

GAIAM INC
Form 3
June 20, 2005

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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 *			2. Date of Event Requiring Statement	3. Issuer Name and Ticker or Trading Symbol	
Â Prentice Capital Management, LP			(Month/Day/Year)	GAIAM INC [GAIA]	
(Last)	(First)	(Middle)	06/16/2005		
623 FIFTH AVENUE, 32ND FLOOR			4. Relationship of Reporting Person(s) to Issuer		5. If Amendment, Date Original Filed(Month/Day/Year)
(Street)			(Check all applicable)		
NEW YORK, NY 10022			<input type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner <input type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below)		6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
(City)	(State)	(Zip)			

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Class A Common Stock ("Common Stock")	1,555,497	I <u>(1)</u> <u>(2)</u>	See Footnotes <u>(1)</u> <u>(2)</u>
Common Stock	8,705	D <u>(3)</u>	Â
Common Stock	3,000	I <u>(4)</u>	See Footnote <u>(4)</u>

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

SEC 1473 (7-02)

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

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1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Common Stock Put Option ⁽⁵⁾	06/16/2005	07/01/2005	Class A Common Stock	1,821,317 ⁽⁶⁾	\$ 6.38	I ⁽¹⁾	See Footnotes ⁽¹⁾ <u>(5)</u> <u>(6)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Prentice Capital Management, LP 623 FIFTH AVENUE, 32ND FLOOR NEW YORK, NY 10022	Â	Â X	Â	Â

Signatures

PRENTICE CAPITAL MANAGEMENT,
LP; By: /s/ Michael Weiss as Chief Executive Officer

06/20/2005

__Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 5(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).

(1) Prentice Capital Management, LP (the "Investment Manager") serves as investment manager to a number of investment funds (including Prentice Capital Partners, LP, Prentice Capital Partners QP, LP and Prentice Capital Offshore, Ltd.) and manages investments for certain entities in managed accounts with respect to which it has voting and dispositive authority over the Common Stock reported in this Form 3. Michael Zimmerman ("Mr. Zimmerman") is responsible for the supervision and conduct of all investment activities of the Investment Manager, including, without limitation, for all investment decisions with respect to the assets of such investment funds and managed accounts.

- (2) The Investment Manager does not directly own any shares of Common Stock. The Investment Manager may be deemed to beneficially own 1,555,497 shares of Common Stock, which represents approximately 14.9% of the outstanding shares of Common Stock. Mr. Zimmerman may be deemed to beneficially own 1,567,202 shares of Common Stock, which represents approximately 15.0% of the outstanding shares of Common Stock. Each of the Reporting Persons disclaims any beneficial ownership of the shares of Common Stock included in this report to the extent such beneficial ownership exceeds such Reporting Person's pecuniary interest.
- (3) Mr. Zimmerman personally owns 8,705 shares of Common Stock.
- (4) Mr. Zimmerman has voting and dispositive authority over 3,000 shares of Common Stock held by The Michael & Holly Zimmerman Family Foundation Inc.
- (5) The investment funds and managed accounts for which the Investment Manager serves as investment manager entered into an amended and restated stock purchase agreement with Gaiam, Inc. (the "Company") as of June 16, 2005 (the "Purchase Agreement"), pursuant to which the Company agreed to issue and sell to the investment funds and managed accounts up to an aggregate of 2,821,317 shares of Common Stock; provided, however, that at any time prior to 9:00 a.m. New York City time on July 1, 2005, the Company may elect to reduce the aggregate number of shares of Common Stock to be sold to the investment funds and managed accounts to 1,000,000 shares of Common Stock. The sale of the shares of Common Stock to the investment funds and managed accounts under the Purchase Agreement is expected to close on the earlier of the fourth business day after the Company makes such election and July 8, 2005, and is subject to

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customary closing conditions.

- With respect to the transaction set forth in the Purchase Agreement, the Reporting Persons are required to purchase 1,000,000 shares of Common Stock and depending on the actions of the Company, may be required to purchase an additional 1,821,317 shares of Common
- (6) Stock. As a result, the Reporting Persons may be deemed to have a short put option with respect to 1,821,317 shares of Common Stock. The amount set forth in Table I includes the 1,000,000 shares of Common Stock the Reporting Persons are required to purchase and the amount set forth in Table II includes the 1,821,317 shares of Common Stock the Reporting Persons may be required to purchase.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.