

SR TELECOM INC
Form SC 13D/A
February 06, 2006

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

SCHEDULE 13D
(Rule 13d-101)

Under the
Securities
Exchange Act of
1934
(Amendment No.
1)

SR Telecom Inc.

(Name of Issuer)

Common Shares,
No Par Value

(Title of Class of
Securities)

78464P208

(CUSIP Number)

Wendy Schnipper
Clayton, Esq.
DDJ Capital
Management, LLC
141 Linden Street,
Suite 4
Wellesley, MA
02482-7910
781-283-8500

(Name, address
and telephone
number of person
authorized to
receive notices and

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communications)

February 2, 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(b) (3) or (4),
check the following
box [].

(Continued on
following pages)

(Page 1 of 13
Pages)

1 NAME OF
REPORTI
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PERSON

S.S. OR
I.R.S.
IDENTIFI
CATION
NO. OF
ABOVE
PERSON

DDJ
Capital
Manageme
nt, LLC

04-
3300754

2 CHECK
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APPROPR
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IF A
MEMBER
OF A
GROUP*

SEE ITEM
#5 (a) [X]

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(b) []

3 SEC USE ONLY

4 SOURCE OF FUNDS*

OO
5 CHECK

BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) or 2(e) []
6

CITIZENS
HIP OR PLACE OF ORGANIZATION
Massachusetts

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	262,337,317	
	8	SHARED VOTING POWER
	9	SOLE DISPOSITIVE POWER
	262,337,317	
	10	SHARED DISPOSITIVE POWER

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
262,337,31

7
12 CHECK
BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES* []
13 PERCENT OF

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CLASS
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AMOUNT
IN ROW
(11)
38.58%
14 TYPE OF
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BEFORE
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1 NAME OF
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S.S. OR
I.R.S.
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NO. OF
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PERSON

B IV
Capital
Partners,
L.P.

71-
0882125
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MEMBER
OF A
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OF FUNDS*

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T TO
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or 2(e) []
6

CITIZENS
HIP OR PLACE
OF
ORGANIZATION

Delaware
NUMBER OF 7 SOLE VOTING POWER
SHARES 169,789,188
BENEFICIALLY 8 SHARED VOTING POWER
OWNED BY
EACH 9 SOLE DISPOSITIVE POWER
REPORTING 169,789,188
PERSON WITH 10 SHARED DISPOSITIVE POWER

11
AG

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AMOUNT
BENEFICI
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REPORTI
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PERSON

169,789,18
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SHARES* []

13 PERCENT
OF
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(11)

24.97%
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*SEE
INSTRUCTIONS
BEFORE
FILLING OUT!

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1 NAME OF
REPORTING
PERSON

S.S. OR
I.R.S.
IDENTIFICATION
NO. OF
ABOVE
PERSON

GP Capital
IV, LLC
04-
3575350

2 CHECK
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APPROPRIATE BOX
IF A
MEMBER
OF A
GROUP*

SEE ITEM
#5 (a)]
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3 SEC USE
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OF FUNDS*

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DISCLOSURE OF
LEGAL
PROCEEDINGS IS
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PURSUANT TO
ITEM 2(d)
or 2(e) []

6 CITIZENS
HIP OR PLACE
OF
ORGANIZATION
Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES	169,789,188	
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		169,789,188
PERSON WITH	10	SHARED DISPOSITIVE POWER

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The
October
Fund,

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Limited
Partnership
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3504882
2 CHECK
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CITIZENS
HIP OR PLACE
OF
ORGANIZATION
Massachus
etts

NUMBER OF	7	SOLE VOTING POWER
SHARES	25,294,295	
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		25,294,295
PERSON WITH	10	SHARED DISPOSITIVE POWER

11
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25,294,295
12 CHECK

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BOX IF
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FILLING OUT!

1 NAME OF
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PERSON
S.S. OR
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October
G.P., LLC
04-
3504881

2 CHECK
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IF A
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SEE ITEM
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3 SEC USE
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OF FUNDS*

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or 2 (e) []
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CITIZENS
HIP OR PLACE
OF
ORGANIZATION
Delaware

NUMBER OF	7	SOLE VOTING POWER
SHARES	25,294,295	
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		25,294,295
PERSON WITH	10	SHARED DISPOSITIVE POWER
11		

AG
GREGATE
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BENEFICI
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25,294,295

12 CHECK
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13 PERCENT
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3.72%

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14 TYPE OF
REPORTI
NG
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INSTRUCTIONS
BEFORE
FILLING OUT!

