

Edgar Filing: FRIEDMANS INC - Form SC 13D/A

FRIEDMANS INC
Form SC 13D/A
April 25, 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. 1)

Friedman's Inc.

(Name of Issuer)

Class A Common Stock

(Title of Class of Securities)

358438109

(CUSIP Number)

Joel Piassick
555 Madison Avenue, 16th Floor
New York, New York 10022

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

April 15, 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).

CUSIP No. 358438109

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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

6,249,225
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

6,249,225
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,249,225
 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.0%
 14. TYPE OF REPORTING PERSON*

CO

CUSIP No. 358438109

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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

6,249,225
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

6,249,225
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,249,225
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 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.0%
 14. TYPE OF REPORTING PERSON*

CO

CUSIP No. 358438109

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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

6,409,100
 9. SOLE DISPOSITIVE POWER

0
 10. SHARED DISPOSITIVE POWER

6,409,100
 11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,409,100
 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
 13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.6%
 14. TYPE OF REPORTING PERSON*

CO

CUSIP No. 358438109

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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

6,409,100
9. SOLE DISPOSITIVE POWER

0
10. SHARED DISPOSITIVE POWER

6,409,100
11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,409,100
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

25.6%
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

6,409,100

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,409,100

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,409,100

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

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

25.6%

14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 358438109

1. NAME OF REPORTING PERSONS

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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

6,409,100

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

6,409,100

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

6,409,100

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

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

25.6%

14. TYPE OF REPORTING PERSON*

IN

CUSIP No. 358438109

Item 1. Security and Issuer.

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Friedman's Inc. (the "Issuer"), Class A Common Stock (the "Shares")

The address of the issuer is 171 Crossroads Parkway, Savannah, Georgia 31422.

Item 2. Identity and Background.

(a-c,f) This Schedule 13D is being filed by Harbert Distressed Investment Master Fund, Ltd. (the "Master Fund"), HMC Distressed Investment Offshore Manager, L.L.C., ("HMC Management"), the sole investment manager of the Master Fund, HMC Investors, L.L.C., ("HMC Investors") the managing member of HMC Management, Philip Falcone, a member of HMC Management who acts as the portfolio manager of the Master Fund on behalf of HMC Management and is the portfolio manager of Alpha US Sub Fund VI, LLC ("Alpha"), Raymond J. Harbert, a member of HMC Investors, and Michael D. Luce, a member of HMC Investors (each of the Master Fund, HMC Management, HMC Investors, Philip Falcone, Raymond J. Harbert and Michael D. Luce may be referred to herein as a "Reporting Person" and collectively may be referred to as "Reporting Persons").

The Master Fund is a Cayman Islands corporation with its principal business address at c/o International Fund Services (Ireland) Limited, Third Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland. Each of HMC Management and HMC Investors is a Delaware limited liability company. Each of Philip Falcone, Raymond J. Harbert and Michael D. Luce is a United States citizen. The principal business address for each of HMC Management, HMC Investors, Raymond J. Harbert and Michael D. Luce is One Riverchase Parkway South, Birmingham, Alabama 35244. The principal business address for Philip Falcone is 555 Madison Avenue, 16th Floor, New York, New York 10022. Alpha is a Delaware limited liability company. Alpha is a separately managed account.

(d) None of Philip Falcone, Raymond J. Harbert or Michael D. Luce has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are subject to a judgement, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violation with respect to such laws.

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

As of the date hereof the Master Fund may be deemed to beneficially own 6,249,225 Shares.

As of the date hereof HMC Management may be deemed to beneficially own 6,249,225 Shares.

As of the date hereof HMC Investors may be deemed to beneficially own 6,409,100 Shares.

As of the date hereof Philip Falcone may be deemed to beneficially own 6,409,100 Shares.

As of the date hereof Raymond J. Harbert may be deemed to beneficially own 6,409,100 Shares.

As of the date hereof Michael D. Luce may be deemed to beneficially own 6,409,100 Shares.

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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.

The Shares held by the Reporting Persons were acquired for, and are being held for, investment purposes only. The acquisitions of the Shares were made in the ordinary course of the Reporting Persons' business or investment activities, as the case may be.

The Reporting Persons have no plan or proposal which relates to, or would result in, any of the actions enumerated in Item 4 of the instructions to Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a, b) As of the date hereof, the Master Fund may be deemed to be the beneficial owner of 6,249,225 Shares, constituting 25.0% 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 6,249,225 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,249,225 Shares.

