

**8. Shared Dispositive Power**  
 2,320,689

**9. Aggregate Amount Beneficially Owned by Each Reporting Person**

The Reporting Persons own an aggregate of 2,320,689 shares consisting of 1,991,324 shares of common stock and 329,365 warrants to purchase common stock, representing in the aggregate 15.75% of the issued and outstanding shares.

**10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)**

**11. Percent of Class Represented by Amount in Row (9)**

15.75%

**12. Type of Reporting Person (See Instructions)**

HC; OO (Limited Liability Corporation)



CUSIP No. 458751104

**1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)**  
 Potomac Capital Management Inc.  
 13-3984786

**2. Check the Appropriate Box if a Member of a Group (See Instructions)**  
 (a)    
 (b)

**3. SEC Use Only**

**4. Citizenship or Place of Organization**  
 Corporation formed under the laws of the State of New York

<b>Number of Shares Beneficially Owned by Each Reporting Person With</b>	<b>5.</b>	<b>Sole Voting Power</b> 0
	<b>6.</b>	<b>Shared Voting Power</b> 2,320,689 shares of common stock
	<b>7.</b>	<b>Sole Dispositive Power</b> 0
	<b>8.</b>	<b>Shared Dispositive Power</b> 2,320,689 shares of common stock

**9. Aggregate Amount Beneficially Owned by Each Reporting Person**  
 The Reporting Persons own an aggregate of 2,320,689 shares consisting of 1,991,324 shares of common stock and 329,365 warrants to purchase common stock, representing in the aggregate 15.75% of the issued and outstanding shares.

**10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) [ ]**

**11. Percent of Class Represented by Amount in Row (9)**  
 15.75%

**12. Type of Reporting Person (See Instructions)**  
 HC; CO

CUSIP No. 458751104

1. **Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)**  
Paul J. Solit

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

(a)

(b)

3. **SEC Use Only**

4. **Citizenship or Place of Organization**

U.S. Citizen

**Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With**

5.

**Sole Voting Power**

10,100 shares of common stock

6.

**Shared Voting Power**

2,320,689 shares of common stock

7.

**Sole Dispositive Power**

10,100

8.

**Shared Dispositive Power**

2,320,689 shares of common stock

9. **Aggregate Amount Beneficially Owned by Each Reporting Person**

The Reporting Persons own an aggregate of 2,330,789 shares consisting of 2,001,424 shares of common stock and 329,365 warrants to purchase common stock, representing in the aggregate 15.82% of the issued and outstanding shares.

10. **Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)**

11. **Percent of Class Represented by Amount in Row (9)**

15.82%

12. **Type of Reporting Person (See Instructions)**

IN; HC

CUSIP No. 458751104

**1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only)**

Potomac Capital Partners, LP  
13-3984299

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

(a)

(b)

**3. SEC Use Only**

**4. Citizenship or Place of Organization**

Limited Partnership formed under the laws of the State of Delaware

**Number of  
Shares  
Beneficially  
Owned by  
Each  
Reporting  
Person With**

**5.**

**Sole Voting Power**

0

**6.**

**Shared Voting Power**

959,490 shares of common stock

**7.**

**Sole Dispositive Power**

0

**8.**

**Shared Dispositive Power**

959,490 shares of common stock

**9. Aggregate Amount Beneficially Owned by Each Reporting Person**

The Reporting Persons own an aggregate of 959,490 shares consisting of 823,790 shares of common stock and 135,700 warrants to purchase common stock, representing in the aggregate 6.78% of the issued and outstanding shares.

**10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)**

**11. Percent of Class Represented by Amount in Row (9)**

6.78%

**12. Type of Reporting Person (See Instructions)**

HC; OO (Limited Liability Corporation)

**Item 1.**

- (a) **Name of Issuer**  
Interlink Electronics, Inc.
- (b) **Address of Issuer's Principal Executive Offices**  
546 Flynn Road  
Camarillo, CA 93012

**Item 2.**

- (a) **Name of Person Filing**  
Potomac Capital Management LLC
- (b) **Address of Principal Business Office or, if none, Residence**  
825 Third Avenue  
33rd Floor  
New York, New York 10022
- (c) **Citizenship**  
Limited Liability Company formed under the laws of the State of New York.

- (a) **Name of Person Filing**  
Potomac Capital Management Inc.
- (b) **Address of Principal Business Office or, if none, Residence**  
825 Third Avenue  
33rd Floor  
New York, New York 10022
- (c) **Citizenship**  
Corporation formed under the laws of the State of New York.