This
Amendment No. 1
to Schedule 13D
("Amendment No.
1") should be read
in conjunction with
the Schedule 13D
dated October 3,
2005 ("Schedule
13D") as filed with
the Securities and
Exchange
Commission by
DDJ Capital
Management, LLC,
a Massachusetts
limited liability
company, and
certain affiliates
(collectively, the
"DDJ Affiliates").
This Amendment
No. 1 amends the
Schedule 13D only
with respect to
those items below.
All capitalized terms
not otherwise
defined herein shall
have the meanings
ascribed thereto on
the Schedule 13D.

This
Amendment No.1
and the Schedule
13D have been filed
with the Securities
and Exchange
Commission by the
Reporting Persons
(as defined below)
to report beneficial
ownership of
common shares, no
par value (the
"Shares") of SR
Telecom Inc. (the

"Issuer").

This filing of
Amendment No.1
and the Schedule
13D is not, and
should not be
deemed to be, an
admission that the
Schedule 13D or
any Amendment
thereto is required
to be filed.

ITEM 1.

SECURIT
Y AND ISSUER:

This
Amendment No.1
and Schedule 13D
relates to the
Shares.

ITEM 3.

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On January 24, 2006, the Issuer entered into separate Share Purchase Agreements with certain existing holders of the New Debentures (collectively, the "Purchasers"), including the DDJ Affiliates, pursuant to which the Issuer agreed to issue to the Purchasers an aggregate of 333,333,333 Shares for an aggregate purchase price of CDN\$50,000,000, or \$.15 per Common Share (the "Transaction"). In connection with the Transaction, the DDJ Affiliates agreed to purchase in the aggregate 141,356,217 Shares for an aggregate purchase price of CDN\$21,203,432.

On February 2, 2006, the conditions precedent to the Transaction were satisfied and the Transaction closed. In connection with the Transaction, in addition to the purchase of an aggregate of 333,333,333 Shares, each of the Purchasers, including the DDJ Affiliates, agreed to convert their outstanding New Debentures into

Shares in accordance with the conversion provisions of the New Debentures.

Prior to the Transaction, B IV owned 79,358,764 Shares (including 69,001,668 Shares issuable upon the exercise of outstanding New Debentures); October owned 11,375,785 Shares (including 9,891,134 Shares issuable upon the exercise of the New Debentures); the Account owned 5,562,294 Shares (including 4,836,361 Shares issuable upon the exercise of the New Debentures); and DDJ Canadian owned 24,684,257 Shares (including 21,462,720 Shares issuable upon the exercise of the New Debentures). Subsequent to the Transaction, and after giving effect to the conversion of their New Debentures into additional Shares, DDJ and the DDJ Affiliates in the aggregate may be deemed to beneficially own the 262,337,317 Shares. In addition, B IV may be deemed to beneficially own a total of 169,789,188 Shares, and October may be deemed to beneficially own a total of 25,294,295 Shares.

ITEM 5.

INTERES
T IN
SECURITIES OF
ISSUER:

Paragraph
(a) in Item 5 is
deleted in its
entirety and
amended as set
forth below.

(a) B
IV owns, and GP
Capital IV, LLC
and DDJ
beneficially own, as
general partner and
investment
manager,
respectively, of B
IV, 169,789,188
Shares, or
approximately
24.97% of the
outstanding Shares
of the Issuer.
October owns, and
October G.P., LLC
and DDJ
beneficially own, as
general partner and
investment
manager,
respectively, of
October,
25,294,295 Shares,
or approximately
3.72% of the
outstanding Shares
of the Issuer.
DDJ, as investment
manager to B IV,
October and the
Account, and as
investment advisor
to DDJ Canadian,
may be deemed to
beneficially own
262,337,317
Shares, or
approximately
38.58% of the
outstanding Shares
of the Issuer.

ITEM 6.

CONTRA
CTS,
ARRANGEMEN
TS,

UNDERSTANDI
NGS OR
RELATIONSHIP
S WITH
RESPECT TO
SECURITIES OF
THE ISSUER

Item 6 is
amended by adding
the following:
Debenture

Registration
Rights Agreement

The DDJ
Affiliates (as well as
certain other
Purchasers) are
party to a
registration rights
agreement dated as
of August 22,
2005, pursuant to
which the Issuer
granted certain
holders of the New
Debentures
registration rights in
the United States
(the "Debenture
Registration Rights
Agreement").
Pursuant to the
Debenture
Registration Rights
Agreement, the
Issuer agreed to file
and use its
reasonable best
efforts to keep
effective, a shelf
registration
statement for the
registration of New
Debentures and the
underlying Shares.

