

Edgar Filing: U S LIQUIDS INC - Form SC 13D

U S LIQUIDS INC
Form SC 13D
March 16, 2004

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

SCHEDULE 13D
(Rule 13d-101)

(Amendment No. 1)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED
PURSUANT TO RULE 13d-1(a) AND AMENDMENTS THERETO
FILED PURSUANT TO RULE 13d-2(a)

US Liquids Inc.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

902974104

(CUSIP Number of Class of Securities)

Wynnefield Partners Small Cap Value, L.P.
450 Seventh Avenue, Suite 509
New York, New York 10123
Attention: Mr. Nelson Obus

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

Copy to:

Shahe Sinanian, Esq.
Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
(212) 801-9200

March 10, 2004

(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 if filing this Schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box []

(continued on following pages)

(Page 1 of 10 Pages)

Edgar Filing: U S LIQUIDS INC - Form SC 13D

CUSIP No. 902974104

13D

Page 2 of 10 Pages

1. NAME OF REPORTING PERSON:
Wynnefield Partners Small Cap Value, L.P.
S.S. OR I.R.S. IDENTIFICATION No. OF ABOVE PERSON: 13-3688497

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

3. SEC USE ONLY

4. SOURCE OF FUNDS
WC (SEE ITEM 3)

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	7.	SOLE VOTING POWER 260,000 shares (See Item 5)
BENEFICIALLY OWNED BY	8.	SHARED VOTING POWER -0- (See Item 5)
EACH REPORTING PERSON	9.	SOLE DISPOSITIVE POWER 260,000 shares (See Item 5)
WITH	10.	SHARED DISPOSITIVE POWER -0- (See Item 5)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
260,000 shares (See Item 5)

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.6% (See Item 5)

14. TYPE OF REPORTING PERSON
PN

Edgar Filing: U S LIQUIDS INC - Form SC 13D

CUSIP No. 902974104

13D

Page 3 of 10 Pages

1. NAME OF REPORTING PERSON:
Wynnefield Small Cap Value Offshore Fund, Ltd.
S.S. OR I.R.S. IDENTIFICATION No. OF ABOVE PERSON: Not Applicable

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

3. SEC USE ONLY

4. SOURCE OF FUNDS
WC (SEE ITEM 3)

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	7.	SOLE VOTING POWER 194,500 shares (See Item 5)
BENEFICIALLY OWNED BY	8.	SHARED VOTING POWER -0- (See Item 5)
EACH REPORTING PERSON	9.	SOLE DISPOSITIVE POWER 194,500 shares (See Item 5)
WITH	10.	SHARED DISPOSITIVE POWER -0- (See Item 5)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
194,500 shares (See Item 5)

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.2% (See Item 5)

14. TYPE OF REPORTING PERSON
CO

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(Page 3 of 10 Pages)

CUSIP No. 902974104

13D

Page 4 of 10 Pages

1. NAME OF REPORTING PERSON:
Wynnefield Partners Small Cap Value, L.P.I
S.S. OR I.R.S. IDENTIFICATION No. OF ABOVE PERSON: 13-3953291

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

3. SEC USE ONLY

4. SOURCE OF FUNDS
WC (SEE ITEM 3)

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	7.	SOLE VOTING POWER 250,500 shares (See Item 5)
BENEFICIALLY OWNED BY	8.	SHARED VOTING POWER -0- (See Item 5)
EACH REPORTING PERSON	9.	SOLE DISPOSITIVE POWER 250,500 shares (See Item 5)
WITH	10.	SHARED DISPOSITIVE POWER -0- (See Item 5)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
250,500 shares (See Item 5)

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.5% (See Item 5)

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14. TYPE OF REPORTING PERSON
PN

(Page 4 of 10 Pages)

CUSIP No. 902974104

13D

Page 5 of 10 Pages

1. NAME OF REPORTING PERSON:
Wynnefield Capital Management LLC
S.S. OR I.R.S. IDENTIFICATION No. OF ABOVE PERSON: Not Applicable

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

3. SEC USE ONLY

4. SOURCE OF FUNDS
AF (SEE ITEM 3)

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION
New York

NUMBER OF SHARES	7.	SOLE VOTING POWER 510,500 shares (See Item 5)
BENEFICIALLY OWNED BY	8.	SHARED VOTING POWER -0- (See Item 5)
EACH REPORTING PERSON	9.	SOLE DISPOSITIVE POWER 510,500 shares (See Item 5)
WITH	10.	SHARED DISPOSITIVE POWER -0- (See Item 5)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
510,500 shares (See Item 5)

