

Edgar Filing: STONEPATH GROUP INC - Form SC 13G/A

STONEPATH GROUP INC
Form SC 13G/A
February 14, 2008

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

SCHEDULE 13G

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

STONEPATH GROUP, INC.

(Name of Issuer)

Common Stock, \$0.001 par value

(Title of Class of Securities)

861837102

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G is filed:

Rule 13d-1(b)
 Rule 13d-1(c)
 Rule 13d-1(d)

*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 the disclosures provided in a prior cover page.

The information required in 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 ("Act") 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. 861837102

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

Laurus Master Fund, Ltd.
98-0337673

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) (b)

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3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

5 SOLE VOTING POWER

0

6 SHARED VOTING POWER

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

3,500,000 shares of Common Stock.*

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER

3,500,000 shares of Common Stock.*

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,500,000 shares of Common Stock.*

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

8.0%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

* Based on 43,777,151 shares of common stock, par value \$0.001 per share (the "Shares"), of Stonepath Group, Inc., a Delaware corporation (the "Company"), outstanding as of November 10, 2006, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006.

As of December 31, 2007, Laurus Master Fund, Ltd., a Cayman Islands entity (the "Fund") held (i) a warrant (the "Warrant") to acquire a total of 2,500,000 Shares, at an exercise price of \$1.13 per Share for the first 900,000 Shares, \$1.41 per Share for the next 700,000 Shares, \$4.70 per Share for the next 450,000 Shares, and \$7.52 per Share for the remainder of the Shares acquired thereunder, subject to certain adjustments, and (ii) 3,500,000 Shares. The Warrant contains an issuance limitation prohibiting the Fund from exercising or converting those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 4.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation under the Warrant may be waived by the Fund upon at least 75 days prior notice to the Company. The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus

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Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

CUSIP No. 861837102

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

Laurus Capital Management, LLC
13-4150669

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

5 SOLE VOTING POWER

0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

6 SHARED VOTING POWER
3,500,000 shares of Common Stock.*

7 SOLE DISPOSITIVE POWER

0

8 SHARED DISPOSITIVE POWER
3,500,000 shares of Common Stock.*

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,500,000 shares of Common Stock.*

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

8.0%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO

* Based on 43,777,151 shares of common stock, par value \$0.001 per

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share (the "Shares"), of Stonepath Group, Inc., a Delaware corporation (the "Company"), outstanding as of November 10, 2006, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006.

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CUSIP No. 861837102

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

David Grin

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Israel

| | | |
|---|---|------------------------------------|
| | 5 | SOLE VOTING POWER |
| | | 0 |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 6 | SHARED VOTING POWER |
| | | 3,500,000 shares of Common Stock.* |
| | 7 | SOLE DISPOSITIVE POWER |
| | | 0 |
| | 8 | SHARED DISPOSITIVE POWER |
| | | 3,500,000 shares of Common Stock.* |

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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3,500,000 shares of Common Stock.*

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES
(SEE INSTRUCTIONS) |X|

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
8.0%

12 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
IN

* Based on 43,777,151 shares of common stock, par value \$0.001 per share (the "Shares"), of Stonepath Group, Inc., a Delaware corporation (the "Company"), outstanding as of November 10, 2006, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006.

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CUSIP No. 861837102

1 NAME OF REPORTING PERSON
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

Eugene Grin

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a) (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

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| | | | |
|--------------|--|------------------------------------|------------------------------------|
| | 5 | SOLE VOTING POWER | |
| | | | 0 |
| ----- | | | |
| NUMBER OF | 6 | SHARED VOTING POWER | |
| SHARES | | | |
| BENEFICIALLY | | 3,500,000 shares of Common Stock.* | |
| OWNED BY | | | |
| EACH | 7 | SOLE DISPOSITIVE POWER | |
| REPORTING | | | |
| PERSON | | | 0 |
| WITH | | | |
| | 8 | SHARED DISPOSITIVE POWER | |
| | | | 3,500,000 shares of Common Stock.* |
| ----- | | | |
| 9 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | | |
| | 3,500,000 shares of Common Stock.* | | |
| ----- | | | |
| 10 | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) | | X |
| ----- | | | |
| 11 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9) | | |
| | 8.0% | | |
| ----- | | | |
| 12 | TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) | | |
| | IN | | |
| ----- | | | |

* Based on 43,777,151 shares of common stock, par value \$0.001 per share (the "Shares"), of Stonepath Group, Inc., a Delaware corporation (the "Company"), outstanding as of November 10, 2006, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006.