- (a) **Name of Person Filing**  
Paul J. Solit
- (b) **Address of Principal Business Office or, if none, Residence**  
c/o Potomac Capital Management LLC  
825 Third Avenue  
33rd Floor  
New York, New York 10022
- (c) **Citizenship**  
U.S. Citizen

- (a) **Name of Person Filing**  
Potomac Capital Partners, LP
- (b) **Address of Principal Business Office or, if none, Residence**  
825 Third Avenue  
33rd Floor  
New York, New York 10022
- (c) **Citizenship**  
Limited Partnership formed under the laws of the State of Delaware
- (d) **Title of Class of Securities**  
Common Stock, par value \$0.00001 per share
- (e) **CUSIP Number**  
458751104



**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:**

Not Applicable

- |            |                          |   |
|------------|--------------------------|---|
| <b>(a)</b> | <input type="checkbox"/> | <b>Broker or dealer registered under Section 15 of the Exchange Act;</b>            |
| <b>(b)</b> | <input type="checkbox"/> | <b>Bank as defined in Section 3(a)(6) of the Exchange Act;</b>                      |
| <b>(c)</b> | <input type="checkbox"/> | <b>Insurance company as defined in Section 3(a)(19) of the Exchange Act;</b>        |
| <b>(d)</b> | <input type="checkbox"/> | <b>Investment company registered under Section 8 of the Investment Company Act;</b> |

- (e) [ ] **An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E);**
- (f) [ ] **An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F);**
- (g) [ ] **A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G);**
- (h) [ ] **A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act;**
- (i) [ ] **A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;**
- (j) [ ] **Group, in accordance with Rule 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.

**POTOMAC CAPITAL MANAGEMENT LLC  
POTOMAC CAPITAL MANAGEMENT INC.**

- (a) **Amount beneficially owned:** 2,320,689 shares of common stock
- (b) **Percent of class:** 15.75%
- (c) **Number of shares as to which the person has:**
  - (i) **Sole power to vote or to direct the vote** 0
  - (ii) **Shared power to vote or to direct the vote**  
2,320,689 shares consisting of 1,991,324 shares of common stock and 329,365 warrants to purchase common stock, representing in the aggregate 15.75% of the issued and outstanding shares.
  - (iii) **Sole power to dispose or to direct the disposition of** 0
  - (iv) **Shared power to dispose or to direct the disposition of** 2,320,689 shares consisting of 1,991,324 shares of common stock and 329,365 warrants to purchase common stock, representing in the aggregate 15.75% of the issued and outstanding shares.

**PAUL J. SOLIT**

- (a) **Amount beneficially owned:** 2,330,789 shares of common stock
- (b) **Percent of class:** 15.82%.
- (c) **Number of shares as to which the person has:**
  - (i) **Sole power to vote or to direct the vote** 10,100
  - (ii) **Shared power to vote or to direct the vote**  
2,330,789 shares consisting of 2,001,424 shares of common stock and 329,365 warrants to purchase common stock
  - (iii) **Sole power to dispose or to direct the disposition of** 10,100

- (iv) **Shared power to dispose or to direct the disposition of 2,320,689 shares consisting of 1,991,324 shares of common stock and 329,365 warrants to purchase common stock**

**POTOMAC CAPITAL PARTNERS, LP**

- (a) **Amount beneficially owned:** 959,490 shares
- (b) **Percent of class:** 6.78%.
- (c) **Number of shares as to which the person has:**
  - (i) **Sole power to vote or to direct the vote:** 0
  - (ii) **Shared power to vote or to direct the vote :** 959,490 shares consisting of 823,790 shares of common stock and 135,700 warrants to purchase common stock
  - (iii) **Sole power to dispose or to direct the disposition of :** 0
  - (iv) **Shared power to dispose or to direct the disposition of :** 959,490 shares consisting of 823,790 shares of common stock and 135,700 warrants to purchase common stock

**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 Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following [ ]

**Item 6. Ownership of More than Five Percent on Behalf of Another Person**

Not Applicable.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person**

See Exhibit A attached hereto.

**Item 8. Identification and Classification of Members of the Group**

Not Applicable.

**Item 9. Notice of Dissolution of Group**

Not Applicable.

**Item 10. Certification**

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 its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated this 22nd day of August, 2007

**POTOMAC CAPITAL MANAGEMENT LLC**

By: /s/ Paul J. Solit  
Paul J. Solit, Managing  
Member

**POTOMAC CAPITAL MANAGEMENT INC.**

By: /s/ Paul J. Solit  
Paul J. Solit, President

**PAUL J. SOLIT**

By: /s/ Paul J. Solit  
Paul J. Solit

**POTOMAC CAPITAL PARTNERS, LP**

By: /s/ Paul J. Solit  
Paul J. Solit, Managing  
Member of the General Partner

**EXHIBIT INDEX**

The following exhibits are filed with this report on Schedule 13G:

Exhibit A Identification of entities which acquired the shares which are the subject of this report on Schedule 13G

Exhibit B Joint Filing Agreement dated August 22, 2007 among Potomac Capital Management LLC, Potomac Capital Management, Inc. and Paul J. Solit