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BARINGTON CAPITAL GROUP L P
Form SC 13D/A
March 01, 2002

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

SCHEDULE 13D
(Rule 13d-101)

(Amendment No. 6)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(A) AND
AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

Liquid Audio, Inc.

(Name of Issuer)

Common Stock, \$.001 par value

(Title of Class of Securities)

53631T102000

(CUSIP Number)

Mr. James Mitarotonda
c/o Barington Capital Group, L.P.
888 Seventh Avenue, 17th Floor
New York, N.Y. 10019
(212) 974-5700

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

February 22, 2002

(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), 13d-1(f), or 13d-1(g), check the following
box: .

SCHEDULE 13D

CUSIP No. 53631T102000

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

musicmaker.com, Inc.

54-1811721

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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
ITEMS 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 655,700 |
| | 8) SHARED VOTING POWER none |
| | 9) SOLE DISPOSITIVE POWER 655,700 |
| | 10) SHARED DISPOSITIVE POWER none |

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

655,700

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

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

2.9%

14) TYPE OF REPORTING PERSON

CO

-2-

SCHEDULE 13D

CUSIP No. 53631T102000

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

Jewelcor Management, Inc.

23-2331228

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

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3) SEC USE ONLY

4) SOURCE OF FUNDS

WC

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

6) CITIZENSHIP OR PLACE OF ORGANIZATION

Nevada

| | |
|--|--------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER 475,500 |
| | 8) SHARED VOTING POWER none |
| | 9) SOLE DISPOSITIVE POWER 475,500 |
| | 10) SHARED DISPOSITIVE POWER none |

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

475,500

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

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

2.1%

14) TYPE OF REPORTING PERSON

CO

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SCHEDULE 13D

CUSIP No. 53631T102000

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

Barington Companies Equity Partners, L.P.

13-4088890

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

3) SEC USE ONLY

4) SOURCE OF FUNDS

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WC

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

| | |
|--|--------------------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER 339,200 |
| | 8) SHARED VOTING POWER none |
| | 9) SOLE DISPOSITIVE POWER 339,200 |
| | 10) SHARED DISPOSITIVE POWER none |

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

339,200

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

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

1.5%

14) TYPE OF REPORTING PERSON

PN

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SCHEDULE 13D

CUSIP No. 53631T102000

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

Ramius Securities, LLC

58-2253019

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

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ITEMS 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 |
| | 89,500 |
| | 8) SHARED VOTING POWER |
| | none |
| | 9) SOLE DISPOSITIVE POWER |
| | 89,500 |
| | 10) SHARED DISPOSITIVE POWER |
| | none |

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

89,500

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

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

less than 1.0%

14) TYPE OF REPORTING PERSON

OO

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SCHEDULE 13D

CUSIP No. 53631T102000

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

Domrose Sons Partnership

11-3256586

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) [x]

(b) |_ |

3) SEC USE ONLY

4) SOURCE OF FUNDS

WC

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

|_ |

6) CITIZENSHIP OR PLACE OF ORGANIZATION

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New York

| | | |
|--|------------------------------|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7) SOLE VOTING POWER | 8,000 |
| | 8) SHARED VOTING POWER | none |
| | 9) SOLE DISPOSITIVE POWER | 8,000 |
| | 10) SHARED DISPOSITIVE POWER | none |
| ----- | | |
| 11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | | 8,000 |
| ----- | | |
| 12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES | | <input type="checkbox"/> |
| ----- | | |
| 13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | | less than 1.0% |
| ----- | | |
| 14) TYPE OF REPORTING PERSON | | PN |
| ----- | | |

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Introduction. This Amendment No. 6 amends and supplements the Schedule 13D, dated September 28, 2001, as amended to date (the "Schedule 13D"), filed with the Securities and Exchange Commission by musicmaker.com, Inc. ("musicmaker"), Jewelcor Management, Inc., Barington Companies Equity Partners, L.P., Ramius Securities, LLC and Domrose Sons Partnership with respect to the common stock, \$.001 par value (the "Common Stock"), of Liquid Audio, Inc., a Delaware corporation (the "Company"). The principal executive offices of the Company are located at 800 Chesapeake Drive, Redwood City, California 94063.