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Item 1(a). Name of Issuer: Stonepath Group, Inc.

Item 1(b). Address of Issuer's Principal Executive Offices:
2200 Alaskan Way, Suite 200, Seattle, WA 98121

Item 2(a). Name of Person Filing: Laurus Master Fund, Ltd.

This Schedule 13G, as amended, is also filed on behalf of Laurus Capital Management, LLC, a Delaware limited liability company, Eugene Grin and David Grin. Laurus Capital Management, LLC manages Laurus Master Fund, Ltd. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share voting and investment power over the securities owned by Laurus Master Fund, Ltd. Information related to each of Laurus Capital Management, LLC, Eugene Grin and David Grin is set forth on Appendix A hereto.

Item 2(b). Address of Principal Business Office or if none, Residence:
c/o Laurus Capital Management, LLC
335 Madison Avenue, 10th Floor, New York, NY 10017

Item 2(c). Citizenship: Cayman Islands

Item 2(d). Title of Class of Securities: Common Stock, par value \$0.001 per share

Item 2(e). CUSIP Number: 861837102

Item 3. Not Applicable

Item 4. Ownership:

(a) Amount Beneficially Owned: 3,500,000 shares of Common Stock*

(b) Percent of Class: 8.0%*

(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote: 0

(ii) shared power to vote or to direct the vote:
3,500,000 shares of Common Stock*

(iii) sole power to dispose or to direct the disposition of: 0

(iv) shared power to dispose or to direct the disposition of:
3,500,000 shares of Common Stock*

Item 5. Ownership of Five Percent or Less of a Class: Not applicable

Item 6. Ownership of More than Five Percent on Behalf of Another Person: Not applicable

Item 7. Identification and Classification of Subsidiary Which Acquired the Securities: Not applicable

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Item 8. Identification and Classification of Members of the Group: Not applicable

Item 9. Notice of Dissolution of Group: Not applicable

Item 10. Certification:

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

* Based on 43,777,151 shares of common stock, par value \$0.001 per share (the "Shares"), of Stonepath Group, Inc., a Delaware corporation (the "Company"), outstanding as of November 10, 2006, as disclosed in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2006. As of December 31, 2007, Laurus Master Fund, Ltd., a Cayman Islands entity (the "Fund") held (i) a warrant (the "Warrant") to acquire a total of 2,500,000 Shares, at an exercise price of \$1.13 per Share for the first 900,000 Shares, \$1.41 per Share for the next 700,000 Shares, \$4.70 per Share for the next 450,000 Shares, and \$7.52 per Share for the remainder of the Shares acquired thereunder, subject to certain adjustments, and (ii) 3,500,000 Shares. The Warrant contains an issuance limitation prohibiting the Fund from exercising or converting those securities to the extent that such exercise would result in beneficial ownership by the Fund of more than 4.99% of the Shares then issued and outstanding (the "Issuance Limitation"). The Issuance Limitation under the Warrant may be waived by the Fund upon at least 75 days prior notice to the Company. The Fund is managed by Laurus Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and share sole voting and investment power over the securities owned by the Fund reported in this Schedule 13G, as amended.

CUSIP No. 861837102

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.

February 14, 2008

LAURUS MASTER FUND, LTD.

By: /s/ Eugene Grin

Name: Eugene Grin
Title: Director

CUSIP No. 861837102

APPENDIX A

A. Name: Laurus Capital Management, LLC, a

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Business Address: Delaware limited liability company
335 Madison Avenue, 10th Floor
New York, New York 10017

Place of Organization: Delaware

B. Name: Eugene Grin
Business Address: 335 Madison Avenue, 10th Floor
New York, New York 10017
Principal Occupation: Director of Laurus Master Fund, Ltd.
Principal of Laurus Capital Management, LLC
Citizenship: United States

C. Name: David Grin
Business Address: 335 Madison Avenue, 10th Floor
New York, New York 10017
Principal Occupation: Director of Laurus Master Fund, Ltd.
Principal of Laurus Capital Management, LLC
Citizenship: Israel

CUSIP No. 861837102

Each of Laurus Capital Management, LLC, Eugene Grin and David Grin hereby agrees, by their execution below, that the Schedule 13G, as amended, to which this Appendix A is attached is filed on behalf of each of them, respectively.

Laurus Capital Management, LLC

/s/ Eugene Grin

Eugene Grin
Principal
February 14, 2008

/s/ David Grin

David Grin, on his individual behalf
February 14, 2008

/s/ Eugene Grin

Eugene Grin, on his individual behalf
February 14, 2008