

Edgar Filing: FORGENT NETWORKS INC - Form SC 13D

FORGENT NETWORKS INC
Form SC 13D
April 20, 2009

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. _____) *

Forgent Networks, Inc.

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

34629U103

(CUSIP Number)

RED OAK PARTNERS, LLC
145 Fourth Avenue, Suite 15A
New York, NY 10003
Attention: David Sandberg
Telephone: (212) 614-8952

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

April 20, 2008

(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 Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [X].

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 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.)

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CUSIP No.: 34629U103

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

Red Oak Partners, LLC
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS

AF
- 5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM
2(d) or 2(e)
- 6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York
- | | | | |
|---|----|--------------------------|-------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | - 2,285,796 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | - 2,285,796 |
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,285,796
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.35%**
- 14 TYPE OF REPORTING PERSON

OO

** Based on 31,111,278 shares of common stock of Forgent Networks, Inc. outstanding at March 11, 2009, as reported in Forgent Networks, Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 31, 2009 filed with the Securities and Exchange Commission on March 13, 2009.

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CUSIP No.: 34629U103

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

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The Red Oak Fund, LP

- 2 CHECK THE APPROPRIATE BOX IF A 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 ITEM
2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

| | | | |
|---|----|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | - 812,177 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | - 812,177 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

812,177

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

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

2.61%**

14 TYPE OF REPORTING PERSON

PN

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CUSIP No.: 34629U103

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

Pinnacle Partners, LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

| | | | |
|---|----|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | - 946,950 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | - 946,950 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

946,950

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

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

3.05%**

14 TYPE OF REPORTING PERSON

00

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CUSIP No.: 34629U103

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

Pinnacle Fund, LLLP

2 CHECK THE APPROPRIATE BOX IF A 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 ITEM 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Colorado

| | | | |
|---|----|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | - 946,950 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | - 946,950 |

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
946,950

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
3.05%**

14 TYPE OF REPORTING PERSON
PN

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CUSIP No.: 34629U103

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

Bear Market Opportunity Fund, L.P.

2 CHECK THE APPROPRIATE BOX IF A 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 ITEM
2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

| | | | |
|---|----|--------------------------|-----------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | - 526,669 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | - 526,669 |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
526,669

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.69%**

14 TYPE OF REPORTING PERSON

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PN

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CUSIP No.: 34629U103

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

David Sandberg

- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP
(a)
(b)

- 3 SEC USE ONLY

- 4 SOURCE OF FUNDS

AF

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

| | | |
|--------------|----|--------------------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES | | |
| BENEFICIALLY | 8 | SHARED VOTING POWER - 2,285,796 |
| OWNED BY | | |
| EACH | 9 | SOLE DISPOSITIVE POWER |
| REPORTING | | |
| PERSON WITH | 10 | SHARED DISPOSITIVE POWER - 2,285,796 |

- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,285,796

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

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

7.35%**

- 14 TYPE OF REPORTING PERSON

IN

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ITEM 1. Security and Issuer.

The class of equity securities to which this Statement on Schedule 13D (this "Statement") relates is the common stock, par value \$0.01 per share (the "Common Stock" or the "Shares"), of Forgent Networks, Inc. (the "Issuer"), with its principal executive offices located at 108 Wild Basin Road, Austin, Texas 78746.

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ITEM 2. Identity and Background.

(a)-(c) and (f) The names of the persons filing this statement on Schedule 13D (the "Reporting Persons") are:

The Red Oak Fund, LP, a Delaware limited partnership ("Red Oak Fund");

Pinnacle Fund, LLLP, a Colorado limited liability limited partnership ("Pinnacle Fund");

Bear Market Opportunity Fund, L.P., a Delaware limited partnership ("Bear Fund");

Pinnacle Partners, LLC, a Colorado limited liability company ("Pinnacle Partners");

Red Oak Partners, LLC, a New York limited liability company ("Red Oak Partners"); and

David Sandberg, a United States citizen.

This Statement is being filed by David Sandberg, the controlling member of Red Oak Partners. Red Oak Partners (i) manages Red Oak Fund and Bear Fund and (ii) is general partner of Pinnacle Partners, which manages Pinnacle Fund (each of Pinnacle Fund, Red Oak Fund and Bear Fund, a "Fund" and, collectively, the "Funds"). The Funds are private investment vehicles formed for the purpose of investing and trading in a wide variety of securities and financial instruments. The Funds directly own the shares as reported in this Statement. Each of the filers hereto disclaims beneficial ownership with respect to any shares other than shares owned directly by such filer.

The principal office or business address of Red Oak Fund, Red Oak Partners and David Sandberg is 145 Fourth Avenue, Suite 15A, New York, NY 10003. The principal office or business address of Pinnacle Partners and Pinnacle Fund is 32065 Castle Court, Suite 100, Evergreen, CO 80439. The principal office or business address of Bear Fund is 112 E. Pecan Street, Suite 806, San Antonio TX 78205.

