

LJ INTERNATIONAL INC
Form SC 13G
May 08, 2008

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

SCHEDULE 13G
(Rule 13d-102)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b), (c), AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(b)
(Amendment No.)1

LJ International Inc.

(Name of Issuer)

Common Stock, Par Value \$0.01 Per Share
(Title of Class of Securities)

G55312105

(CUSIP Number)

May 5, 2008

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

1 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 the disclosures provided in a prior cover page.

The information required in 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 ("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).

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

RCG Crimson Partners, L.P.

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		76,167 shares (1)
	6	SHARED VOTING POWER
		0 shares
	7	SOLE DISPOSITIVE POWER
		76,167 shares (1)
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

76,167 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

Less than 1%

12 TYPE OF REPORTING PERSON

PN

(1) Includes 16,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

RCG Baldwin, L.P.

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 277,000 shares
	6	SHARED VOTING POWER 0 shares
	7	SOLE DISPOSITIVE POWER 277,000 shares
	8	SHARED DISPOSITIVE POWER 0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

277,000 shares

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.3%

12 TYPE OF REPORTING PERSON

PN

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

RCG Enterprise, Ltd

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF	5	SOLE VOTING POWER
SHARES		
BENEFICIALLY		595,000 shares (1)
OWNED BY	6	SHARED VOTING POWER
EACH		
REPORTING		0 shares
PERSON WITH	7	SOLE DISPOSITIVE POWER
		595,000 shares (1)
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

595,000 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.8%

12 TYPE OF REPORTING PERSON

CO

(1) Includes 50,000 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

RCG PB, Ltd.

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		144,500
	6	SHARED VOTING POWER
		0 shares
	7	SOLE DISPOSITIVE POWER
		144,500
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

144,500

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

Less than 1%

12 TYPE OF REPORTING PERSON

CO

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Portside Growth and Opportunity Fund

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		100,000 shares (1)
	6	SHARED VOTING POWER
		0 shares
	7	SOLE DISPOSITIVE POWER
		100,000 shares (1)
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

100,000 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

Less than 1%

12 TYPE OF REPORTING PERSON

CO

(1) Consists of 100,000 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Ramius Advisors, LLC

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER 421,500 shares
	6	SHARED VOTING POWER 0 shares
	7	SOLE DISPOSITIVE POWER 421,500 shares
	8	SHARED DISPOSITIVE POWER 0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

421,500 shares

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.9%

12 TYPE OF REPORTING PERSON

OO

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Ramius LLC

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		1,192,667 shares (1)
	6	SHARED VOTING POWER
		0 shares
	7	SOLE DISPOSITIVE POWER
		1,192,667 shares (1)
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

IA, OO

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

C4S & Co., L.L.C.

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER
BENEFICIALLY		1,192,667 shares (1)
OWNED BY	6	SHARED VOTING POWER
EACH		0 shares
REPORTING	7	SOLE DISPOSITIVE POWER
PERSON WITH		1,192,667 shares (1)
	8	SHARED DISPOSITIVE POWER
		0 shares

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

OO

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Peter A. Cohen

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF	5	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0 shares
OWNED BY	6	SHARED VOTING POWER
EACH		
REPORTING		1,192,667 shares (1)
PERSON WITH	7	SOLE DISPOSITIVE POWER
	8	0 shares
		SHARED DISPOSITIVE POWER

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

IN

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Morgan B. Stark

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5	SOLE VOTING POWER
		0 shares
	6	SHARED VOTING POWER
		1,192,667 shares (1)
	7	SOLE DISPOSITIVE POWER
		0 shares
	8	SHARED DISPOSITIVE POWER
		1,192,667 shares (1)

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

IN

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Thomas W. Strauss

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF	5	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0 shares
OWNED BY	6	SHARED VOTING POWER
EACH		
REPORTING		1,192,667 shares (1)
PERSON WITH	7	SOLE DISPOSITIVE POWER
	8	0 shares
		SHARED DISPOSITIVE POWER

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

IN

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

1 NAME OF REPORTING PERSON

Jeffrey M. Solomon

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF	5	SOLE VOTING POWER
SHARES		
BENEFICIALLY		0 shares
OWNED BY	6	SHARED VOTING POWER
EACH		
REPORTING		1,192,667 shares (1)
PERSON WITH	7	SOLE DISPOSITIVE POWER
	8	0 shares
		SHARED DISPOSITIVE POWER

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,192,667 shares (1)

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.6%

12 TYPE OF REPORTING PERSON

IN

(1) Includes 166,667 shares of Common Stock currently issuable upon the exercise of certain warrants.

