

GANDER MOUNTAIN CO  
Form SC 13D/A  
October 01, 2009

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

**SCHEDULE 13D**

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

**Gander Mountain Company**

(Name of Issuer)

**Common Stock, par value \$0.01 per share**

(Title of Class of Securities)

**36471P 10 8**

(CUSIP Number)

**Phillip R. Stanton, Esq.**

**Greensfelder, Hemker & Gale, P.C.**

**Ten South Broadway, Suite 2000  
St. Louis, Missouri 63102**

**(314) 241-9090**

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

**September 27, 2009**

(Date of Event Which Requires Filing of this Statement)

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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), 13d-1(f) or 13d-1(g), check the following box. o

**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.

\*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.

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).

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CUSIP No. **36471P 10 8**

1. Names of Reporting Persons  
David C. Pratt
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
 

(a)	<input checked="" type="checkbox"/>
(b)	<input type="checkbox"/>
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
PF
  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        | 21,605    |
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 8.  | Shared Voting Power      | 8,776,255 |
|   | 9.  | Sole Dispositive Power   | 21,605    |
|   | 10. | Shared Dispositive Power | 8,766,255 |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
8,787,860
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)
  13. Percent of Class Represented by Amount in Row (11)  
36.3% based on 24,197,732 shares outstanding and 20,000 options exercisable within 60 days held by Mr. Pratt
  14. Type of Reporting Person (See Instructions)  
IN
-

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1. Names of Reporting Persons  
Mark R. Gale
  2. Check the Appropriate Box if a Member of a Group (See Instructions)
    - (a)  x
    - (b)  o
  3. SEC Use Only
  4. Source of Funds (See Instructions)  
AF
  5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o
  6. Citizenship or Place of Organization  
United States
- |   |     |  |
|---|-----|--|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each<br>Reporting<br>Person With | 7.  | Sole Voting Power<br>1,400,000 SUBJECT TO THE DISCLAIMER IN ITEM 5.        |
|   | 8.  | Shared Voting Power<br>8,766,255 SUBJECT TO THE DISCLAIMER IN ITEM 5.      |
|   | 9.  | Sole Dispositive Power<br>1,400,000 SUBJECT TO THE DISCLAIMER IN ITEM 5.   |
|   | 10. | Shared Dispositive Power<br>8,766,255 SUBJECT TO THE DISCLAIMER IN ITEM 5. |
11. Aggregate Amount Beneficially Owned by Each Reporting Person  
10,166,255 SUBJECT TO THE DISCLAIMER IN ITEM 5.
  12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o
  13. Percent of Class Represented by Amount in Row (11)  
42.01% based on 24,197,732 shares outstanding
  14. Type of Reporting Person (See Instructions)  
IN

This Amendment No. 3 ( Amendment ) amends the Schedule 13D originally filed by Mr. Pratt and Mr. Gale (the Reporting Persons ) on August 19, 2005, amended on December 13, 2006 and December 6, 2007 to reflect transactions on and developments through September 27, 2009, relating to such persons' respective holdings of the securities of Gander Mountain Company (the Issuer ). The Reporting Persons may be deemed to constitute a group and, accordingly, jointly

file this Amendment. This Amendment is being filed to disclose certain changes to Items 3, 4, 5, 6 and 7 of the Schedule 13D. Only those Items that are reported in this Amendment are amended and supplemented in the manner indicated, and responses to all other Items remain unchanged.

**Item 3. Source and Amount of Funds or Other Consideration.**

Item 3 is amended and supplemented by adding the following:

As discussed in Item 4, Gratco estimates that it will pay approximately \$9.9 million pursuant to the Funding Agreement (as defined in Item 4) in connection with the Reverse Split Funding Amount (as defined in Item 4) and the Offer to Purchase Funding Amount (as defined in Item 4).

**Item 4. Purpose of Transaction.**

The following paragraph is added to the end of Item 4.

On September 27, 2009, a special committee of the board of directors of the Issuer recommended, and the Issuer's board of directors approved, a going private transaction through an amendment to the Issuer's articles of incorporation to effect a 1-for-30,000 reverse stock split of its common stock. After the reverse stock split, any shareholder of the Issuer holding less than one share will receive a cash payment of \$5.15 for each share held prior to the reverse split. Immediately following the reverse stock split, the Issuer will file a second amendment to its articles of incorporation to effect a 30,000-for-1 forward stock split. As a result, shareholders of the Issuer holding 30,000 or more shares of Common Stock at the time of the reverse split will retain their current numbers of shares of common stock without change and not receive cash in the transaction. The transaction described above is called the Reverse-Forward Split. On September 28, 2009, the Issuer issued a press release announcing this transaction. A copy of this press release is included as an exhibit to this Amendment.