(d)-(e) During the last five years, none of the Reporting Persons have been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) 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.

ITEM 3. Source and Amount of Funds or Other Consideration

The source of cash funds for the purchased securities was working capital of the Funds, and the amount of funds totaled \$428,550.91.

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ITEM 4. Purpose of Transaction.

The Reporting Persons purchased the Common Stock subject to this Statement for investment purposes. The Reporting Persons will review their investments in the Common Stock from time to time, and, subject to applicable

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law and regulation and depending upon certain factors, including, without limitation, the financial performance of the Company, the availability and price of the Common Stock or other securities related to the Company, and other general market and investment conditions, the Reporting Persons may determine to:

- acquire additional Common Stock through open market purchases or otherwise;
- sell Common Stock through the open market or otherwise; or
- otherwise engage or participate in a transaction with the purpose or effect of changing or influencing the control of the Company.

The reporting persons are concerned with Forgent's performance and currently intend to nominate a slate of Directors for election at the next annual meeting. However, the reporting persons are open to initially working with management and the Board in the near-term to address and resolve its concerns. Such concerns include Forgent attempting to go private in advance of holding its annual meeting, maintaining excessive operating costs and management compensation, and others.

ITEM 5. Interest in Securities of the Issuer.

(a) The Fund beneficially owns 2,285,796 shares of Common Stock, representing 7.35% of all of the outstanding shares of Common Stock. Red Oak Partners, as the general partner of the Fund, and Mr. Sandberg, as the managing member of Red Oak Partners, each may be deemed to beneficially own the 2,285,796 shares of Common Stock held by the Fund. Each Reporting Person disclaims beneficial ownership with respect to any shares of Common Stock other than the shares owned directly and of record by such Reporting Person. The percentage set forth in this response is based on the 31,111,278 shares of Common Stock outstanding as of March 11, 2009, as reported directly by the Issuer on their 10-Q for the quarter ended January 31, 2009.

(b) Red Oak Partners, the Fund and Mr. Sandberg have shared power (with each other, and not with any third party) to vote or direct the vote of and to dispose or direct the disposition of the 2,285,796 shares of Common Stock held by the Fund.

(c) Transactions by the Reporting Persons effected in Common Stock that have taken place in the last sixty days are attached as Exhibit A.

(d) Not applicable.

(e) Not applicable.

ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Not applicable.

ITEM 7. Material to be Filed as Exhibits.

Not applicable.

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information set forth in this Statement is true, complete and correct.

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Dated: April 20, 2009

/s/ David Sandberg

David Sandberg

Red Oak Partners LLC

By: /s/ David Sandberg

David Sandberg, Managing Member

Pinnacle Partners, LLP

By: Red Oak Partners LLC, its general partner

By: /s/ David Sandberg

David Sandberg, Managing Member

The Red Oak Fund, L.P.

By: Red Oak Partners LLC, its general partner

By: /s/ David Sandberg

David Sandberg, Managing Member

Pinnacle Fund, LLLP

By: Pinnacle Partners, LLC, its general partner

By: Red Oak Partners LLC, its general partner

By: /s/ David Sandberg

David Sandberg, Managing Member

Bear Market Opportunity Fund, L.P.

By: Red Oak Partners, LLC, its investment advisor

By: /s/ David Sandberg

David Sandberg, Managing Member

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Exhibit A

TRANSACTIONS IN THE PAST SIXTY DAYS
WITH RESPECT TO THE COMPANY'S COMMON STOCK

| Trade Date | Txn Type | Quantity | Unit Cost |
|--------------------|----------|----------|-----------|
| Pinnacle Fund LLLP | | | |
| 2/27/2009 | Buy | 114,405 | 0.141 |
| 3/3/2009 | Buy | 8,450 | 0.135 |
| 3/4/2009 | Buy | 4,600 | 0.138 |
| 3/5/2009 | Buy | 11,850 | 0.135 |
| 3/6/2009 | Buy | 12,500 | 0.139 |
| 3/9/2009 | Buy | 2,300 | 0.13 |

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| | | | |
|-----------|-----|--------|-------|
| 3/11/2009 | Buy | 1,900 | 0.14 |
| 3/16/2009 | Buy | 23,592 | 0.115 |

Bear Market Opportunity Fund LP

| | | | |
|-----------|-----|---------|-------|
| 2/19/2009 | Buy | 80,178 | 0.154 |
| 2/27/2009 | Buy | 114,405 | 0.141 |
| 3/2/2009 | Buy | 700 | 0.14 |
| 3/3/2009 | Buy | 8,450 | 0.135 |
| 3/5/2009 | Buy | 11,850 | 0.135 |

Red Oak Fund LP

| | | | |
|-----------|--|--------|-------|
| 3/6/2009 | | 12,500 | 0.139 |
| 3/10/2009 | | 5,144 | 0.13 |
| 3/16/2009 | | 23,593 | 0.115 |

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