

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

**SCHEDULE 13D  
Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

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**BluePhoenix Solutions, Ltd.**

(Name of Company)

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**Ordinary Shares, par value NIS \$0.04 per share**

(Title of Class of Securities)

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**M20157109**

(CUSIP Number)

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**Alexander B. Washburn  
c/o Columbia Pacific Advisors, LLC  
1910 Fairview Avenue East, Suite 500  
Seattle, Washington 98102**

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

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**June 27, 2012**

(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

\* 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.

1. Names of Reporting Persons  
Columbia Pacific Opportunity Fund, L.P. (1)

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

---

3. SEC Use Only

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4. Source of Funds (See Instructions) WC

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

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6. Citizenship or Place of Organization  
Washington

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	7	Sole Voting Power 1,733,936 (2)
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8.	Shared Voting Power 0
	9.	Sole Dispositive Power 1,733,936 (2)
	10.	Shared Dispositive Power 0

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11. Aggregate Amount Beneficially Owned by Each Reporting Person  
1,733,936

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12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares

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13. Percent of Class Represented by Amount in Row 9  
26.86% (3)

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14. Type of Reporting Person  
PN

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(1) The filing of this joint Schedule 13D shall not be construed as an admission that any of the reporting persons are, for purposes of Section 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by the statement.

(2) Columbia Pacific Advisors, LLC has the sole power to vote or direct the vote of, and to dispose or direct the disposition of the 1,733,936 Ordinary Shares to which this Schedule 13D relates.

(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

1. Names of Reporting Persons  
Columbia Pacific Advisors, LLC (1)

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

---

3. SEC Use Only

---

4. Source of Funds (See Instructions) AF

---

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

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6. Citizenship or Place of Organization  
Washington

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	7	Sole Voting Power 1,733,936 (2)
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8.	Shared Voting Power 0
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	10.	Shared Dispositive Power 0

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1,733,936

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12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares

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13. Percent of Class Represented by Amount in Row 9  
26.86% (3)

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14. Type of Reporting Person  
IA

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(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

1. Names of Reporting Persons  
Alexander B. Washburn (1)

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

---

3. SEC Use Only

---

4. Source of Funds (See Instructions) AF

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

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6. Citizenship or Place of Organization  
United States of America

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	7	Sole Voting Power 1,733,936 (2)
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8.	Shared Voting Power 0
	9.	Sole Dispositive Power 1,733,936 (2)
	10.	Shared Dispositive Power 0

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1,733,936

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13. Percent of Class Represented by Amount in Row 9  
26.86% (3)

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14. Type of Reporting Person  
IN

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(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

1. Names of Reporting Persons  
Daniel R. Baty (1)

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

---

3. SEC Use Only

---

4. Source of Funds (See Instructions) AF

---

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

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6. Citizenship or Place of Organization  
United States of America

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13. Percent of Class Represented by Amount in Row 9  
26.86% (3)

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14. Type of Reporting Person  
IN

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(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

1. Names of Reporting Persons  
Stanley L. Baty (1)

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

---

3. SEC Use Only

---

4. Source of Funds (See Instructions) AF

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6. Citizenship or Place of Organization  
United States of America

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1,733,936

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12. Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares

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13. Percent of Class Represented by Amount in Row 9  
26.86% (3)

---

14. Type of Reporting Person  
IN

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(2) Columbia Pacific Advisors, LLC has the sole power to vote or direct the vote of, and to dispose or direct the disposition of the 1,733,936 Ordinary Shares to which this Schedule 13D relates.

(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

1. Names of Reporting Persons  
Brandon D. Baty (1)

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

---

3. SEC Use Only

---

4. Source of Funds (See Instructions) AF

---

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United States of America

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26.86% (3)

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14. Type of Reporting Person  
IN

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(2) Columbia Pacific Advisors, LLC has the sole power to vote or direct the vote of, and to dispose or direct the disposition of the 1,733,936 Ordinary Shares to which this Schedule 13D relates.

(3) Based on 6,455,950 Ordinary Shares outstanding as of March 22, 2012, as reported on the Company's Form 6-K filed on March 27, 2012.

**EXPLANATORY NOTE**

This Amendment No. 2 amends the Schedule 13D filed jointly by Columbia Pacific Opportunity Fund, L.P., a Washington limited partnership (the “Fund”), Columbia Pacific Advisors LLC, a Washington limited liability company (the “Adviser”), Alexander B. Washburn, a U.S. citizen, Daniel R. Baty, a U.S. citizen, Stanley L. Baty, a U.S. citizen, and Brandon D. Baty, a U.S. citizen (each a “Reporting Person” and collectively the “Reporting Persons”) with the Securities and Exchange Commission on May 7, 2012; as amended on June 20, 2012 with respect to the Ordinary Shares, par value NIS \$0.04 per share (the “Ordinary Shares”), of BluePhoenix Solutions, Ltd., an Israel corporation (the “Company”).

