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LENOX GROUP INC
Form SC 13D/A
March 15, 2007

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 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)

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Lenox Group Inc.

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

526262100

(CUSIP Number)

Marc Weingarten, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, New York 10022
(212) 756-2000

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

March 12, 2007

(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.

(Continued on following pages)

(Page 1 of 9 Pages)

* The remainder of this cover page shall be filled out for a reporting person's

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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 ("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. 526262100 SCHEDULE 13D PAGE 2 OF 9 PAGES

 1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
 CLINTON GROUP, INC.

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

7 SOLE VOTING POWER
 -0-

8 SHARED VOTING POWER
 1,537,333

9 SOLE DISPOSITIVE POWER
 -0-

10 SHARED DISPOSITIVE POWER
 1,537,333

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
 1,537,333

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 12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
 CERTAIN SHARES* []

 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 10.9%

 14 TYPE OF REPORTING PERSON*
 IA; CO

* SEE INSTRUCTIONS

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

7 SOLE VOTING POWER
 -0-

NUMBER OF
 SHARES 8 SHARED VOTING POWER
 BENEFICIALLY 685,785
 OWNED BY

EACH 9 SOLE DISPOSITIVE POWER
 REPORTING -0-
 PERSON WITH

10 SHARED DISPOSITIVE POWER

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685,785

11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON		
		685,785	
<hr/>			
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		[]
<hr/>			
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		
		4.9%	
<hr/>			
14	TYPE OF REPORTING PERSON*		
		CO	

* SEE INSTRUCTIONS

<hr/>	<hr/>	<hr/>	<hr/>
CUSIP NO. 526262100	SCHEDULE 13D	PAGE 4 OF 9 PAGES	
<hr/>	<hr/>	<hr/>	<hr/>

1	NAME OF REPORTING PERSON		
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)		
		CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.	
<hr/>			
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*		(a) [] (b) []
<hr/>			
3	SEC USE ONLY		
<hr/>			
4	SOURCE OF FUNDS*		
		WC	
<hr/>			
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)		[]
<hr/>			
6	CITIZENSHIP OR PLACE OF ORGANIZATION		
		CAYMAN ISLANDS	
<hr/>			
	7	SOLE VOTING POWER	
	-0-		
<hr/>			
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH	8	SHARED VOTING POWER	
		851,548	
<hr/>			
	9	SOLE DISPOSITIVE POWER	

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REPORTING
PERSON WITH

-0-

10 SHARED DISPOSITIVE POWER
851,548

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON
851,548

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
6.0%

14 TYPE OF REPORTING PERSON*
CO

* SEE INSTRUCTIONS

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PAGE 5 OF 9 PAGES

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

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) []
(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*
AF

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT
TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
UNITED STATES

7 SOLE VOTING POWER

-0-

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
	1,537,333	
	9	SOLE DISPOSITIVE POWER
	-0-	
	10	SHARED DISPOSITIVE POWER
	1,537,333	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	1,537,333	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
	[]	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	10.9%	
14	TYPE OF REPORTING PERSON*	
	IN	

* SEE INSTRUCTIONS

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	CONRAD BRINGSJORD	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) [] (b) []
3	SEC USE ONLY	
4	SOURCE OF FUNDS*	
	AF	
5	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)	
	[]	
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	UNITED STATES	

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	7	SOLE VOTING POWER	-0-
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	1,537,333
	9	SOLE DISPOSITIVE POWER	-0-
	10	SHARED DISPOSITIVE POWER	1,537,333
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON		
	1,537,333		
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*		
	[]		
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)		
	10.9%		
14	TYPE OF REPORTING PERSON*		
	IN		

* SEE INSTRUCTIONS

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The Schedule 13D filed on February 12, 2007 by Clinton Group, Inc., a Delaware corporation ("CGI"), Clinton Multistrategy Master Fund, Ltd., a Cayman Islands company ("CMSF"), Clinton Special Opportunities Master Fund, Ltd., a Cayman Islands company ("CSO"), George E. Hall and Conrad Bringsjord (collectively, the "Reporting Persons"), with respect to the shares of Common Stock, par value \$0.01 per share (the "Shares"), of Lenox Group Inc., a Delaware corporation (the "Issuer"), as amended by Amendment No. 1 dated February 16, 2007 and Amendment No. 2 dated February 28, 2007, is hereby amended by this Amendment No. 3.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 3 of the Schedule 13D is hereby amended and restated as follows:

Funds for the purchase of the Shares reported herein were derived from available capital of CMSF and CSO. A total of approximately \$7.8 million was paid to acquire such Shares.

