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FRIEDMANS INC
Form SC 13D/A
June 08, 2005

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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)
(Amendment No. 3)

Friedman's Inc.

(Name of Issuer)

Class A Common Stock

(Title of Class of Securities)

358438109

(CUSIP Number)

Joel Piassick
One Riverchase Parkway South
Birmingham, Alabama 35244

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

May 27, 2005

(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.

-
- (1) 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 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).

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CUSIP No. 358438109

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Distressed Investment Master Fund, Ltd.

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

(a) ☐ (b) ☒

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,728,365

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,728,365

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,728,365

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

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

27.0%

14. TYPE OF REPORTING PERSON*

CO

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CUSIP No. 358438109

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

HMC Distressed Investment Offshore Manager, L.L.C.

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

(a) ☐ (b) ☒

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,728,365

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,728,365

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,728,365

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

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

27.0%

14. TYPE OF REPORTING PERSON*

CO

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CUSIP No. 358438109

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

HMC Investors, L.L.C.

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

(a) ☐ (b) ☒

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,921,000

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,921,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,921,000

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

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

27.6%

14. TYPE OF REPORTING PERSON*

CO

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CUSIP No. 358438109

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Philip Falcone

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

(a) ☐ (b) ☒

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

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,921,000

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,921,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,921,000

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

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

27.6%

14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 358438109

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raymond J. Harbert

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

(a) ☐ (b) ☒

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

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,921,000

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,921,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,921,000

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

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

27.6%

14. TYPE OF REPORTING PERSON*

IN

6

CUSIP No. 358438109

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1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Michael D. Luce

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

(a) ☐ (b) ☒

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

U.S.A.

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

6,921,000

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,921,000

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,921,000

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

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

27.6%

14. TYPE OF REPORTING PERSON*

IN

7

CUSIP No. 358438109

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Item 1. Security and Issuer.

No material change.

Item 2. Identity and Background.

(a-c,f) This Schedule 13D

No material change.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated in its entirety as follows:

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes in the ordinary course of business.

Item 4. Purpose of Transaction.

Item 4 is hereby amended and restated in its entirety as follows:

The Master Fund has purchased a 100% interest in the Term Loan referred to in Item 6 below and is participating as a creditor and possible plan sponsor in discussions with the Issuer regarding its plan of reorganization. Such discussions could lead to an action enumerated in Item 4(a)-(j) of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated in its entirety as follows:

(a, b) As of the date hereof, the Master Fund may be deemed to be the beneficial owner of 6,728,365 Shares, constituting 27.0% of the Shares of the Issuer, based upon 24,960,547* Shares outstanding as of the date of this filing.

The Master Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,728,365 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,728,365 Shares.

(a, b) As of the date hereof, HMC Management may be deemed to be the beneficial owner of 6,728,365 Shares, constituting 27.0% of the Shares of the Issuer, based upon 24,960,547* Shares outstanding as of the date of this filing.

HMC Management has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,728,365 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,728,365 Shares.

HMC Management specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

* The number of outstanding shares is based on 22,035,547 shares outstanding, adjusted for warrants held by the Reporting Persons.

(a, b) As of the date hereof, HMC Investors may be deemed to be the beneficial owner of 6,921,000 Shares, constituting 27.6% of the Shares of the Issuer, based

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upon 25,035,547* Shares outstanding as of the date of this filing.

HMC Investors has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,921,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,921,000 Shares.

HMC Investors specifically disclaims beneficial ownership in the Shares reported herein except to the extent of its pecuniary interest therein.

(a, b) As of the date hereof, Philip Falcone may be deemed to be the beneficial owner of 6,921,000 Shares, constituting 27.6% of the Shares of the Issuer, based upon 25,035,547* Shares outstanding as of the date of this filing.

Mr. Falcone has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,921,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,921,000 Shares.

Mr. Falcone specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(a, b) As of the date hereof, Raymond J. Harbert may be deemed to be the beneficial owner of 6,921,000 Shares, constituting 27.6% of the Shares of the Issuer, based upon 25,035,547* Shares outstanding as of the date of this filing.

Mr. Harbert has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,921,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,921,000 Shares.

Mr. Harbert specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(a, b) As of the date hereof, Michael D. Luce may be deemed to be the beneficial owner of 6,921,000 Shares, constituting 27.6% of the Shares of the Issuer, based upon 25,035,547* Shares outstanding as of the date of this filing.

Mr. Luce has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 6,921,000 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,921,000 Shares.

Mr. Luce specifically disclaims beneficial ownership in the Shares reported herein except to the extent of his pecuniary interest therein.

(c) The trading dates, number of Shares purchased and sold and price per share for all transactions in the Shares by the Reporting Persons are set forth in Exhibit B.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Item 6 is hereby amended and restated in its entirety as follows:

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debtor-in-possession financing agreement (the "DIP Facility") to provide for a \$99.5 million revolving credit facility (the "Revolver Loans") and a \$25.5 million junior term loan facility (the "Term Loan"), with Citibank, N.A. acting as administrative agent thereunder (the "DIP Agent"). Concurrently with the closing, the Master Fund purchased by assignment a 100% interest in the Term Loan.

The stated maturity date of the Term Loan is January 31, 2007, but the Term Loan may become due earlier upon the effectiveness of a plan of reorganization for the Issuer. In connection with a plan of reorganization, the Master Fund has the option to convert the Term Loan into equity of the reorganized Issuer, and must convert the Term Loan if it is a sponsor of the plan, in each case in accordance with the terms and conditions set forth in the DIP Facility.

Item 7. Material to be Filed as Exhibits.

Exhibit A: Agreement between the Reporting Persons to file jointly

Exhibit B: Schedule of Transactions in the Shares of the Issuer

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SIGNATURE

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.

Harbert Distressed Investment Master Fund, Ltd.

By: HMC Distressed Investment Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

By: /s/ Joel B. Piassick

HMC Distressed Investment Offshore Manager, L.L.C.

By: HMC Investors, L.L.C., Managing Member

By: /s/ Joel B. Piassick

HMC Investors, L.L.C.

By: /s/ Joel B. Piassick

/s/ Philip Falcone

Philip Falcone

/s/ Raymond J. Harbert

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Raymond J. Harbert

/s/ Michael D. Luce

Michael D. Luce

June 8, 2005

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).