The funding for the cash payment for the fractional shares in connection with the Reverse-Forward Split will be provided by Gratco, LLC (Gratco) and another shareholder of the Issuer, Holiday Stationstores, Inc. Gratco has entered into a Funding and Indemnification Agreement with the Issuer (the Funding Agreement), pursuant to which Gratco has agreed to fund a portion of the amount required to cash out fractional shares of the Issuer as a result of the Reverse-Forward Split, such that upon completion of the Reverse-Forward Split (and the issuance of shares as set forth below) Gratco and certain of its affiliates will own the same number of shares of the Issuer's common stock as are owned collectively by Holiday Stationstores, Inc. and certain other members of the Erickson family. The amount of such funding obligation to be paid by Gratco under the Funding Agreement is called the Reverse Split Funding Amount.

Following the effectiveness of the Reverse-Forward Split, the Issuer will issue to Gratco shares of the Issuer's common stock equal to the Reverse Split Funding Amount provided by Gratco divided by \$5.15.

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Pursuant to the Funding Agreement, Gratco has also agreed to make an offer to purchase one-half of the shares of common stock of the Issuer remaining outstanding following the Reverse-Forward Split (other than shares held by either the Holiday Stationstores, Inc. and its affiliates or Gratco and its affiliates) at a purchase price of \$5.15 per share (the Offer to Purchase ). The amount to be paid by Gratco under the Funding Agreement in connection with the Offer to Purchase is called the Offer to Purchase Funding Amount. It is the understanding of the Reporting Persons that Holiday Stationstores, Inc. will offer to purchase the other half of the shares of common stock of the Issuer remaining outstanding following the Reverse-Forward Split on the same terms.

Gratco estimates that it will pay an aggregate of approximately \$9.9 million in connection with the Reverse Split Funding Amount and the Offer to Purchase Funding Amount. Gratco also estimates that the aggregate number of shares of Common Stock that will be issued by the Issuer to Gratco upon completion of the Reverse-Forward Split and that will be purchased by Gratco in connection with the Offer to Purchase will be approximately 1.9 million shares (assuming that all of the outstanding shares, other than those held by Gratco and its affiliates and Holiday Stationstores, Inc. and its affiliates, are tendered in the Offer to Purchase).

It is expected that shortly after completion of the Reverse-Forward Split, the registration of the Issuer's common stock under the Securities Exchange Act of 1934, as amended (the Exchange Act ), would be terminated and the common stock would cease to be listed on the Nasdaq Global Market. In addition, it is anticipated that upon consummation of the Reverse-Forward Split the composition of the board of directors of the Issuer might change, although neither Gratco nor any of the Reporting Persons know at this time who would serve as members of the board of directors of the Issuer after the Reverse-Forward Split.

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Except as stated in response to this Item 4, neither Gratco nor any of the Reporting Persons currently has any plan or proposal with respect to the Issuer or its securities which relate to or would result in any of the actions enumerated in clauses (a)-(j) of Item 4 of Schedule 13D under the Exchange Act.

References to and descriptions of the Funding Agreement as set forth above in this Item 4 are qualified in their entirety by reference to the copy of the Funding Agreement included as an exhibit to this Amendment, and incorporated by reference in this Item 4 in their entirety where such references and descriptions appear.

**Item 5. Interest in Securities of the Issuer.**

The information below in (a)-(c) is amended and restated in its entirety.

(a) The following table represents the shares of common stock beneficially owned by the parties who are Reporting Persons in the filing of this Amendment. The percentages below are based on the assumption that there are 24,197,732 shares of common stock outstanding.

	<b>Relationship to Reporting Person</b>	<b>Shares</b>	<b>Percentage</b>
David C. Pratt	Reporting Person	21,605(1)	
Gratco LLC	Mr. Pratt, sole Manager	8,766,255	
<b>Subtotal for Mr. Pratt</b>		8,787,860	36.3%
David C. Pratt, Irrevocable Grantor Retained Annuity Trust ( GRAT )(2)		10,166,255(3)	42.0%

Notes:

(1) Includes 20,000 shares to be acquired upon options exercisable within 60 days and 1,605 shares of restricted stock.