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

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.1% (See Item 5)

14. TYPE OF REPORTING PERSON
OO (Limited Liability Company)

(Page 5 of 10 Pages)

CUSIP No. 902974104

13D

Page 6 of 10 Pages

1. NAME OF REPORTING PERSON:
Wynnefield Capital, Inc.
S.S. OR I.R.S. IDENTIFICATION No. OF ABOVE PERSON: N/A

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

3. SEC USE ONLY

4. SOURCE OF FUNDS
AF (SEE ITEM 3)

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	7.	SOLE VOTING POWER 194,500 shares (See Item 5)
BENEFICIALLY OWNED BY	8.	SHARED VOTING POWER -0- (See Item 5)
EACH REPORTING PERSON	9.	SOLE DISPOSITIVE POWER 194,500 shares (See Item 5)
WITH	10.	SHARED DISPOSITIVE POWER -0- (See Item 5)

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
194,500 shares (See Item 5)

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

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 1.2% (See Item 5)

14. TYPE OF REPORTING PERSON
 CO

(Page 6 of 10 Pages)

This Amendment No. 1 ("Amendment No. 1") amends the Statement of Beneficial Ownership on Schedule 13D, filed by Wynnefield Partners Small Cap Value, L.P. (the "Partnership"), Wynnefield Partners Small Cap Value, L.P. I (the "Partnership-I"), Wynnefield Small Cap Offshore Fund, Ltd. (the "Fund"), Wynnefield Capital Management, LLC ("WCM") and Wynnefield Capital, Inc. ("WCI" and, collectively with the Partnership, the Partnership-I, the Fund and WCM, the "Wynnefield Group"), with the Securities and Exchange Commission (the "Commission") on January 12, 2004 (the "Schedule 13D"), with respect to the shares of common stock, par value \$0.01 per share, of U S Liquids, Inc., a Delaware corporation with its principal executive offices located at 411 N. Sam Houston Parkway East, Suite 400, Houston, Texas 77060-3545. Unless specifically amended hereby, the disclosures set forth in the Schedule 13D shall remain unchanged.

ITEM 4. PURPOSES OF TRANSACTION.

The response to Item 4 is hereby supplemented and amended by adding thereto the following:

On March 10, 2004, the Wynnefield Group sold an aggregate of 365,000 shares of Common Stock on the open market at market price. The sales of Common Stock of March 10, 2004 resulted in the Wynnefield Group beneficially owning less than 5% of the total outstanding shares of Common Stock of the Issuer.

ITEM 5. INTERESTS IN SECURITIES OF THE ISSUER.

The response to Item 5 is hereby amended in its entirety by the following:

(A) - (C) As of March 10, 2004, the Wynnefield Group beneficially owned in the aggregate 705,000 shares of Common Stock, constituting approximately 4.3 % of the outstanding shares of Common Stock (the percentage of shares owned being based upon 16,233,149 shares outstanding on December 10, 2003, as set forth in the Issuer's most recent report on Form 10-Q for the period ended September 30, 2003 filed with the Commission on January 6, 2004). The following table sets forth certain information with respect to shares of Common Stock directly beneficially owned by the Wynnefield Group members listed:

NAME	NUMBER OF SHARES	APPROXIMATE PERCENTAGE OF OUTSTANDING SHARES
----	-----	-----

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Partnership *	260,000	1.6%
Partnership-I *	250,500	1.5%
Fund **	194,500	1.2%

* WCM has an indirect beneficial ownership interest in these shares of Common Stock.

** WCI has an indirect beneficial ownership interest in these shares of Common Stock.

(Page 7 of 10 Pages)

WCM is the sole general partner of the Partnership and Partnership-I and, accordingly, may be deemed to be the indirect beneficial owner (as that term is defined under Rule 13d-3 under the Exchange Act) of the shares of Common Stock that the Partnership and Partnership-I beneficially own. WCM, as the sole general partner of the Partnership and Partnership-I, has the sole power to direct the voting and disposition of the shares of Common Stock that the Partnership and Partnership-I beneficially own.

Messrs. Obus and Landes are the co-managing members of WCM and, accordingly, each of Messrs. Obus and Landes may be deemed to be the indirect beneficial owner (as that term is defined under Rule 13d-3 under the Exchange Act) of the shares of Common Stock that WCM may be deemed to beneficially own. Each of Messrs. Obus and Landes, as a co-managing member of WCM, shares with the other the power to direct the voting and disposition of the shares of Common Stock that WCM may be deemed to beneficially own.

