

Zimmerman Michael
Form 4
August 24, 2006

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)
07/31/2006

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 Beneficial Ownership (Instr. 4) |
|---------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount (D) Price | | | |
| Class A Common Stock ("Common Stock") | 07/31/2006 | | P | 123,821 A \$ 13.07 | 3,662,340 ⁽¹⁾ / ₍₂₎ | I ⁽¹⁾ | See Footnote <u>(1)</u> |
| Common Stock | 08/22/2006 | | P | 75,000 A \$ 10.05 | 3,737,340 ⁽¹⁾ / ₍₂₎ | I ⁽¹⁾ | See Footnote <u>(1)</u> |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form

SEC 1474 (9-02)

displays a currently valid OMB control number.

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) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

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

08/24/2006

**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).

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, Prentice Capital Offshore, Ltd., Prentice Special Opportunities, LP, Prentice Special Opportunities Offshore, Ltd. and Prentice Special Opportunities Master, L.P.) and manages investments for certain

(1) 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.

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(2) The Investment Manager does not directly own any shares of Common Stock. Mr. Zimmerman personally owns 8,705 shares of Common Stock. After the purchases reported hereby, the Investment Manager may be deemed to beneficially own 3,725,635 shares of Common Stock held by the investment funds and managed accounts. Mr. Zimmerman may be deemed to beneficially own 3,737,340 shares of Common Stock held personally, by 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 exceeds such Reporting Person's pecuniary interest. The amount of securities beneficially owned following the reported transactions includes 3,000 shares of Common Stock held by The Michael & Holly Zimmerman Family Foundation Inc. and 8,705 shares of Common Stock personally owned by Mr. Zimmerman.

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