(a, b) As of the date hereof, HMC Management may be deemed to be the beneficial owner of 6,249,225 Shares, constituting 25.0% 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 6,249,225 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,249,225 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 6,409,100 Shares, constituting 25.6% of the Shares of the Issuer, based 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 6,409,100 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,409,100 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 6,409,100 Shares, constituting 25.6% 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

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the shared power to vote or direct the vote of 6,409,100 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,409,100 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 6,409,100 Shares, constituting 25.6% 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 6,409,100 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,409,100 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 6,409,100 Shares, constituting 25.6% 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 6,409,100 Shares; has sole power to dispose or direct the disposition of 0 Shares; and has shared power to dispose or direct the disposition of 6,409,100 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.

N/A.

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

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.

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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

Raymond J. Harbert

/s/ Michael D. Luce

Michael D. Luce

April 25, 2005

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

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D dated April 25, 2005 relating to the Class A Common Stock of Friedman's Inc. shall be filed on behalf of the undersigned.

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

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By: /s/ Joel B. Piassick

HMC Investors, L.L.C.

By: /s/ Joel B. Piassick

/s/ Philip Falcone

Philip Falcone

/s/ Raymond J. Harbert

Raymond J. Harbert

/s/ Michael D. Luce

Michael D. Luce

April 25, 2005

Exhibit B

Transactions in the Common Stock

TRANSACTIONS BY HARBERT DISTRESSED INVESTMENT MASTER FUND

Transactions in Common Stock

| Date of Transaction ----- | Number of Shares Purchase/(Sold) ----- | Price of Shares ----- |
|---------------------------------|--|--------------------------|
| 2/15/05 | 24,435 | \$1.38 |
| 2/17/05 | 53,760 | \$1.44 |
| 2/18/05 | 50,730 | \$1.64 |
| 2/22/05 | 21,505 | \$1.57 |
| 2/23/05 | 132,450 | \$1.61 |
| 2/25/05 | 5,865 | \$1.64 |
| 2/28/05 | 33,725 | \$1.65 |
| 3/1/05 | 95,110 | \$1.66 |
| 3/3/05 | 74,000 | \$1.67 |
| 3/4/05 | 11,440 | \$1.67 |
| 3/7/05 | 29,200 | \$1.66 |
| 3/8/05 | 97,500 | \$1.70 |
| 3/9/05 | 13,940 | \$1.66 |
| 3/14/05 | 142,050 | \$1.66** |
| 3/14/05 | 14,625 | \$1.69 |
| 4/8/05 | 102,375 | \$1.25 |
| 4/12/05 | 24,500 | \$1.20 |
| 4/14/05 | 130,650 | \$1.24 |
| 4/15/05 | 48,750 | \$1.19 |
| 4/20/05 | 292,500 | \$1.19 |
| 4/20/05 | 48,000 | \$1.13 |
| 4/20/05 | 120,400 | \$1.10 |

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4/21/05 219,400 \$1.00

Transactions in Warrants

| Date of Transaction ----- | Number of Shares Purchase/(Sold) ----- | Price of Shares ----- |
|------------------------------|--|--------------------------|
| 3/14/05 | 2,925,000 | \$0.70** |

TRANSACTIONS BY ALPHA US SUB FUND VI, LLC

Transactions in Common Stock

| Date of Transaction ----- | Number of Shares Purchase/(Sold) ----- | Price of Shares ----- |
|------------------------------|--|--------------------------|
| 2/15/05 | 565 | \$1.38 |
| 2/17/05 | 1,240 | \$1.44 |
| 2/18/05 | 1,170 | \$1.64 |
| 2/22/05 | 495 | \$1.57 |
| 2/23/05 | 3,050 | \$1.61 |
| 2/25/05 | 135 | \$1.64 |
| 2/28/05 | 775 | \$1.65 |
| 3/1/05 | 2,190 | \$1.66 |
| 3/3/05 | 6,000 | \$1.67 |
| 3/4/05 | 260 | \$1.67 |
| 3/7/05 | 800 | \$1.66 |
| 3/8/05 | 2,500 | \$1.70 |
| 3/9/05 | 360 | \$1.66 |
| 3/14/05 | 3,650 | \$1.66** |
| 3/14/05 | 375 | \$1.69 |
| 4/8/05 | 2,625 | \$1.25 |
| 4/12/05 | 500 | \$1.20 |
| 4/14/05 | 3,350 | \$1.24 |
| 4/15/05 | 1,250 | \$1.19 |
| 4/20/05 | 7,500 | \$1.19 |
| 4/20/05 | 2,000 | \$1.13 |
| 4/20/05 | 3,100 | \$1.10 |
| 4/21/05 | 5,600 | \$1.00 |

Transactions in Warrants

| Date of Transaction ----- | Number of Shares Purchase/(Sold) ----- | Price of Shares ----- |
|------------------------------|--|--------------------------|
| 3/14/05 | 75,000 | \$0.70** |

** Purchased in private transaction.

03773.0003 #566124