

CONFIDENTIAL

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2/15/2011



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| OMB APPROVAL | |
|--------------------------|-------------------|
| OMB Number: | 3235-0006 |
| Expires: | December 31, 2009 |
| Estimated average burden | |
| hours per form | 22.6 |

CONFIDENTIAL TREATMENT REQUESTED

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

Form 13F

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Form 13F COVER PAGE
Report for the Calendar Year or Quarter Ended: 6/30/2010
Check here if Amendment []: Amendment Number: _____

This Amendment (Check only one):
[] is a restatement
[] adds new holdings entries.

CONFIDENTIAL TREATMENT EXPIRED

Institutional Investment Manager Filing this Report:

Name: MICHAEL R. MURPHY
Address: 191 NORTH WACKER DRIVE, CHICAGO, ILLINOIS 60606

Form 13F File Number 28- 11638

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Meghan O'Callaghan
Title: Associate
Phone: 312-265-9600

Signature, Place, and Date of Signing:

[Signature]
(Signature)
Chicago, Illinois
(City, State)
8/13/2010
(Date)

Report Type (Check only one):

- 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion are reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager.

NONE

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Form 13F Summary Page

Report Summary:

Number of Other Included Managers:

2

Form 13F Information Table Entry Total:

6

Form 13F Information Table Value Total:

\$ 26,994 (thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

| No. | Form 13F File Number | Name |
|----------|----------------------|-------------------------------|
| <u>1</u> | <u>28-11635</u> | <u>DANIEL J. DONOGHUE</u> |
| <u>2</u> | <u>28-11637</u> | <u>DISCOVERY GROUP I, LLC</u> |

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13F Information Table
6/30/2010
CONFIDENTIAL TREATMENT REQUESTED

| COLUMN 1 | COLUMN 2 | COLUMN 3 | COLUMN 4 | COLUMN 5 | | | COLUMN 6 | COLUMN 7 | COLUMN 8 Voting Authority | | |
|------------------------------|-------------------|-----------|---------------------|--------------------|------------|--------------|--------------------------|-------------------|------------------------------|------------------|------|
| NAME OF ISSUER | TITLE OF CLASS | CUSIP | VALUE (X \$1000) | SHRS OR PRN AMT | SH/ PRN | PUT/ CALL | INVESTMENT DISCRETION | OTHER MANAGERS | SOLE | SHARED | NONE |
| ATRICURE INC | COM | 04963C209 | 3,752 | 564,236 | SH | | SHARED-OTHER | 1, 2 | | 564,236 | |
| EINSTEIN NOAH REST GROUP INC | COM | 28257U104 | 288 | 26,691 | SH | | SHARED-OTHER | 1, 2 | | 26,691 | |
| FBR CAPITAL MARKETS CORP | COM | 30247C301 | 668 | 200,628 | SH | | SHARED-OTHER | 1, 2 | | 200,628 | |
| HERLEY INDS INC DEL | COM | 427398102 | 3,802 | 266,654 | SH | | SHARED-OTHER | 1, 2 | | 266,654 | |
| HYPERCOM CORP | COM | 44913M105 | 8,242 | 1,776,320 | SH | | SHARED-OTHER | 1, 2 | | 1,776,320 | |
| S1 CORPORATION | COM | 78463B101 | 10,242 | 1,704,216 | SH | | SHARED-OTHER | 1, 2 | | 1,704,216 | |
| Total | | | 26,994 | 4,538,745 | | | | | | 4,538,745 | |