

Zimmerman Michael
Form 4
July 05, 2005

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Prentice Capital Management, LP

(Last) (First) (Middle)

623 FIFTH AVENUE, 32ND FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
GAIAM INC [GAIA]

3. Date of Earliest Transaction (Month/Day/Year)
06/30/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) Code V Amount Price | | | |
| Class A Common Stock ("Common Stock") | 06/30/2005 | | X ⁽⁴⁾ | 1,821,317 A \$ 6.63 | 3,388,519 ⁽¹⁾ / ₍₂₎ | I ⁽¹⁾ | See ⁽¹⁾ |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Put Option (obligation to buy) ⁽³⁾ | \$ 6.63 | 06/30/2005 | | X ⁽⁴⁾ | 1 | 06/16/2005 | 07/01/2005 | Common Stock | 1,821,317 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| Prentice Capital Management, LP 623 FIFTH AVENUE, 32ND FLOOR NEW YORK, NY 10022 | | X | | |
| Zimmerman Michael 623 FIFTH AVENUE, 32ND FLOOR NEW YORK, NY 10022 | | X | | |

Signatures

PRENTICE CAPITAL MANAGEMENT, LP, By: /s/ Michael Weiss as Chief Financial Officer 07/05/2005

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Prentice Capital Management, LP (the "Investment Manager") serves as investment manager to a number of investment funds (including Prentice Capital Partners, LP, Prentice Capital Partners QP, LP and Prentice Capital Offshore, Ltd.) and manages investments for certain entities in managed accounts with respect to which it has voting and dispositive authority over the Common Stock reported in this Form 4. Michael Zimmerman ("Mr. Zimmerman") is responsible for the supervision and conduct of all investment activities of the Investment Manager, including, without limitation, for all investment decisions with respect to the assets of such investment funds and managed accounts.
- (2) The Investment Manager does not directly own any shares of Common Stock. Mr. Zimmerman personally owns 8,705 shares of Common Stock. The Investment Manager may be deemed to beneficially own 3,376,814 shares of Common Stock held by the investment funds and managed accounts. Mr. Zimmerman may be deemed to beneficially own 3,388,519 shares of Common Stock held personally, by the The Michael & Holly Zimmerman Family Foundation Inc. and by the investment funds and managed accounts. Each of the Reporting Persons disclaims any beneficial ownership of the shares of Common Stock included in this report to the extent such beneficial ownership

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exceeds such Reporting Person's pecuniary interest.

The investment funds and managed accounts for which the Investment Manager serves as investment manager entered into an amended and restated stock purchase agreement with Gaiam, Inc. (the "Company") as of June 16, 2005 (the "Purchase Agreement"), pursuant to which the Company agreed to issue and sell to the investment funds and managed accounts up to an aggregate of 2,821,317 shares of

(3) Common Stock; provided, however, that the Company had the option, at any time prior to 9:00 a.m. New York City time on July 1, 2005, to elect to reduce the aggregate number of shares of Common Stock to be sold to the investment funds and managed accounts to 1,000,000 shares of Common Stock. The Company informed the Reporting Persons on June 30, 2005, that it will not elect to reduce the aggregate number of shares of Common Stock to be sold to the investment funds and managed accounts.

- Because the Company has informed the Reporting Persons that it will not reduce the aggregate number of shares of Common Stock to be
- (4) sold to the investment funds and managed accounts, the Put Option may be deemed to be exercised pursuant to an exempt closing of the derivative security under Section 16b.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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