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PENTON MEDIA INC
Form SC 13D/A
November 03, 2006

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 2)*

PENTON MEDIA, INC.
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(Title of Class of Securities)

709668 10 7
(CUSIP Number)

STACEY W. SEEWALD
C/O SANDLER CAPITAL MANAGEMENT
711 FIFTH AVENUE, 15TH FLOOR
NEW YORK, NY 10022
(Name, Address and Telephone Number of
Person Authorized to Receive Notices
and Communications)

with a copy to:
DOUGLAS A. CIFU
PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP
1285 AVENUE OF THE AMERICAS
NEW YORK, NY 10019

NOVEMBER 1, 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), 1(f) or 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-1(a) 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

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deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") 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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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sandler Capital Management

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

7 SOLE VOTING POWER

-0-

8 SHARED VOTING POWER

3,670,525

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

3,670,525

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,670,525

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

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

9.6%

14 TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sandler Investment Partners, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

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

[]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

New York

	7	SOLE VOTING POWER
		-0-
NUMBER OF SHARES	8	SHARED VOTING POWER
BENEFICIALLY OWNED BY EACH REPORTING PERSON		3,670,525
WITH	9	SOLE DISPOSITIVE POWER
		-0-
	10	SHARED DISPOSITIVE POWER
		3,670,525

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,670,525

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

[]

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

9.6%

14 TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sandler Capital Partners V, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

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

	7	SOLE VOTING POWER
		2,618,063
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		-0-
	9	SOLE DISPOSITIVE POWER
		2,618,063
	10	SHARED DISPOSITIVE POWER
		-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,618,063

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

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[]

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

7.1%

14 TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sandler Capital Partners V FTE, L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, OO

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

	7	SOLE VOTING POWER
		956,294
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		-0-
	9	SOLE DISPOSITIVE POWER
		956,294
	10	SHARED DISPOSITIVE POWER
		-0-

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

956,294

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

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[_]

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

2.7%

14 TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSON
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sandler Capital Partners V Germany, L.P.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [X]
(b) [_]

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC, 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

Delaware

	7	SOLE VOTING POWER	
		96,168	
NUMBER OF SHARES	8	SHARED VOTING POWER	
BENEFICIALLY OWNED BY EACH REPORTING PERSON		-0-	
WITH	9	SOLE DISPOSITIVE POWER	
		96,168	
	10	SHARED DISPOSITIVE POWER	
		-0-	

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

96,168

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

[]

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

0.3%

14 TYPE OF REPORTING PERSON

PN

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This Amendment No. 2 to Schedule 13D (this "Amendment") is filed by the undersigned to amend the Statement on Schedule 13D, filed by the undersigned on March 28, 2002 (the "Original Filing"), as amended by Amendment No. 1 to the Original Filing, filed by the undersigned on July 26, 2006 (the "First Amendment"). Unless otherwise indicated, all capitalized terms shall have the same meaning as provided in the Original Filing or the First Amendment, as applicable. Any reference to "this Schedule 13D" in the Original Filing, the First Amendment or in this Amendment shall refer to the Original Filing as amended by the First Amendment and this Amendment.

ITEM 4. PURPOSE OF TRANSACTIONS.

Item 4 is hereby amended by adding the following:

On November 1, 2006, Penton Media, Inc. (the "Company") entered into an Agreement and Plan of Merger (the "Prism Merger Agreement") with Prism Business Media Holdings, Inc., a Delaware corporation ("Parent"), and Prism Acquisition Co., a Delaware corporation and a direct wholly-owned subsidiary of Parent ("Merger Subsidiary"). Pursuant to the Prism Merger Agreement, (i) Merger Subsidiary will merge with and into the Company (the "Prism Merger"), (ii) the separate corporate existence of Merger Sub shall cease and the Company shall continue its corporate existence under Delaware law as the surviving corporation (the "Surviving Corporation") and shall become a wholly-owned subsidiary of Parent, (iii) each share of Common Stock, par value \$0.01 per share, of the Penton ("Company Common Stock") issued and outstanding, other than any shares of Company Common Stock owned by the Company or any of its wholly-owned subsidiaries, by Parent or any of its wholly-owned subsidiaries or by dissenting stockholders that properly exercise appraisal rights, or Company Common Stock to be cancelled, shall be converted into the right to receive the Common Stock Per Share Merger Consideration, as defined in the Prism Merger Agreement, (iv) each share of Series C Preferred Stock, par value \$0.01 per share, of the Company (the "Series C Preferred Stock") issued and outstanding, other than any shares of Series C Preferred Stock owned by the Company or any of its wholly-owned subsidiaries, by Parent or any of its wholly-owned subsidiaries or by dissenting stockholders that properly exercise appraisal rights, or Series C Preferred Stock to be cancelled, shall be converted into the right to receive an amount in cash, without interest, equal to the Series C Preferred Stock Per Share Merger Consideration, as defined in the Prism Merger Agreement, (v) each share of Series M Preferred Stock, par value \$0.01 per share, of the Company (the "Series M Preferred Stock") issued and outstanding, other than any shares of Series M Preferred Stock owned by the Company or any of its wholly-owned subsidiaries, by Parent or any of its wholly-owned subsidiaries or by dissenting stockholders that properly exercise appraisal rights, or Series M Preferred Stock to be cancelled, shall be converted into

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the right to receive an amount in cash, without interest, equal to the Series M Preferred Stock Per Share Merger Consideration, as defined in the Prism Merger Agreement.