After the
expiration of the
applicable holding
period, the DDJ
Affiliates have the
right to make two
demand
registrations on
Form F-1,
provided that the
reasonably
anticipated gross
proceeds to be
raised (before any
underwriting
discounts and

commissions) equal or exceed U.S.\$2,000,000, and unlimited demand registrations on Form F-3 (or similar short form registration forms), provided that with respect to registrations on Form F-3 (or similar short form registration forms), the reasonably anticipated aggregate gross proceeds to be raised (before any underwriting discounts and commissions) equal or exceed U.S.\$1,000,000.

In addition, on August 22, 2005, the DDJ Affiliates were granted registration rights in Canada for the New Debentures and the underlying Shares if the DDJ Affiliates are considered a "control person" for the purposes of Canadian securities legislation. Common Stock Registration Rights Agreement

The DDJ Affiliates are party to a registration rights agreement dated as of February 2, 2006, pursuant to which the Issuer granted certain Purchasers, including the DDJ Affiliates, registration rights in the United States (the "Common Stock Registration Rights Agreement"). Pursuant to the

Common Stock
Registration Rights
Agreement, the
DDJ Affiliates will
have the right to
make two demand
registrations on
Form F-1,
provided that the
reasonably
anticipated gross
proceeds to be
raised (before any
underwriting
discounts and
commissions) equal
or exceed
U.S.\$2,000,000, a
nd unlimited
demand
registrations on
Form F-3
(or similar short
form registration
forms), provided
that with respect to
registrations on
Form F-3
(or similar short
form registration
forms), the
reasonably
anticipated
aggregate gross
proceeds to be
raised (before any
underwriting
discounts and
commissions)
would be equal to
or
exceed U.S.\$1,000
,000.

In addition,
on February 2,
2006, the DDJ
Affiliates were
granted registration
rights in Canada for
the Shares if DDJ is
considered a
"control person" for
the purposes of
Canadian securities
legislation.

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.

DDJ CAPITAL
MANAGEMENT,
LLC

By: /s/ Joshua
L. McCarthy

Joshua L.
McCarthy
Attorney-
in-Fact*

B IV CAPITAL
PARTNERS, L.P.
By: GP Capital IV,
LLC, its General
Partner
By: DDJ Capital
Management, LLC,
Manager

By: /s/ Joshua
L. McCarthy

Joshua L.
McCarthy
Attorney-
in-Fact*

GP CAPITAL IV,
LLC
By: DDJ Capital
Management, LLC,
Manager

By: /s/ Joshua
L. McCarthy

Joshua L.
McCarthy
Attorney-
in-Fact*

THE OCTOBER
FUND, LIMITED

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PARTNERSHIP

By: October G.P.,
LLC, its General
Partner
By: DDJ Capital
Management, LLC,
Manager

By: /s/ Joshua
L. McCarthy

Joshua L.
McCarthy
Attorney-
in-Fact*

OCTOBER G.P.,
LLC
By: DDJ Capital
Management, LLC,
Manager

By: /s/ Joshua
L. McCarthy

Joshua L.
McCarthy
Attorney-
in-Fact*

* Limited Power
of attorney filed
as Exhibit B to
Schedule 13D
filed on October
3, 2005

ANNEX A

=====

The name
and present
principal occupation
or employment of
each executive
officer and member
of DDJ Capital
Management, LLC
and each director of
the DDJ Affiliates
are set forth below.
The business
address of each
person and the

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Judy K.
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EXHIBIT INDEX

The Exhibit Index is amended so as to include the following documents.

1. Canadian Registration Rights Agreement dated as of August 22, 2005 between SR Telecom Inc. and DDJ Capital Management, LLC. (incorporated by reference to Exhibit 4.3 to the Issuer's Form F-1 filed on October 14, 2005)

2. U.S. Registration Rights Agreement dated as of August 22, 2005 among SR Telecom Inc. and the 10% Convertible Debenture holders specified therein. (incorporated by reference to Exhibit 4.4 to the Issuer's Form F-1 filed on October

14, 2005)

3. Canadian
Registration Rights
Agreement dated as
of February 1,
2006 between
SR Telecom Inc.
and DDJ Capital
Management, LLC
(incorporated by
reference to Exhibit
11 to the Issuer's
Form 6-K filed on
February 3, 2006.)

4. U.S. Registration
Rights Agreement
dated as of
February 1, 2006
among
SR Telecom Inc.
and the holders
specified therein
(incorporated by
reference to Exhibit
12 to the Issuer's
Form 6-K filed on
February 3, 2006.)

SCHEDULE 13D
CUSIP NO. 78464P208 PAGE 14 OF 13 PAGES

SCHEDULE 13D
CUSIP NO. 78464P208 PAGE 15 OF 13 PAGES

AGSH&F Comments
1/31/06