

LAYNE CHRISTENSEN CO
Form SC 13D/A
February 11, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(AMENDMENT NO. 2)

Under the Securities Exchange Act of 1934

LAYNE CHRISTENSEN COMPANY

(Name of Issuer)

Common Stock, \$.01 par value

(Title of Class of Securities)

521050104

(CUSIP Number)

Wynnefield Partners Small Cap Value, L.P.
450 Seventh Avenue
New York, New York 10123
Attention: Mr. Nelson Obus
(212) 760-0134

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

Copy to:

Jeffrey S. Tullman, Esq.
Kane Kessler PC
1350 Avenue of the Americas
New York, New York 10019
(212) 541-6222

February 4, 2004

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

SCHEDULE 13D

CUSIP NO. 521050104

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Wynnefield Partners Small Cap Value L.P. 13-3688497

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (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

Delaware

	7	SOLE VOTING POWER
		318,500
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		0
	9	SOLE DISPOSITIVE POWER
		318,500
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
318,500

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.6%

14 TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

SCHEDULE 13D

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 1 NAME OF REPORTING PERSON
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Wynnefield Small Cap Value Offshore Fund, Ltd.
 (No IRS Identification No.)

 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (See Instructions)

(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
 186,800

NUMBER OF
 SHARES -----
 8 SHARED VOTING POWER

OWNED BY
 EACH -----
 0

REPORTING
 PERSON -----
 9 SOLE DISPOSITIVE POWER
 186,800

 10 SHARED DISPOSITIVE POWER
 0

 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 186,800

 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 (11)
1.5%

14 TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Wynnefield Partners Small Cap Value, L.P. I 13-3953291

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions)

(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

Delaware

7 SOLE VOTING POWER

395,750

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

395,750

10 SHARED DISPOSITIVE POWER

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0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
395,750

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.2%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Channel Partnership II, L.P. 22-3215653

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (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
New York

7 SOLE VOTING POWER
10,000
NUMBER OF SHARES

8 SHARED VOTING POWER

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BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

0	
9	SOLE DISPOSITIVE POWER
10,000	
10	SHARED DISPOSITIVE POWER
0	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
10,000

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.1%

14 TYPE OF REPORTING PERSON*
PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Wynnefield Capital Management, LLC 13-4018186

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

3 SEC USE ONLY

4 SOURCE OF FUNDS*
N/A

5 CHECK BOX 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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New York

	7	SOLE VOTING POWER	
			714,250
NUMBER OF SHARES	8	SHARED VOTING POWER	
BENEFICIALLY OWNED BY EACH			0
REPORTING PERSON WITH	9	SOLE DISPOSITIVE POWER	
			714,250
	10	SHARED DISPOSITIVE POWER	
			0
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 714,250		
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		[]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.8%		
14	TYPE OF REPORTING PERSON*		
	OO		

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON	
	Wynnefield Capital, Inc. 13-3688495	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)	(a) [] (b) [X]
3	SEC USE ONLY	

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4 SOURCE OF FUNDS*

N/A

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	
		186,800	
NUMBER OF SHARES	8	SHARED VOTING POWER	
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		0	
	9	SOLE DISPOSITIVE POWER	
		186,800	
	10	SHARED DISPOSITIVE POWER	
		0	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
186,800

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.5%

14 TYPE OF REPORTING PERSON*

CO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

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Wynnefield Capital, Inc. Profit Sharing & Money Purchase Plan

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions) (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
N/A

	7	SOLE VOTING POWER
		18,100
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		0
	9	SOLE DISPOSITIVE POWER
		18,100
	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
18,100

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
0.1%

14 TYPE OF REPORTING PERSON*
EP

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 1 NAME OF REPORTING PERSON
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Nelson Obus

 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
 (See Instructions)

(a) []
 (b) [X]

 3 SEC USE ONLY

 4 SOURCE OF FUNDS*

N/A

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

[]

 6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

 7 SOLE VOTING POWER

28,100

NUMBER OF
 SHARES

 BENEFICIALLY
 OWNED BY
 EACH

 REPORTING
 PERSON
 WITH

8 SHARED VOTING POWER

901,050

9 SOLE DISPOSITIVE POWER

28,100

 10 SHARED DISPOSITIVE POWER

901,050

 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 929,150

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

[]