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ITEM 4. PURPOSE OF TRANSACTION.

Item 4 of the Schedule 13D is hereby amended by the addition of the following:

On March 14, 2007, CGI delivered a letter to the Issuer's board of directors citing shareholder disappointment with previous management and the board's performance in guiding the Issuer. As its second largest shareholder, CGI urged the Issuer to consult shareholders with respect to any material changes at the Issuer, including: (1) modification of the Issuer's engagement of Carl Marks Advisory Group; (2) offers of employment for senior management positions; (3) capital structure and financing issues; and (4) any strategic transactions potentially being contemplated by the Issuer. CGI further stated that it would welcome an opportunity to help facilitate the Issuer's turnaround and exploration of strategic ideas by providing three director candidates for shareholder consideration. A copy of this letter is attached hereto as Exhibit B and is incorporated herein by reference.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Paragraphs (a) and (b) of Item 5 of the Schedule 13D are hereby amended and restated as follows:

(a) As of the close of business on March 14, 2007, the Reporting Persons beneficially owned an aggregate of 1,537,333 Shares, constituting approximately 10.9% of the Shares outstanding.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 14,125,111 Shares outstanding, which is the total number of Shares outstanding as of October 27, 2006 as reported in the Issuer's Quarterly Report on Form 10-Q for the period ended September 30, 2006.

(b) By virtue of investment management agreements with each of CMSF and CSO, CGI has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 685,785 Shares held by CMSF and the 851,548 Shares held by CSO. By virtue of his direct and indirect control of CGI, George E. Hall is deemed to have shared voting power and shared dispositive power with respect to all Shares as to which CGI has voting power or dispositive power. By virtue of his position as managing director and senior portfolio manager of CGI, Conrad Bringsjord is also deemed to have shared voting power and shared dispositive power with respect to all Shares as to which CGI has voting power or dispositive power. Accordingly, CGI, George E. Hall and Conrad Bringsjord are deemed to have shared voting and shared dispositive power with respect to an aggregate of 1,537,333 Shares.

Item 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Item 6 of the Schedule 13D is hereby amended and restated as follows:

The Reporting Persons may, from time to time, enter into and dispose of cash-settled equity swap or other similar derivative transactions with one or more counterparties that are based upon the value of Shares, which transactions may be significant in amount. The profit, loss and/or return on such contracts may be wholly or partially dependent on the market value of the Shares, the relative value of Shares in comparison to one or more other financial instruments, indexes or securities, a basket or group of securities in which Shares may be included, or a combination of any of the foregoing. In addition to the Shares that they beneficially own without reference to these contracts, the

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Reporting Persons currently have long economic exposure to 265,600 Shares through such contracts. Such contracts do not give the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the Issuer. Accordingly, the Reporting Persons disclaim any beneficial ownership in any securities that may be referenced in such contracts or that may be held from time to time by any counterparties to such contracts.

Except as otherwise set forth herein, the Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the securities of the Issuer.

Item 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 the Schedule 13D is hereby amended and restated as follows:

Exhibit A - Joint Filing Agreement dated February 12, 2007 (previously filed)
Exhibit B - Letter to the Issuer dated March 14, 2007

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SIGNATURES

After reasonable inquiry and to the best of his or its knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: March 15, 2007

CLINTON GROUP, INC.

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON MULTISTRATEGY MASTER FUND, LTD.

By: Clinton Group, Inc. its investment
manager

By: /s/ Francis Ruchalski

Name: Francis Ruchalski
Title: Comptroller

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

By: Clinton Group, Inc. its investment
manager

By: /s/ Francis Ruchalski

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Name: Francis Ruchalski
 Title: Comptroller

/s/ George E. Hall

 George E. Hall

/s/ Conrad Bringsjord

 Conrad Bringsjord

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SCHEDULE B

TRANSACTIONS IN THE SHARES BY THE REPORTING PERSONS SINCE THE MOST RECENT FILING
 ON

SCHEDULE 13D

Clinton Multistrategy Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
3/02/07	8,000	5.09
3/05/07	10,000	4.93
3/06/07	10,000	4.81
3/07/07	15,000	4.82
3/08/07	30,000	4.99
3/09/07	11,000	5.04
3/12/07	500	5.01
3/12/07	8,500	5.02
3/13/07	3,500	5.05
3/14/07	17,600	5.03

Clinton Special Opportunities Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
3/08/07	29,900	4.99
3/09/07	11,000	5.04
3/12/07	8,600	5.02
3/12/07	500	5.01

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3/13/07	3,500	5.05
3/14/07	17,700	5.03