

RITA MEDICAL SYSTEMS INC
Form SC 13D/A
December 12, 2006
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934

(Amendment No. 2)

RITA MEDICAL SYSTEMS, INC.

(Name of Issuer)

Common Stock, par value \$.001

(Title of Class of Securities)

76774E103

(CUSIP Number)

Michael S. Falk

ComVest Venture Partners, L.P.

830 Third Avenue

New York, New York 10022

(212) 829-5839

(Name, Address and Telephone Number of Person Authorized

to Receive Notices and Communications)

December 7, 2006

(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), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

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* 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/or 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 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).

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

ComVest Venture Partners, LP (13-4124841)

2 CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

WC

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

7

SOLE VOTING POWER

SHARES

8

SHARED VOTING POWER

BENEFICIALLY

OWNED BY

2,000,743

EACH

9

SOLE DISPOSITIVE POWER

REPORTING

10

SHARED DISPOSITIVE POWER

PERSON

WITH

2,000,743

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,000,743

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14 **4.63%**
TYPE OF REPORTING PERSON*

PN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSON

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

2 **ComVest Management LLC (06 1588640)**
 CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

5 **AF**
 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		
EACH	9	2,000,743 SOLE DISPOSITIVE POWER
REPORTING		
PERSON	10	SHARED DISPOSITIVE POWER
WITH		
11		2,000,743 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
12		2,000,743 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* <input type="checkbox"/>

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

4.63%

14

TYPE OF REPORTING PERSON*

00

*SEE INSTRUCTIONS BEFORE FILLING OUT!

- 1** NAME OF REPORTING PERSON
- I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)
- 2** **ComVest Group Holdings, LLC (01-0622406)**
CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP*
- (a)
- (b)
- 3** SEC USE ONLY
- 4** SOURCE OF FUNDS*
- 5** **00**
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
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON | 7 | SOLE VOTING POWER |
| WITH | 8 | SHARED VOTING POWER |
| WITH | 9 | 2,030,773
SOLE DISPOSITIVE POWER |
| WITH | 10 | SHARED DISPOSITIVE POWER |
- 11** **2,030,773**
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
- 12** **2,030,773**
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14 4.7%
TYPE OF REPORTING PERSON*

OO

*SEE INSTRUCTIONS BEFORE FILLING OUT!

1 NAME OF REPORTING PERSON
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY)

Michael S. Falk

2 CHECK THE APPROPRIATE BOX IF MEMBER OF A GROUP*

(a)

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

00

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF **7** SOLE VOTING POWER

SHARES **173,636**

BENEFICIALLY **8** SHARED VOTING POWER

OWNED BY **2,030,773**

EACH **9** SOLE DISPOSITIVE POWER

REPORTING **173,636**

PERSON **10** SHARED DISPOSITIVE POWER

WITH **2,030,773**

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,204,409

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

14 **5.10%**
TYPE OF REPORTING PERSON*

IN

*SEE INSTRUCTIONS BEFORE FILLING OUT!

Introductory Note

This Amendment No. 2 (Amendment No. 2) amends the Statement of Beneficial Ownership on Schedule 13D, originally filed with the Securities Exchange Commission (the Commission) on August 9, 2004 and Amendment No. 1 thereto filed with the Commission on December 7, 2006 (together, the Schedule 13D). Unless specifically amended hereby, the disclosures set forth in the Schedule 13D shall remain unchanged.

Item 5. Interest in Securities of the Issuer.

The response to Item 5 is hereby amended and restated in its entirety as follows:

(a) ComVest may be deemed to be the beneficial owner of an aggregate of 2,000,743 shares of Common Stock, representing approximately 4.63% of the issued and outstanding shares of Common Stock of the Issuer.

ComVest Management, as the general partner of ComVest, may be deemed to beneficially own 2,000,743 shares of Common Stock, representing approximately 4.63% of the issued and outstanding shares of Common Stock of the Issuer, beneficially owned by ComVest.

