

FRIEDMANS INC  
Form SC 13D  
June 22, 2004

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|--|--|
| <p style="text-align: center;">UNITED STATES</p> <p style="text-align: center;">SECURITIES AND EXCHANGE COMMISSION</p> <p style="text-align: center;">Washington, D.C. 20549</p> | <p style="text-align: center;">OMB APPROVAL</p> <p>OMB Number: 3235-0145</p> <p>Expires: December 31,<br/>2005</p> <p>Estimated average burden<br/>hours per response 11</p> |
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SCHEDULE 13D

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

Friedman's Inc.

(Name of Issuer)

Class A Common Stock

(Title of Class of Securities)

358438109

(CUSIP Number)

Ellyn Roberts, Esq.  
Shartsis, Friese & Ginsburg LLP  
One Maritime Plaza, 18<sup>th</sup> Floor  
San Francisco, CA 94111

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

June 14, 2004

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(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 sections 240.13d-1(e), 240.13d-1(f) or 140.13d-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 section 240.13d-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 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).

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Yacktman Asset Management Co.

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b)  \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization Illinois

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|                |                                      |
|----------------|--------------------------------------|
| Number of      | 7. Sole Voting Power H               |
| Shares         | 8. Shared Voting Power 025,000       |
| Beneficially   | 9. Sole Dispositive Power H          |
| Owned by       | 10. Shared Dispositive Power 881,800 |
| Each Reporting |                                      |
| Person With    |                                      |

11. Aggregate Amount Beneficially Owned by Each Reporting Person 881,800

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)L.3

—

14. Type of Reporting Person (See Instructions)

—

IA

CO

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Donald Arthur Yacktman

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

|  |                                      |
|--|--------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting<br>Person With | 7. Sole Voting Power H               |
|  | 8. Shared Voting Power 025,000       |
|  | 9. Sole Dispositive Power H          |
|  | 10. Shared Dispositive Power 881,800 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person 881,800

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)L.3

—

14. Type of Reporting Person (See Instructions)

—

IN

HC

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Stephen Andrew Yacktmann

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  X

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

|   |                                      |
|---|--------------------------------------|
| Number of                                 | 7. Sole Voting Power H               |
| Shares                                    | 8. Shared Voting Power 025,000       |
| Beneficially                              | 9. Sole Dispositive Power H          |
| Owned by<br>Each Reporting<br>Person With | 10. Shared Dispositive Power 881,800 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person 881,800

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)L.3

—

14. Type of Reporting Person (See Instructions)

—

IN

HC

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Regis Management Company, LLC

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization Delaware

|  |                                      |
|--|--------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting<br>Person With | 7. Sole Voting Power H               |
|  | 8. Shared Voting Power J70,000       |
|  | 9. Sole Dispositive Power H          |
|  | 10. Shared Dispositive Power J70,000 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person J70,000

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)I.3

—

14. Type of Reporting Person (See Instructions)

—

IA

OO

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Regis Public Investments, LLC

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization Delaware

|   |                                     |
|---|-------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting | 7. Sole Voting Power H              |
|   | 8. Shared Voting Power J70,000      |
|   | 9. Sole Dispositive Power H         |
|   | 10. Shared Dispositive PowerJ70,000 |

|             |  |
|-------------|--|
| Person With |  |
|-------------|--|

11. Aggregate Amount Beneficially Owned by Each Reporting Person J70,000

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11) I.3

—

14. Type of Reporting Person (See Instructions)

—

OO

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

John Freidenrich

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

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|                |                                     |
|----------------|-------------------------------------|
| Number of      | 7. Sole Voting Power H              |
| Shares         | 8. Shared Voting Power J70,000      |
| Beneficially   | 9. Sole Dispositive Power H         |
| Owned by       | 10. Shared Dispositive PowerJ70,000 |
| Each Reporting |                                     |
| Person With    |                                     |