 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 7.5%

 14 TYPE OF REPORTING PERSON*

IN

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Joshua Landes

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(See Instructions)

(a) []

(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS*

N/A

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

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

0

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON
WITH

8 SHARED VOTING POWER

901,050

9 SOLE DISPOSITIVE POWER

0

10 SHARED DISPOSITIVE POWER

901,050

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
901,050

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 (11)
 7.3%

14 TYPE OF REPORTING PERSON*

 IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

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Item 4. Purpose of the Transaction

Item 4 is hereby amended to add the following:

On December 22, 2003, the Reporting Persons submitted to the Issuer a stockholder proposal (the "Proposal") and a supporting statement (the "Supporting Statement") for inclusion in the Issuer's proxy statement with respect to the Issuer's 2004 Annual Meeting of Stockholders recommending that the Board of Directors of the Issuer take the necessary steps to amend the Issuer's Certificate of Incorporation and to take such other actions as may be necessary in order to cause all directors of the Issuer to be elected annually and not by classes. A copy of the letter dated December 22, 2003 submitting the Proposal and the Supporting Statement is annexed hereto as Exhibit 1.

On January 2, 2004, the Reporting Persons sent a letter to the Board of Directors of the Issuer recommending that Nelson Obus be nominated by the Board of Directors for election to the Board at the Issuer's 2004 Annual Meeting of Stockholders. A copy of the letter dated January 2, 2004 is annexed hereto as Exhibit 2.

On February 4, 2004, the Reporting Persons sent a letter to Steven F. Crooke, Vice President, General Counsel and Secretary of the Issuer notifying the Issuer that the Reporting Persons intend to nominate Nelson Obus and Joseph C. Stokes, Jr. for election as directors at the Issuer's 2004 Annual Meeting of Stockholders. A copy of the letter dated February 4, 2004 is annexed hereto as Exhibit 3.

On February 5, 2004, the Reporting Persons sent a letter to Andrew B. Schmitt, President and CEO of the Issuer, responding to a letter received from Steven F. Crooke, Vice President, General Counsel and Secretary of the Issuer, questioning the Board's appointment of Messrs. Warren Lichtenstein and Anthony B. Helfet to the Board while deferring consideration of the request of the Reporting Persons (as set forth in their letter of January 2, 2004) that Nelson Obus be nominated for election to the Board. A copy of the letter dated February 5, 2004 is annexed hereto as Exhibit 4.

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Item 7. Material to be Filed as Exhibits

- Exhibit 1 Letter to the Issuer submitting Proposal and Supporting Statement, dated December 22, 2003
- Exhibit 2 Letter to the Board of Directors of the Issuer, dated January 2, 2004

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- Exhibit 3 Letter to Steven F. Crooke, Vice President, General Counsel and Secretary of the Issuer, dated February 4, 2004
- Exhibit 4 Letter to Andrew B. Schmitt, President and CEO of the Issuer, dated February 5, 2004

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SIGNATURE

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.

Date: February 11, 2004.

----- Wynnefield Partners Small Cap Value, L.P. By: Wynnefield Capital Management LLC, its General Partner By: /s/ Nelson Obus ----- Co-Managing Member	----- Wynnefield Partners Small Cap Value, L.P. I By: Wynnefield Capital Management LLC, its General Partner By: /s/ Nelson Obus ----- Co-Managing Member
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----- Wynnefield Small Cap Value Offshore Fund, Ltd. By: Wynnefield Capital, Inc. By: /s/ Nelson Obus ----- President	----- Wynnefield Capital Management LLC By: /s/ Nelson Obus ----- Co-Managing Member
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Wynnefield Capital, Inc.

By: /s/ Nelson Obus

President

/s/ Nelson Obus

Nelson Obus

Channel Partnership II, L.P.

/s/ Joshua Landes

Joshua Landes

By: /s/ Nelson Obus

General Partner

Wynnefield Capital, Inc. Profit Sharing
& Money Purchase Plans

By: /s/ Nelson Obus

Authorized Signatory