CGH may be deemed to be the beneficial owner of an aggregate of 2,030,773 shares of Common Stock, representing approximately 4.70% of the issued and outstanding shares of Common Stock of the Issuer, consisting of the following: (i) 30,030 shares of Common Stock beneficially owned of record by CGH and (ii) the 2,000,743 shares of Common Stock beneficially owned by ComVest that CGH may be deemed to beneficially own by virtue of the fact that CGH is the sole member of ComVest Management, the general partner of ComVest.

Falk may be deemed to be the beneficial owner of an aggregate of 2,204,409 shares of Common Stock, representing approximately 5.10% of the issued and outstanding shares of Common Stock of the Issuer, consisting of the following: (i) the 147,146 shares of Common Stock beneficially owned of record by Falk; (ii) the 13,245 shares of Common Stock beneficially owned by the Mikaela Falk Trust, which Falk may be deemed to beneficially own by virtue of the fact that Falk's wife, Annie Falk, is Trustee of the Mikaela Falk Trust; (iii) the 13,245 shares of Common Stock beneficially owned by the Gianna Falk Trust, which Falk may be deemed to beneficially own by virtue of the fact that Falk's wife, Annie Falk, is Trustee of the Gianna Falk Trust; (iv) the 2,000,743 shares of Common Stock beneficially owned by ComVest, which Falk may be deemed to beneficially own by virtue of the fact that Falk is the Chairman and principal member of CGH (the sole member of ComVest Management), and (v) the 30,030 shares of Common Stock beneficially owned by CGH, which Falk may be deemed to beneficially own by virtue of the fact that Falk is the Chairman and principal member of CGH. Falk may be deemed to share indirect voting and dispositive power with respect to each of the shares of Common Stock described in items (ii) through (v) above, but Falk disclaims beneficial ownership with respect to the shares described in each of items (ii) through (v) above.

(b) Number of shares as to which each such person has:

(1) Sole power to vote or to direct the vote, and sole power to dispose or direct the disposition of:

<u>Name</u>	<u>Number of Shares</u>
Michael S. Falk	173,636 shares

(2) Shared power to vote or to direct the vote, and shared power to dispose or direct the disposition of:

(i) ComVest, ComVest Management, CGH and Falk may be deemed to share such voting and disposition powers with respect to the 2,000,743 shares of Common Stock beneficially held by ComVest.

(ii) CGH and Falk may be deemed to share such voting and disposition powers with respect to the 30,030 shares of Common Stock beneficially held by CGH.

(c) ComVest completed the following transactions since the date of its Schedule 13D: (i) sold 415,000 shares of Common Stock for \$4.4304 per share on December 7, 2006; (ii) sold 155,000 shares of Common Stock for \$4.43 per share on December 8, 2006; and (iii) sold 225,000 shares of Common Stock for \$4.43 per share on December 11, 2006. All of the shares were sold through broker transactions.

(d) Not applicable.

(e) Not applicable.

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: December 12, 2006

ComVest Group Holdings, LLC

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Chairman

Dated: December 12, 2006

ComVest Venture Partners, LP

By: ComVest Management, LLC, its general partner

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Managing Member

Dated: December 12, 2006

ComVest Management, LLC

By: Commonwealth Associates Group Holdings, LLC, its sole member

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Managing Member

Dated: December 12, 2006

/s/ Michael S. Falk

Michael S. Falk, individually

JOINT FILING AGREEMENT

The undersigned hereby consent to the joint filing by any of them of a Statement on Schedule 13D and any amendments thereto, whether heretofore or hereafter filed, relating to the securities of Rita Medical Systems, Inc., and hereby affirm that this Amendment is being filed on behalf of each of the undersigned.

Dated: December 12, 2006

ComVest Group Holdings, LLC

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Chairman

Dated: December 12, 2006

ComVest Venture Partners, LP

By: ComVest Management, LLC, its general partner

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Managing Member

Dated: December 12, 2006

ComVest Management, LLC

By: Commonwealth Associates Group Holdings, LLC, its sole member

By: /s/ Michael S. Falk

Name: Michael S. Falk

Title: Managing Member

Dated: December 12, 2006

/s/ Michael S. Falk

Michael S. Falk, individually