11. Aggregate Amount Beneficially Owned by Each Reporting PersonJ70,000

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)I.3

—

14. Type of Reporting Person (See Instructions)

—

IN  
HC

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Robert F.X. Burlinson

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  X

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

|  |                                     |
|--|-------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting<br>Person With | 7. Sole Voting Power H              |
|  | 8. Shared Voting Power J70,000      |
|  | 9. Sole Dispositive Power H         |
|  | 10. Shared Dispositive PowerJ70,000 |

11. Aggregate Amount Beneficially Owned by Each Reporting PersonJ70,000

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)I.3

—

14. Type of Reporting Person (See Instructions)

—

IN  
HC

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Robert E. Dye

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

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) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

|   |                                      |
|---|--------------------------------------|
| Number of                                 | 7. Sole Voting Power H               |
| Shares                                    | 8. Shared Voting Power J70,000       |
| Beneficially                              | 9. Sole Dispositive Power H          |
| Owned by<br>Each Reporting<br>Person With | 10. Shared Dispositive Power J70,000 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person J70,000

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11) I.3

—

14. Type of Reporting Person (See Instructions)

—

IN  
HC

—  
1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Breakwater Capital Management, LLC

—  
2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  X

(b) \_\_\_\_\_

—  
3. SEC Use Only \_

4. Source of Funds (See Instructions) \_\_\_\_\_

—  
5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) \_\_\_\_\_

—  
6. Citizenship or Place of Organization

|  |                                     |
|--|-------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting<br>Person With | 7. Sole Voting Power H              |
|  | 8. Shared Voting Power J4,100       |
|  | 9. Sole Dispositive Power H         |
|  | 10. Shared Dispositive Power J4,100 |

11. Aggregate Amount Beneficially Owned by Each Reporting Person J4,100

—  
12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)H.12

—

14. Type of Reporting Person (See Instructions)

—

IA  
OO

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

Terrence Keola Chun

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

3. SEC Use Only \_\_\_\_\_

4. Source of Funds (See Instructions) \_\_\_\_\_

—

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) \_\_\_\_\_

—

6. Citizenship or Place of Organization U.S.A.

|   |                                     |
|---|-------------------------------------|
| Number of<br>Shares<br>Beneficially<br>Owned by<br>Each Reporting | 7. Sole Voting Power H              |
|   | 8. Shared Voting Power J4,100       |
|   | 9. Sole Dispositive Power H         |
|   | 10. Shared Dispositive Power J4,100 |

|             |  |
|-------------|--|
| Person With |  |
|-------------|--|

11. Aggregate Amount Beneficially Owned by Each Reporting Person J4,100

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11) H.12

—

14. Type of Reporting Person (See Instructions)

—

IN  
HC

—

1. Names of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only).

John Joseph Naporano

—

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a)  \_\_\_\_\_

(b) \_\_\_\_\_

—

3. SEC Use Only \_

4. Source of Funds (See Instructions) \_\_\_\_\_

—

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) \_\_\_\_\_

—

6. Citizenship or Place of Organization U. S.A.

|                |                                    |
|----------------|------------------------------------|
| Number of      | 7. Sole Voting Power H             |
| Shares         | 8. Shared Voting Power J4,100      |
| Beneficially   | 9. Sole Dispositive Power H        |
| Owned by       | 10. Shared Dispositive PowerJ4,100 |
| Each Reporting |                                    |
| Person With    |                                    |

11. Aggregate Amount Beneficially Owned by Each Reporting PersonJ4,100

—

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions) \_\_\_\_\_

—

13. Percent of Class Represented by Amount in Row (11)H.12

—

14. Type of Reporting Person (See Instructions)

—

IN  
HC

Item 1. Security and Issuer

This statement relates to shares of Class A Common Stock (the "Stock") of Friedman's Inc. (the "Issuer"). The principal executive office of the Issuer is located at 171 Crossroads Parkway, Savannah, GA 31422.