CUSIP NO. G55312105

Item 1(a). Name of Issuer:

LJ International Inc., a British Virgin Islands company (the "Company")

Item 1(b). Address of Issuer's Principal Executive Offices:

Unit #12, 12/F, Block A
Focal Industrial Centre
21 Man Lok Street, Hung Hom, Hong Kong

Item 2(a). Name of Person Filing

Item 2(b). Address of Principal Business Office or, if None, Residence

Item 2(c). Citizenship

Ramius LLC ("Ramius")
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Delaware

RCG Crimson Partners, L.P. ("RCG Crimson")
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Delaware

RCG Baldwin, L.P. ("RCG Baldwin")
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Delaware

RCG Enterprise, Ltd ("RCG Enterprise")
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Cayman Islands

RCG PB, Ltd. ("RCG PB")
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Cayman Islands

Portside Growth and Opportunity Fund ("Portside")
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Cayman Islands

CUSIP NO. G55312105

Ramius Advisors, LLC (“Ramius Advisors”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Delaware

C4S & Co., L.L.C. (“C4S”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: Delaware

Peter A. Cohen (“Mr. Cohen”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: United States

Morgan B. Stark (“Mr. Stark”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: United States

Thomas W. Strauss (“Mr. Strauss”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: United States

Jeffrey M. Solomon (“Mr. Solomon”)
c/o Ramius LLC
599 Lexington Avenue, 20th Floor
New York, New York 10022
Citizenship: United States

Item 2(d). Title of Class of Securities:

Common Stock, par value \$0.01 per share (“Common Stock”)

Item 2(e). CUSIP Number:

G55312105

Item 3. If This Statement is Filed Pursuant to Rule 13d-1(b), or 13d-2(b) or (c), Check Whether the Person Filing is a:

/x/ Not applicable.

(a) // Broker or dealer registered under Section 15 of the Exchange Act.

CUSIP NO. G55312105

- (b) // Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c) // Insurance company as defined in Section 3(a)(19) of the Exchange Act.
- (d) // Investment company registered under Section 8 of the Investment Company Act.
- (e) // An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f) // An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g) // A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h) // A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i) // A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act.
- (j) // Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership

(a) Amount beneficially owned:

As of May 7, 2008, (i) RCG Crimson beneficially owns 59,500 shares of Common Stock and 16,667 shares of Common Stock issuable upon the exercise of certain warrants, (ii) RCG Baldwin beneficially owns 277,000 shares of Common Stock, (iii) RCG Enterprise beneficially owns 545,000 shares of Common Stock and 50,000 shares of Common Stock issuable upon the exercise of certain warrants, (iv) Portside beneficially owns 100,000 shares of Common Stock issuable upon the exercise of certain warrants, and (v) RCG PB beneficially owns 144,500 shares of Common Stock.

Ramius Advisors, as the investment advisor, with voting control and investment discretion over securities held by RCG Baldwin and RCG PB, may be deemed to beneficially own the 277,000 shares and 144,500 shares of Common Stock beneficially owned by RCG Baldwin and RCG PB, respectively.

Ramius is the general partner of RCG Crimson, the investment manager of each of Portside and RCG Enterprise and the sole member of Ramius Advisors, and has the power to direct some of the affairs of each of RCG Crimson, Portside, RCG Enterprise and Ramius Advisors, including decisions respecting the disposition of the proceeds from the sale of shares of the Common Stock. C4S is the managing member of Ramius and in that capacity directs its operations. Messrs. Cohen, Stark, Strauss and Solomon are the sole managing members of C4S, and in that capacity, direct its operations. As a result, each of Ramius, C4S and Messrs. Cohen, Stark, Strauss and Solomon, may be deemed to beneficially own the 1,192,667 shares of Common Stock beneficially owned in the aggregate by RCG Crimson, RCG PB, Portside, RCG Baldwin and RCG Enterprise.

