

CLARION TECHNOLOGIES INC/DE/
Form 4
November 01, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
**WILLIAM BLAIR MEZZANINE
CAPITAL FUND III L P**

(Last) (First) (Middle)

**222 WEST ADAMS
STREET, SUITE 2100**

(Street)

CHICAGO, IL 60606

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
**CLARION TECHNOLOGIES
INC/DE/ [CLAR.OB]**

3. Date of Earliest Transaction
(Month/Day/Year)
11/01/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director 10% Owner
____ Officer (give title below) ____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of	5. Number of	6. Date Exercisable and Expiration Date	7. Title and Amount of Underlying Securities	8.
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Series A Convertible Preferred Stock	\$ 1.75 ⁽¹⁾	11/01/2006	A		547		11/01/2006	⁽²⁾	Common Stock	312,568

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WILLIAM BLAIR MEZZANINE CAPITAL FUND III L P 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
WILLIAM BLAIR MEZZANINE CAPITAL PARTNERS III LLC 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
SHIPP TERRANCE MICHAEL 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
MACKENZIE TIMOTHY JOHN 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
WALFISH MARC JAY 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
WILBLAIRCO ASSOCIATES 222 WEST ADAMS STREET SUITE 2100 CHICAGO, IL 60606		X		
BLAIR WILLIAM & CO/IL 222 WEST ADAMS STREET SUITE 2100		X		

CHICAGO, IL 60606

Signatures

William Blair Mezzanine Capital Fund III, LP, by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
William Blair Mezzanine Capital Partners III, L.L.C., by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
Terrance M. Shipp, by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
Timothy J. MacKenzie, by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
Marc J. Walfish, by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
Wilblairco Associates, by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date
William Blair & Company, L.L.C., by /s/ Matthew O'Meara, Attorney-in-Fact	11/01/2006
__Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

At any time and from time to time, holders of Series A Preferred Stock can convert such shares into shares of common stock of Clarion Technologies, Inc. by multiplying the number of shares to be converted by \$1,000 and dividing that result by the conversion price then in effect, initially \$1.75. The conversion price is subject to adjustment as a result of subdivisions or combinations of common stock,

- (1) reorganizations, reclassifications, consolidations, mergers, sales of all or substantially all of Clarion Technologies, Inc.'s assets, or if Clarion Technologies, Inc., in certain circumstances, issues common stock at below fair market value prices. The holder of the Series A Preferred Stock may also convert accrued and unpaid dividends on such shares into a number of shares of common stock of Clarion Technologies, Inc. computed by dividing the amount of accrued and unpaid dividends by the conversion price then in effect.
- (2) The Series A Preferred Stock is subject to mandatory redemption on June 30, 2007 and does not have an expiration date.
- (3) Clarion Technologies, Inc. issued 547 shares of Series A Preferred Stock to William Blair Mezzanine Capital Fund III, L.P. as consideration for a loan made to Clarion Technologies, Inc.

William Blair Mezzanine Capital Fund III, LP (the "Fund") owns the shares directly. William Blair Mezzanine Capital Partners III, L.L.C. ("Capital Partners") is the sole general partner of the Fund, and William Blair & Company, L.L.C. ("William Blair") and
- (4) Wilblairco Associates ("Associates") are each members of the Fund. Timothy J. MacKenzie ("MacKenzie"), Terrance M. Shipp ("Shipp") and Marc J. Walfish ("Walfish") is each an Initial Managing Director of Capital Partners (Capital Partners, William Blair, Associates, MacKenzie, Shipp and Walfish are collectively referred to as the "Indirect Holders").

The Indirect Holders may, pursuant to Rule 16-1(a)(2)(ii)(B), be deemed to beneficially own the Series A Preferred Stock or the common stock issuable upon conversion of the Series A Preferred Stock. Each Indirect Holder disclaims beneficial ownership of such Series A Preferred Stock and common stock, except to the extent of its or his pecuniary interest therein. Each of MacKenzie, Shipp and Walfish may attend board meetings of Clarion Technologies, Inc. as a non-voting observer.
- (5)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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