Item 2. Identity and Background

The persons filing this statement and the persons enumerated in Instruction C of Schedule 13D and, where applicable, their respective places of organization, general partners, directors, executive officers and controlling persons, and the information regarding them, are as follows:

- (a) **Yacktman Asset Management Co. ("Yacktman Asset Management")**
- Donald Arthur Yacktman**
- Stephen Andrew Yacktman**
- Regis Management Company, LLC ("Regis Management")**
- Regis Public Investments, LLC ("Regis Public Investments")**
- John Freidenrich**
- Robert F.X. Burlinson**

**Robert E. Dye**  
**Breakwater Capital Management, LLC ("Breakwater Capital")**  
**Terrence Keola Chun**  
**John Joseph Naporano**

\*(collectively, the "Filers").

(b) The business address of Yacktman Asset Management and Messrs. Yacktman is:

**1110 Lake Cook Road, Suite 385, Buffalo Grove, IL 60089.**

The business address of Regis Management, Regis Public Investments, Mr. Freidenrich, Mr. Burlinson, Mr. Dye, Breakwater Capital, Mr. Chun and Mr. Naporano is:

**300 Hamilton Avenue, 4th Floor, Palo Alto, CA 94301**

(c) Present principal occupation or employment of the Filers and the name, principal business and address of any corporation or other organization in which such employment is conducted:

Yacktman Asset Management is an investment adviser registered with the Securities and Exchange Commission (the "SEC") and is the investment adviser to investment companies registered under the Investment Company Act of 1940 and individual client accounts. Messrs. Yacktman are the control persons of Yacktman Asset Management. Regis Management is an investment adviser registered with the SEC and is the investment adviser to investment limited partnerships of which Regis Public Investments is the general partner, and individual client accounts. Regis Public Investments is the general partner of investment limited partnerships. Mr. Freidenrich, Mr. Burlinson and Mr. Dye are the control persons of Regis Management and Regis Public Investments. Breakwater Capital is an investment adviser registered with the California Department of Corporations and is the general partner of, and investment adviser to, investment limited partnerships and individual client accounts. Mr. Chun and Mr. Naporano are the control persons of Breakwater Capital.

(d) During the last five years, none of the Filers has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Filers was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) The citizenship of each Filer is listed on that Filer's cover page.

Item 3. Source and Amount of Funds or Other Consideration

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The source and amount of funds used in purchasing the Stock were as follows:

| Purchaser                 | Source of Funds        | Amount      |
|---------------------------|------------------------|-------------|
| Yacktman Asset Management | Funds under Management | \$5,348,595 |
| Regis Management          | Funds under Management | \$1,466,721 |
| Breakwater Capital        | Funds under Management | \$172,780   |

Item 4. Purpose of Transaction

The Filers acquired the Stock for investment purposes in the ordinary course of business. They may purchase, hold, vote, trade, dispose or otherwise deal in the Stock at such times and in such manner as they deem advisable to benefit from changes in the Stock's market price, changes in the Issuer's operations, business strategy or prospects, or from the sale or merger of the Issuer or other events. To evaluate such alternatives, the Filers routinely will monitor the Issuer's operations, prospects, business development, management, competitive and strategic matters, capital structure, and prevailing market conditions, as well as alternative investment opportunities, the Filers' liquidity requirements and other investment considerations. In particular, the Filers are concerned about recent disclosures by the Issuer about management changes, financial and reporting improprieties, self-dealing, conflicts of interest, corporate governance issues, regulatory investigations and other matters. The Filers may discuss such matters with the Issuer's management or directors or other stockholders. Such factors and discussions materially may affect, and result in, the Filers' modifying their ownership of the Stock, exchanging information with the Issuer pursuant to appropriate confidentiality or similar agreements, proposing changes in the Issuer's operations, governance or capitalization or taking other actions. The Filers may form other plans and/or make other proposals, and take such actions regarding their investment, including any or all of the actions set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D. The Filers may reconsider and change their plans or proposals relating to the foregoing at any time.

Item 5. Interest in Securities of the Issuer

The beneficial ownership of the Stock by each Filer at the date hereof is reflected on that Filer's cover page.