As a condition to the willingness of Parent and Merger Subsidiary to enter into the Prism Merger Agreement, Parent and Merger Subsidiary required ABRY Mezzanine Partners, L.P., ABACUS Fund Partners, LP, ABACUS Fund, Ltd., Sandler Capital Partners V Germany, L.P., Sandler Capital Partners V FTE, L.P. and Sandler Capital Partners V, L.P. (each individually a "Stockholder", and collectively the "Stockholders") to enter into a voting agreement (the "Voting Agreement").

Pursuant to the Voting Agreement, the Stockholders agreed to vote (or cause to be voted) all shares of Company capital stock held by them and any shares of Company capital stock that may be acquired after the date of the Voting Agreement (the "Covered Shares") in favor of the Prism Merger, the Prism Merger Agreement and the transactions contemplated by the Prism Merger Agreement and against any extraordinary corporate transaction, other than the Prism Merger, such as a merger, consolidation, business combination, tender or

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exchange offer, reorganization, recapitalization, liquidation, sale or transfer of all or substantially all of the assets or securities of the Company and any of its subsidiaries, other than pursuant to the Prism Merger, or any other acquisition proposal.

As part of the Voting Agreement, the Stockholders entered into an irrevocable proxy appointing Parent and certain of its officers or designees as the sole and exclusive attorneys and proxies of each Stockholder to vote and exercise all voting and related rights with respect to all of the shares of Company capital stock that now are or hereafter may be beneficially owned by the Stockholders.

Pursuant to the Voting Agreement, the Stockholders are prohibited from transferring any shares of Company capital stock.

The Voting Agreement and the irrevocable proxies will expire upon the earliest to occur of (i) the effective time of the Prism Merger, (ii) the date on which the Prism Merger Agreement is terminated pursuant to its terms (iii) April 30, 2007 and (iv) written notice of termination of the Voting Agreement by Parent to the Stockholders.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Item 5 is hereby amended by adding the following thereto:

By virtue of the Voting Agreement, the Reporting Persons may be deemed to share dispositive power and voting power of the Company Common Stock held by them with Parent and Merger Sub.

The numbers of shares and percentages reported on the cover pages of this Second Amendment have not been updated since September 30, 2006 to give effect to the accrual of additional dividends on the Series C Preferred Stock, the numbers do reflect the accrual of additional dividends on the Series C Preferred Stock up through September 30, 2006. As dividends on the Series C Preferred Stock accrue but are not paid, the actual number of shares of Company Common Stock into which the Series C Preferred Stock is convertible and the

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voting power of the Company represented by such shares, will increase accordingly.

Each of the Reporting Persons expressly disclaims beneficial ownership of any Company Common Stock held by any other person to the extent that the Reporting Person does not hold a pecuniary interest therein.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

The responses to Item 4 of this Amendment and the Exhibit to this Amendment are incorporated herein by this reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Item 7 is hereby amended by adding the following thereto:

Exhibit 10: Voting Agreement, dated as of November 1, 2006, by and among ABRY Mezzanine Partners, L.P., ABACUS Fund Partners, LP, ABACUS Fund, Ltd., Sandler Capital Partners V Germany, L.P., Sandler Capital Partners V FTE, L.P. and Sandler Capital Partners V, L.P., Prism Business Media Holdings, Inc., a Delaware corporation and Prism Acquisition Co., a Delaware corporation and wholly-owned subsidiary of Parent (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of Penton Media, Inc. filed with the Securities and Exchange Commission on November 2, 2006).

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SIGNATURES

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 as of November 3, 2006

SANDLER CAPITAL MANAGEMENT

By: MJDM Corp., a general partner

By: /s/ Moira Mitchell

Name: Moira Mitchell
Title: President

SANDLER CAPITAL PARTNERS V, L.P.

By: Sandler Investment Partners, L.P.

By: Sandler Capital Management

By: MJDM Corp., a general partner

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By: /s/ Moira Mitchell

Name: Moira Mitchell
Title: President

SANDLER CAPITAL PARTNERS V FTE, L.P.

By: Sandler Investment Partners, L.P.

By: Sandler Capital Management

By: MJDM Corp., a general partner

By: /s/ Moira Mitchell

Name: Moira Mitchell
Title: President

SANDLER CAPITAL PARTNERS V GERMANY, L.P.

By: Sandler Investment Partners, L.P.

By: Sandler Capital Management

By: MJDM Corp., a general partner

By: /s/ Moira Mitchell

Name: Moira Mitchell
Title: President

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SANDLER INVESTMENT PARTNERS, L.P.

By: Sandler Capital Management

By: MJDM Corp., a general partner

By: /s/ Moira Mitchell

Name: Moira Mitchell
Title: President