WCI is the sole investment manager of the Fund and, accordingly, may be deemed to be the indirect beneficial owner (as that term is defined under Rule 13d-3 under the Exchange Act) of the shares of Common Stock that the Fund beneficially owns. WCI, as the sole investment manager of the Fund, has the sole power to direct the voting and disposition of the shares of Common Stock that the Fund beneficially owns. Messrs. Obus and Landes are the principal executive officers of WCI and, accordingly, each of Messrs. Obus and Landes may be deemed to be the indirect beneficial owner (as that term is defined under Rule 13d-3 under the Exchange Act) of the shares of Common Stock that WCI may be deemed to beneficially own. Each of Messrs. Obus and Landes, as a principal executive officer of WCI, shares with the other the power to direct the voting and disposition of the shares of Common Stock that WCI may be deemed to beneficially own.

Beneficial ownership of shares of Common Stock shown on the cover pages of and set forth elsewhere in this Amendment No. 1 for each member of the Wynnefield Group assumes that they have not formed a group for purposes of Section 13(d)(3) under the Exchange Act, and Rule 13d-5(b)(1) promulgated thereunder. If the members of the Wynnefield Group were deemed to have formed a group for purposes of Section 13(d)(3) and Rule 13d-5(b)(1), the group would be deemed to own beneficially (and may be deemed to have shared voting and dispositive power over) 705,000 shares of Common Stock, constituting approximately 4.3% of the outstanding shares of Common Stock (the percentage of shares owned being based upon 16,233,149 shares outstanding on December 10, 2003, as set forth in the Issuer's most recent report on Form 10-Q for the period ended September 30, 2003, filed with the Commission on January 6, 2004).

The filing of this Amendment No. 1 and any future amendment by the Wynnefield Group, and the inclusion of information herein and therein with

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respect to Messrs. Obus and Landes, shall not be considered an admission that any of such persons, for the purpose of Section 13(d) of the Exchange Act, are the beneficial owners of any shares in which such persons do not have a pecuniary interest.

To the best knowledge of the Wynnefield Group, except as described in this Amendment No. 1, none of the Wynnefield Group, any person in control (ultimately or otherwise) of the Wynnefield Group, any general partner, executive officer or director thereof, as applicable, beneficially owns any shares of Common Stock, and except as set forth in the table below, there

(Page 8 of 10 Pages)

have been no transactions in shares of Common Stock affected during the past 60 days, by the Wynnefield Group, any person in control of the Wynnefield Group (ultimately or otherwise), or any general partner, executive officer or director thereof, as applicable; provided, however, certain investment banking affiliates of the Wynnefield Group may beneficially own shares of Common Stock, including shares that may be held in discretionary or advisory accounts with the Wynnefield Group; and the Wynnefield Group, directly or in connection with such discretionary or advisory accounts, may acquire, hold, vote or dispose of Common Stock, including transactions that may have occurred during the past 60 days.

The members of the Wynnefield Group listed below have made open market sales of shares of Common Stock during the past 60 days, as follows:

Name ----	Date ----	Number of Shares -----	Price Per Share -----
Partnership	March 10, 2004	130,000	\$0.02
Partnership - I	March 10, 2004	140,000	\$0.02
Fund	March 10, 2004	95,000	\$0.02
Fund	March 8, 2004	130,000	\$0.03

(d) No person, other than each of the members of the Wynnefield Group referred to as the direct beneficial owner of the shares of Common Stock set forth in this response to Item 5, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares of Common Stock.

(e) The sales of Common Stock on March 10, 2004 resulted in the Wynnefield Group beneficially owning less than 5% of the total outstanding shares of Common Stock of the Issuer.

(Page 9 of 10 Pages)

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SIGNATURE

After reasonable inquiry and to the best of their knowledge and belief, the undersigned certify that the information set forth in this Amendment No. 1 is true, complete and correct.

Dated: March 15, 2004

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P.

By: Wynnefield Capital Management, LLC,
General Partner

By: /s/ Nelson Obus

Nelson Obus, Co-Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P. I

By: Wynnefield Capital Management, LLC,
General Partner

By: /s/ Nelson Obus

Nelson Obus, Co-Managing Member

WYNNEFIELD SMALL CAP VALUE OFFSHORE FUND, LTD.

By: Wynnefield Capital, Inc.

By: /s/ Nelson Obus

Nelson Obus, President

WYNNEFIELD CAPITAL MANAGEMENT, LLC

By: /s/ Nelson Obus

Nelson Obus, Co-Managing Member

WYNNEFIELD CAPITAL, INC.

By: /s/ Nelson Obus

Nelson Obus, President

(Page 10 of 10 Pages)