(2) The GRAT is the sole voting member of Gratco LLC. Except to the extent reflected in paragraph (d) below, neither Mr. Pratt nor Mr. Gale has any economic interest in any of such trusts.

(3) Includes shares held by Gratco LLC ( Gratco ) and 1,400,000 shares held directly by the GRAT. Although Mr. Gale, neither individually nor as the controlling person of the trustee, participates in the management of Gratco, the fact that trusts indirectly controlled by Mr. Gale hold all the equity interests in Gratco may be deemed to result in shared voting or dispositive powers with respect to shares held by Gratco.

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As a result of the Reverse-Forward Stock Split, the Reporting Persons will increase their aggregate beneficial ownership of our common stock from approximately 42.0% to 50%.

AS PERMITTED IN SEC REGULATION SECTION 2.40.13D-4, THIS STATEMENT SHALL NOT BE CONSTRUED AS AN ADMISSION THAT DAVID C. PRATT IS, FOR THE PURPOSES OF SECTION 13(D) OR 13(G) OF THE SECURITIES EXCHANGE ACT, THE BENEFICIAL OWNER OF THE SECURITIES HELD BY THE DAVID C. PRATT IRREVOCABLE GRANTOR RETAINED ANNUITY TRUST. MARK R. GALE DISCLAIMS ANY ECONOMIC BENEFICIAL INTEREST IN THE ASSETS OF THE GRATCO OR THE DAVID C. PRATT IRREVOCABLE GRANTOR RETAINED ANNUITY TRUST.

(b) Subject to the above disclaimers of beneficial ownership, for each Reporting Person named in paragraph (a), the number of shares reflects shares as to which the Reporting Person holds sole voting and investment power.

(c) Except for the matters described in Item 4 of this Amendment, during the past 60 days there have been no transactions in shares of Common Stock of the Issuer by any of the Reporting Persons.

**Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

The following information is added to the end of Item 6:

The description of the Funding Agreement and the Reverse-Forward Split Stock Split provided in Item 4 is incorporated herein by reference.

Pursuant to Rule 13d-1(k)(1) promulgated under the Exchange Act, the Other Reporting Persons have entered into an agreement with respect to the joint filing of this Amendment, and any additional amendment or amendments hereto, a copy of which has been filed as an Exhibit to this Amendment and is incorporated herein by this reference.

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Except as described herein, there are no contracts, arrangements, understandings or relationships among the persons named in Item 2 or between such persons and any other person with respect to any securities of the Issuer.

**Item 7. Material to Be Filed as Exhibits.**

Item 7 is amended and supplemented by adding the following exhibits:

The Funding Agreement is incorporated herein by reference to the Issuer's Current Report on Form 8-K filed on September 29, 2009.

The press release by the Issuer, dated as of September, 28, 2009, is incorporated herein by reference to the Issuer's Current Report on Form 8-K filed on September 29, 2009.

The Filing Agreement among the Persons, dated as of September 30, 2009, is filed herewith.

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**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.

Dated: September 30, 2009

**DAVID C. PRATT IRREVOCABLE GRANTOR  
RETAINED ANNUITY TRUST DATED 12/1/92**  
by its Trustee, Calco, Inc.

*/s/ Mark R. Gale*  
Mark R. Gale

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

**DAVID C. PRATT, INDIVIDUALLY AND AS SOLE  
MANAGER OF GRATO LLC**

*/s/ David C. Pratt*  
David C. Pratt

**Attention: Intentional misstatements or omissions of fact  
constitute Federal Criminal violations (See 18 U.S.C. 1001)**

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**FILING AGREEMENT**

Pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, the undersigned hereby agree that only one statement containing the information required on Schedule 13D (including any amendments) need be filed with respect to ownership by each of the undersigned of shares of the common stock of Gander Mountain Company.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated: September 30, 2009

**DAVID C. PRATT IRREVOCABLE GRANTOR  
RETAINED ANNUITY TRUST DATED 12/1/92**  
by its Trustee, Calco, Inc.

*/s/ Mark R. Gale*  
Mark R. Gale

**DAVID C. PRATT, INDIVIDUALLY AND AS SOLE  
MANAGER OF GRATO LLC**

*/s/ David C. Pratt*  
David C. Pratt