Mr. Washburn, Mr. D. Baty, Mr. S. Baty and Mr. B. Baty serve as the managing members of the Adviser, which is primarily responsible for all investment decisions regarding the Fund’s investment portfolio. The Shares reported herein are held in the portfolio of the Fund.

Neither the present filing nor anything contained herein shall be construed as an admission that the Reporting Persons constitute a “group” for any purpose and the Reporting Persons expressly disclaim membership in a group.

**Item 5. Interest in Securities of the Company**

The responses set forth in Items 5(a) and 5(c) of the Schedule 13D are hereby replaced in their entirety by the following:

(a) As of July 6, 2012, the Reporting Persons may be deemed to beneficially own an aggregate of 1,733,936 Ordinary Shares, which constitutes 26.86% of the total number of Ordinary Shares outstanding as of March 22, 2012, as reported on the Company’s Form 6-K filed on March 27, 2012.

(c) The trading dates, number of shares purchased and price per share for all transactions in the Ordinary Shares during the past 60 days by the Reporting Persons on behalf of the Fund were all affected in unsolicited broker transactions in the open-market as set forth in Exhibit A.

**Item 7. Material to Be Filed as Exhibits**

Exhibit A: Schedule of Transactions in the Ordinary Shares by the Fund during the past 60 days.



**SIGNATURES**

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

Dated: July 6, 2012

COLUMBIA PACIFIC OPPORTUNITY FUND, L.P. (1)

/s/ Alexander B. Washburn

By: Alexander B. Washburn

Title: Managing Member of Columbia Pacific Advisors, LLC  
its general partner

Dated: July 6, 2012

COLUMBIA PACIFIC ADVISORS, LLC (1)

/s/ Alexander B. Washburn

By: Alexander B. Washburn

Title: Managing Member

Dated: July 6, 2012

/s/ Alexander B. Washburn

Alexander B. Washburn (1)

Dated: July 6, 2012

/s/ Daniel R. Baty

Daniel R. Baty (1)

Dated: July 6, 2012

/s/ Stanley L. Baty

Stanley L. Baty (1)

Dated: July 6, 2012

/s/ Brandon D. Baty

Brandon D. Baty (1)

(1) This amendment is being filed jointly by Columbia Pacific Opportunity Fund, L.P., Columbia Pacific Advisors LLC, Alexander B. Washburn, Daniel R. Baty, Stanley L. Baty and Brandon D. Baty pursuant to the Joint Filing Agreement dated May 7, 2012 and included with the initial Schedule 13D filed on May 7, 2012 (the "Joint Filing Agreement"). The Joint Filing Agreement is incorporated herein by reference.

**Exhibit A****TRANSACTIONS IN THE ORDINARY SHARES BY THE FUND DURING THE PAST 60 DAYS**

<b><u>Date</u></b>	<b><u>Transaction</u></b>	<b><u>Shares</u></b>	<b><u>Price</u></b>
05/15/2012	BUY	31,804	2.0009
05/16/2012	BUY	3,900	2.0336
05/17/2012	BUY	1,600	2.0521
05/18/2012	BUY	5,700	2.096
05/21/2012	BUY	2,900	2.1329
05/22/2012	BUY	400	2.19
05/24/2012	BUY	1,000	2.143
05/25/2012	BUY	200	2.14
05/29/2012	BUY	8,491	2.1507
05/30/2012	BUY	500	2.19
05/31/2012	BUY	1,100	2.1673
06/01/2012	BUY	200	2.295
06/04/2012	BUY	1,725	2.0909
06/05/2012	BUY	1,000	2.077
06/06/2012	BUY	600	2.0504
06/07/2012	BUY	300	1.9975
06/08/2012	BUY	900	1.9811
06/11/2012	BUY	20,900	1.9224
06/12/2012	BUY	23,059	2.0671
06/13/2012	BUY	35,997	2.2024
06/14/2012	BUY	13,600	2.2275
06/15/2012	BUY	9,800	2.3119
06/18/2012	BUY	9,178	2.3053
06/19/2012	BUY	18,545	2.3493
06/20/2012	BUY	18,865	2.3656
06/21/2012	BUY	9,250	2.3514
06/22/2012	BUY	16,500	2.4149
06/25/2012	BUY	1,300	2.3954
06/26/2012	BUY	7,099	2.4187
06/27/2012	BUY	21,777	2.4579
06/28/2012	BUY	6,100	2.4515
06/29/2012	BUY	31,400	2.5969
07/02/2012	BUY	800	2.6187
07/03/2012	BUY	6,400	2.6855
07/06/2012	BUY	1,600	2.7906