The Filers effected the following transactions in the Stock in open market transactions on the dates indicated, and such transactions are the only transactions in the Stock by the Filers since 60 days before the date on the cover page:

| <u>Name</u>               | <u>Purchase or Sale</u> | <u>Date</u> | <u>Number of Shares</u> | <u>Price Per Share</u> |
|---------------------------|-------------------------|-------------|-------------------------|------------------------|
| Breakwater Capital        | Purchase                | 4/30/04     | 200                     | \$4.96                 |
| Yacktman Asset Management | Purchase                | 5/11/04     | 21,000                  | \$2.02                 |
| Yacktman Asset            | Purchase                | 5/12/04     | 22,500                  | \$2.21                 |

Management

|                           |          |         |        |        |
|---------------------------|----------|---------|--------|--------|
| Yacktman Asset Management | Purchase | 5/12/04 | 83,800 | \$2.49 |
| Breakwater Capital        | Sale     | 5/20/04 | 5,000  | \$3.70 |

Item 6. Contracts, Arrangement, Understandings or Relationships with Respect to Securities of the Issuer

Regis Public Investments and Breakwater Capital are the general partners of investment partnerships pursuant to limited partnership agreements that grant them the authority, among other things, to invest those investment partnerships funds' in the Stock, to vote and dispose of the Stock and to file this statement on behalf of those investment partnerships Pursuant to such agreements, Regis Public Investments and Breakwater Capital are entitled to allocations based on assets under management and realized and unrealized gains.

Item 7. Material to Be Filed as Exhibits

Agreement Regarding Joint Filing of Statement on Schedule 13D or 13G.

SIGNATURES

After reasonable inquiry and to the best of my knowledge, I certify that the information set forth in this statement is true, complete and correct.

Dated: June 21, 2004

YACKTMAN ASSET MANAGEMENT CO.

REGIS MANAGEMENT COMPANY, LLC

By: /s/ Donald Arthur Yacktman  
President

By: /s/ Robert F.X. Burlinson  
Manager

REGIS PUBLIC INVESTMENTS, LLC

/s/ Donald Arthur Yacktman

By: /s/ Robert F.X. Burlinson  
Manager

/s/ Robert F.X. Burlinson

/s/ Stephen Andrew Yacktman

BREAKWATER CAPITAL MANAGEMENT,  
LLC

By: /s/ Terrence Chun

Managing Member

/s/ John Freidenrich

/s/ Terrence Chun

/s/ Robert E. Dye

/s/ John Joseph Naporano

EXHIBIT A

AGREEMENT REGARDING JOINT FILING

OF STATEMENT ON SCHEDULE 13D OR 13G

The undersigned agree to file jointly with the Securities and Exchange Commission (the "SEC") any and all statements on Schedule 13D or Schedule 13G (and any amendments or supplements thereto) required under section 13(d) of the Securities Exchange Act of 1934, as amended, in connection with purchases by the undersigned of the Class A Common Stock of Friedman's Inc. For that purpose, the undersigned hereby constitute and appoint Yacktman Asset Management Co., an Illinois corporation, as their true and lawful agent and attorney-in-fact, with full power and authority for and on behalf of the undersigned to prepare or cause to be prepared, sign, file with the SEC and furnish to any other person all certificates, instruments, agreements and documents necessary to comply with section 13(d) and section 16(a) of the Securities Exchange Act of 1934, as amended, in connection with said purchases, and to do and perform every act necessary and proper to be done incident to the exercise of the foregoing power, as fully as the undersigned might or could do if personally present.

Dated: June 21, 2004

YACKTMAN ASSET MANAGEMENT CO.

REGIS MANAGEMENT COMPANY, LLC

By: /s/ Donald Arthur Yacktman  
President

By: /s/ Robert F.X. Burlinson  
Manager

REGIS PUBLIC INVESTMENTS, LLC

/s/ Donald Arthur Yacktman

By: /s/ Robert F.X. Burlinson

Manager

/s/ Robert F.X. Burlinson

/s/ Stephen Andrew Yacktman

BREAKWATER CAPITAL MANAGEMENT,  
LLC

By: /s/ Terrence Chun

Managing Member

/s/ John Freidenrich

/s/ Terrence Chun

/s/ Robert E. Dye

/s/ John Joseph Naporano