

KONOVER PROPERTY TRUST INC
Form SC 13D/A
May 23, 2002

=====

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 8)

KONOVER PROPERTY TRUST, INC.
(formerly known as FAC Realty Trust, Inc.)
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

301953 10 5
(CUSIP Number)

MARJORIE L. REIFENBERG, ESQ.
LAZARD FRERES REAL ESTATE INVESTORS L.L.C.
30 ROCKEFELLER PLAZA
NEW YORK, NY 10020
(212) 632-6000

WITH A COPY TO:

TOBY S. MYERSON, ESQ.
PAUL, WEISS, RIFKIND, WHARTON & GARRISON
1285 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6064
(212) 373-3000

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

May 22, 2002
(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 which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 1(f) or 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-1(a) for other parties to whom copies are to be sent.

*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.

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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)
66.0%

14 TYPE OF REPORTING PERSON
00 (real estate investment trust)

Page 3

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
Prometheus Southeast Retail L.L.C.

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

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
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
None

8 SHARED VOTING POWER
21,052,631

9 SOLE DISPOSITIVE POWER
None

10 SHARED DISPOSITIVE POWER
21,052,631

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
21,052,631

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

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66.0%

14 TYPE OF REPORTING PERSON
00 (limited liability company)

Page 4

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON
LFSRI II SPV REIT Corp.

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
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21,052,631

9 SOLE DISPOSITIVE POWER

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None

10 SHARED DISPOSITIVE POWER

21,052,631

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66.0%

14 TYPE OF REPORTING PERSON

CO

Page 5

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

LF Strategic Realty Investors II L.P.

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

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Delaware

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
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21,052,631

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[]

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66.0%

14 TYPE OF REPORTING PERSON

PN (limited partnership)

Page 6

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

LFSRI II Alternative Partnership L.P.

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

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

NUMBER OF
SHARES
BENEFICIALLY OWNED BY EACH

None

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REPORTING
PERSON
WITH

8 SHARED VOTING POWER

21,052,631

9 SOLE DISPOSITIVE POWER

None

10 SHARED DISPOSITIVE POWER

21,052,631

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21,052,631

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66.0%

14 TYPE OF REPORTING PERSON

PN (limited partnership)

Page 7

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

LFSRI II-CADIM Alternative Partnership L.P.

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

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[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

7 SOLE VOTING POWER
None
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER
21,052,631

9 SOLE DISPOSITIVE POWER
None

10 SHARED DISPOSITIVE POWER
21,052,631

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66.0%

14 TYPE OF REPORTING PERSON

00 (limited liability company)

Page 9

1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Lazard Freres & Co. LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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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

New York

NUMBER OF
SHARES
BENEFICIALLY OWNED BY EACH
REPORTING
PERSON
WITH

7 SOLE VOTING POWER

None

8 SHARED VOTING POWER

21,052,631

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66.0%

14 TYPE OF REPORTING PERSON

OO (limited liability company)

Page 10

This Amendment No. 8, dated May 22, 2002, is filed by Prometheus Southeast Retail Trust, a Maryland real estate investment trust ("Trust"), Prometheus Southeast Retail LLC, a Delaware limited liability Company ("Prometheus"), LFSRI II SPV REIT Corp., a Delaware corporation ("SPV"), LF Strategic Realty Investors II L.P., a Delaware limited partnership ("LFSRI II"), LFSRI II Alternative Partnership L.P., a Delaware limited partnership ("Alternative"), LFSRI II-CADIM Alternative Partnership L.P., a Delaware limited partnership ("CADIM"), Lazard Freres Real Estate Investors L.L.C., a New York limited liability company ("LFREI"), and Lazard Freres & Co. LLC, a New York limited liability company ("Lazard," and together with Trust, Prometheus, SPV,

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CADIM, Alternative, LFSRI II and LFREI, the "Reporting Persons").

Capitalized terms used herein but not defined shall have the meanings ascribed thereto in the Schedule 13D dated March 6, 1998, as amended, filed by Prometheus and LFSRI II (as amended, the "Existing Schedule 13D"). This Amendment hereby amends and supplements the Existing Schedule 13D as follows:

ITEM 1. SECURITY AND ISSUER.

No change.

ITEM 2. IDENTITY AND BACKGROUND.

No change.

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

No change.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 is hereby amended and supplemented by the addition of the following:

On May 22, 2002, at the request of the Special Committee (the "Special Committee") of the Board of Directors of the Company, the Trust, on behalf of itself and Kimco Realty Corporation, a Maryland corporation ("Kimco"), delivered a modified proposal (as modified, the "Revised Proposal") to the Special Committee (a copy of which is attached as an exhibit hereto and incorporated herein by reference) pursuant to which the Trust and Kimco increased the merger consideration proposed to be paid to the Company's stockholders. Except for the increase in the merger consideration, the terms and conditions of the proposal set forth in the letter, dated May 17, 2002, from the Trust and Kimco to the Special Committee (the "May 17 Proposal"), remained unchanged.

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Pursuant to the Revised Proposal (and subject to the other terms and conditions contained in the May 17 Proposal), in the proposed merger transaction (the "Transaction"), the holders of the Company's common stock would receive \$1.95 per share ("Cash Price") in cash in exchange for their shares of common stock in the Company, and the holders of the Company's Series A Convertible Preferred Stock would be given the opportunity to elect to receive in the Transaction either (x) a new preferred security representing a continuing interest in the Company or (y) 105% of the Cash Price multiplied by the number of shares of common stock issuable upon conversion of such holder's shares of Series A Convertible Preferred Stock.

Except as set forth above, the Reporting Persons have no present plans or intentions that would result in any of the matters required to be set forth in items (a) through (j) of Item 4 of Schedule 13D.

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ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

No change.

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

No change.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

1. Letter dated May 22, 2002 from Prometheus Southeast Retail Trust to Special Committee of the Board of Directors of Konover Property Trust, Inc.

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SIGNATURES

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.

Dated as of May 22, 2002

PROMETHEUS SOUTHEAST RETAIL TRUST

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief
Financial Officer

PROMETHEUS SOUTHEAST RETAIL L.L.C.

By: LFSRI II SPV REIT Corp.
as managing member

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief
Financial Officer

LFSRI II SPV REIT CORP.

By: /s/ John A. Moore

Name: John A. Moore
Title: Vice President and Chief

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Financial Officer

LF STRATEGIC REALTY INVESTORS II L.P.

By:Lazard Freres Real Estate Investors L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

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LFSRI II ALTERNATIVE PARTNERSHIP L.P.

By:Lazard Freres Real Estate Investors L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LFSRI II-CADIM ALTERNATIVE PARTNERSHIP L.P.

By:Lazard Freres Real Estate Investors L.L.C.
as general partner

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LAZARD FRERES REAL ESTATE INVESTORS L.L.C.

By: /s/ John A. Moore

Name: John A. Moore
Title: Managing Principal and
Chief Financial Officer

LAZARD FRERES & CO. LLC

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By: /s/ Matthew J. Lustig

Name: Matthew J. Lustig
Title: Managing Director