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CLINTON GROUP INC
Form SC 13D/A
September 19, 2008

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. 9)*

Lenox Group Inc.

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

526262100

(CUSIP Number)

Marc Weingarten, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

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

September 17, 2008

(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)

(Page 1 of 8 Pages)

* 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

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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. | 526262100 | SCHEDULE 13D |
| ----- | ----- | ----- |
| | | PAGE 2 OF 8 PAGES |
| ----- | ----- | ----- |

| | | |
|---|---|--|
| 1 | NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY) | |
| | CLINTON GROUP, INC. | |

| | | |
|---|---|---------|
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* | (a) [] |
| | | (b) [X] |

| | | |
|---|--------------|--|
| 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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | |
| | | 2,602,977 | |

| | | | |
|--|---|------------------------|--|
| | 9 | SOLE DISPOSITIVE POWER | |
| | | -0- | |

| | | | |
|--|----|--------------------------|--|
| | 10 | SHARED DISPOSITIVE POWER | |
| | | 2,602,977 | |

| | | |
|----|--|--|
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON | |
| | 2,602,977 | |

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

[]

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

18.0%

14 TYPE OF REPORTING PERSON*

IA; CO

* SEE INSTRUCTIONS

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

CLINTON MULTISTRATEGY MASTER FUND, LTD.

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

(a) []

(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

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

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

7 SOLE VOTING POWER

-0-

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8 SHARED VOTING POWER

765,240

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

765,240

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REPORTING
PERSON WITH

-0-

10 SHARED DISPOSITIVE POWER

1,531,573

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

1,531,573

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

[]

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

10.6%

14 TYPE OF REPORTING PERSON*

CO

* SEE INSTRUCTIONS

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

CLINTON LEXINGTON MASTER FUND, L.P.

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

(a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

7 SOLE VOTING POWER

-0-

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH 8 SHARED VOTING POWER
306,164

9 SOLE DISPOSITIVE POWER
-0-

10 SHARED DISPOSITIVE POWER
306,164

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
306,164

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.1%

14 TYPE OF REPORTING PERSON*
PN

* SEE INSTRUCTIONS

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

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

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UNITED STATES

| | | | |
|---|--|--------------------------|-----------|
| | 7 | SOLE VOTING POWER | 4,300 |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER | 2,602,977 |
| | 9 | SOLE DISPOSITIVE POWER | 4,300 |
| | 10 | SHARED DISPOSITIVE POWER | 2,602,977 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON | | |
| | 2,607,277 | | |
| 12 | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* | | |
| | [] | | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | | |
| | 18.0% | | |
| 14 | TYPE OF REPORTING PERSON* | | |
| | IN | | |

* SEE INSTRUCTIONS

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The Schedule 13D filed on February 12, 2007 by Clinton Group, Inc., a Delaware corporation ("CGI"), Clinton Multistrategy Master Fund, Ltd., a Cayman Islands company ("CMSF"), Clinton Special Opportunities Master Fund, Ltd., a Cayman Islands company ("CSO"), George E. Hall ("GEH") and Conrad Bringsjord with respect to the shares of Common Stock, par value \$0.01 per share (the "Shares"), of Lenox Group Inc., a Delaware corporation (the "Issuer"), as amended by Amendment No. 1 dated February 16, 2007, Amendment No. 2 dated February 28, 2007, Amendment No. 3 dated March 15, 2007, Amendment No. 4 dated April 18, 2007, Amendment No. 5 dated August 18, 2007, Amendment No. 6 dated August 24, 2007, Amendment No. 7 dated September 13, 2007 and Amendment No. 8 dated November 9, 2007 is hereby amended by this Amendment No. 9. CGI, CMSF, CSO, Clinton Lexington Master Fund, L.P. ("CLF") and GEH are collectively referred to herein as the "Reporting Persons".

ITEM 4. PURPOSE OF TRANSACTION.

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Item 4 of the Schedule 13D is hereby amended by the addition of the following:

The Reporting Persons have purchased a portion of the bank debt owed by the Issuer and certain subsidiaries under the Issuer's Amended and Restated Term Loan Credit Agreement, dated as of April 20, 2007 (the "Issuer Term Loan").

The Reporting Persons have discussed, and expect to continue to discuss, their investment in the bank debt payable under the Issuer Term Loan, and the potential restructuring thereof, with other holders of such bank debt. The Reporting Persons also have had, and expect to continue to have, such discussions with the Issuer, together with other holders of such bank debt, and separately. Such discussions may involve proposals to revise the terms of the bank debt, to convert the bank debt into equity, or otherwise. The Reporting Persons and the other holders of debt issued under the Issuer Term Loan (collectively, the "Bank Debt Holders") have jointly retained counsel in connection with their respective investments in the bank debt payable under the Issuer Term Loan, to negotiate on behalf of the Bank Debt Holders in connection with the potential restructuring of such bank debt. Each Bank Debt Holder will make an independent decision regarding any proposal to or from the Issuer relating to its investment in the bank debt payable under the Issuer Term Loan.

The Reporting Persons expressly disclaim membership in a "group" within the meaning of Section 13(d) of the Exchange Act with any other holder of bank debt of the Issuer or any other person, and expressly disclaim beneficial ownership of any Shares beneficially owned by any other holder of bank debt of the Issuer.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Paragraphs (a) and (c) of Item 5 of the Schedule 13D are hereby amended and restated as follows:

(a) As of the close of business on September 18, 2008, the Reporting Persons excepting GEH may be deemed the beneficial owners of an aggregate of 2,602,977 Shares, constituting approximately 18.0% of the Shares outstanding. GEH may be deemed the beneficial owner of an aggregate of 2,607,277 Shares, including 4,300 Shares beneficially owned individually, constituting approximately 18.1% of the Shares outstanding. Cesar Baez, who was appointed to the Issuer's board of directors at the suggestion of CGI, holds 500 shares of restricted common stock of the Issuer.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 14,429,998 Shares outstanding, which is the total number of Shares outstanding as of August 4, 2008 as reported in the Issuer's Quarterly Report on Form 10-Q filed August 7, 2008 for the period ended June 28, 2008.

The Reporting Persons expressly disclaim membership in a "group" within the meaning of Section 13(d) (3) of the Exchange Act with any other holder of bank debt of the Issuer or any other person, and expressly disclaim beneficial ownership of any Shares beneficially owned by any.

(c) No transactions in the Shares have been effected by the Reporting Persons during the past 60 days.

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SIGNATURES

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: September 19, 2008

CLINTON GROUP, INC.

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON MULTISTRATEGY MASTER FUND, LTD.

By: Clinton Group, Inc. its investment manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

By: Clinton Group, Inc. its investment manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON LEXINGTON MASTER FUND, L.P.

By: Clinton Group, Inc. its investment manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

/s/ George E. Hall

George E. Hall