CUSIP NO. G55312105

The foregoing should not be construed in and of itself as an admission by any Reporting Person as to beneficial ownership of any shares of Common Stock owned by another Reporting Person. In addition, each of Ramius, C4S and Messrs. Cohen, Stark, Strauss and Solomon, disclaims beneficial ownership of the shares beneficially owned by RCG Crimson, RCG PB, Portside, RCG Baldwin and RCG Enterprise and the filing of this statement shall not be construed as an admission that any such person is the beneficial owner of any such securities.

(b) Percent of class:

Based on 21,437,172 shares issued and outstanding as of January 25, 2008, as reported in the Issuer's definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission on January 22, 2008, (i) RCG Crimson may be deemed to beneficially own less than one percent of the outstanding shares of Common Stock, (ii) RCG Baldwin may be deemed to beneficially own 1.3% of the outstanding shares of Common Stock, (iii) RCG Enterprise may be deemed to beneficially own 2.8% of the outstanding shares of Common Stock, (iv) RCG PB may be deemed to beneficially own less than one percent of the outstanding shares of Common Stock, (v) Portside may be deemed to beneficially own less than one percent of the outstanding shares of Common Stock and (vi) each of Ramius, C4S and Messrs. Cohen, Stark, Strauss and Solomon may be deemed to beneficially own 5.6% of the outstanding shares of Common Stock.

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

(i) Sole power to vote or to direct the vote

See Cover Pages Items 5-9.

(ii) Shared power to vote or to direct the vote

See Cover Pages Items 5-9.

(iii) Sole power to dispose or to direct the disposition of

See Cover Pages Items 5-9.

(iv) Shared power to dispose or to direct the disposition of

See Cover Pages Items 5-9.

Item 5. Ownership of Five Percent or Less of a Class.

Not applicable

CUSIP NO. G55312105

Item 6. Ownership of More than Five Percent on Behalf of Another Person.

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following [].

Item 7. Identification and Classification of the Subsidiary That Acquired the Security Being Reported on by the Parent Holding Company or Control Person.

Not Applicable

Item 8. Identification and Classification of Members of the Group.

See Exhibit 99.1.

Item 9. Notice of Dissolution of Group.

Not Applicable

Item 10. Certifications.

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

CUSIP NO. G55312105

SIGNATURE

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

Dated: May 8, 2008

RCG ENTERPRISE, LTD

RAMIUS ADVISORS, LLC

By: Ramius LLC,
its investment manager

By: Ramius LLC,
its sole member

By: C4S & Co., L.L.C.,
as managing member

By: C4S & Co., L.L.C.,
as managing member

RCG BALDWIN, L.P.

RCG CRIMSON PARTNERS, L.P.

By: Ramius Advisors, LLC
its investment advisor

By: Ramius LLC,
its general partner

By: Ramius LLC,
its sole member

By: C4S & Co., L.L.C.,
as managing member

By: C4S & Co., L.L.C.,
as managing member

RAMIUS LLC

PORTSIDE GROWTH AND
OPPORTUNITY FUND

By: C4S & Co., L.L.C.,
as managing member

By: Ramius LLC,
its investment manager

C4S & CO., L.L.C.

By: C4S & Co., L.L.C.,
as managing member

RCG PB, LTD.

By: Ramius Advisors, LLC
its investment advisor

By: /s/ Jeffrey M.
Solomon
Name: Jeffrey M.
Solomon
Title: Authorized
Signatory

JEFFREY M.
SOLOMON

/s/ Jeffrey M.
Solomon

Individually
and as
attorney-in-fact
for
Peter A. Cohen,
Morgan B.
Stark and
Thomas W.
Strauss

19