Item 3 of the Schedule 13D, "Source and Amount of Funds or Other Consideration," is deleted in its entirety and replaced with the following:

All purchases of Common Stock by the Reporting Entities were made in the open market and were funded by working capital, which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business. The amount of the funds expended by the Reporting Persons for such purchases was \$1,448,535 by musicmaker.com, Inc.; \$1,036,831 by Jewelcor Management, Inc.; \$747,781 by Barington Companies Equity Partners, L.P.; \$207,686 by Ramius Securities, LLC; and \$16,428 by Domrose Sons Partnership.

Item 4 of the Schedule 13D, "Purpose of Transaction," is amended by adding the following:

On February 22, 2002, musicmaker sent a letter to the President and Chief Executive Officer, as well as to each director, of the Company setting forth its willingness to acquire the Company on a negotiated basis, through an appropriate acquisition entity, for a price of \$2.50 per share in cash. A copy of that letter is filed as Exhibit 99.12 hereto and incorporated herein by

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reference. No response to that letter has been received to date.

Item 5(a) of the Schedule 13D, "Interest in Securities of the Issuer," is deleted in its entirety and replaced with the following:

As of the date hereof, the Reporting Entities own an aggregate of 1,567,900 shares of Common Stock, representing approximately 6.9% of the outstanding shares of Common Stock based upon the 22,704,615 shares of Common Stock reported by the Company to be issued and outstanding as of October 31, 2001 in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.

As of the date hereof, musicmaker.com, Inc. beneficially owns an aggregate of 655,700 shares of Common Stock, representing approximately 2.9% of the outstanding shares of Common Stock.

As of the date hereof, Jewelcor Management, Inc. beneficially owns an aggregate of 475,500 shares of Common Stock, representing approximately 2.1% of the outstanding shares of Common Stock.

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As of the date hereof, Barington Company Equities Partners, L.P. beneficially owns an aggregate of 339,200 shares of Common Stock, representing approximately 1.5% of the outstanding shares of Common Stock.

As of the date hereof, Ramius Securities, LLC beneficially owns an aggregate of 89,500 shares of Common Stock, representing less than 1% of the outstanding shares of Common Stock.

As of the date hereof, Domrose Sons Partnership beneficially owns an aggregate of 8,000 shares of Common Stock, representing less than 1% of the outstanding shares of Common Stock.

Item 7 of the Schedule 13D, "Material to be Filed as Exhibits," is amended by adding the following:

- 99.11 Letter to Liquid Audio, Inc. dated February 12, 2002.
- 99.12 Letter to Liquid Audio, Inc. dated February 22, 2002.

Schedule III of the Schedule 13D, "Shares purchased by musicmaker.com, Inc.," is deleted in its entirety and replaced with the following:

| Date | Number of Shares | Price Per Share | Cost (1) |
|---------|------------------|-----------------|---------------|
| ---- | ----- | ----- | ----- |
| 8/14/01 | 2,000 | \$ 2.25 | \$ 4,500.00 |
| 8/15/01 | 100,000 | \$ 2.33 | \$ 233,000.00 |
| 8/16/01 | 5,000 | \$ 2.30 | \$ 11,500.00 |
| 8/21/01 | 10,000 | \$ 2.30 | \$ 23,000.00 |
| 8/27/01 | 20,000 | \$ 2.33 | \$ 46,600.00 |
| 8/28/01 | 15,000 | \$ 2.38 | \$ 35,700.00 |
| 8/28/01 | 5,000 | \$ 2.28 | \$ 11,400.00 |
| 9/4/01 | 12,000 | \$ 2.37 | \$ 28,400.00 |
| 9/5/01 | 2,500 | \$ 2.31 | \$ 5,775.00 |
| 9/5/01 | 1,000 | \$ 2.32 | \$ 2,320.00 |
| 9/6/01 | 10,000 | \$ 2.33 | \$ 23,300.00 |
| 9/17/01 | 7,000 | \$ 2.14 | \$ 14,980.00 |

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| | | | |
|---------|--------|----------|---------------|
| 9/17/01 | 5,000 | \$ 2.06 | \$ 10,300.00 |
| 9/18/01 | 10,000 | \$ 2.135 | \$ 21,350.00 |
| 9/19/01 | 10,000 | \$ 2.197 | \$ 21,970.00 |
| 9/20/01 | 10,000 | \$ 2.18 | \$ 21,800.00 |
| 9/21/01 | 6,500 | \$ 2.07 | \$ 13,455.00 |
| 9/24/01 | 25,000 | \$ 2.12 | \$ 53,000.00 |
| 9/24/01 | 10,000 | \$ 2.10 | \$ 21,000.00 |
| 9/25/01 | 50,000 | \$ 2.048 | \$ 102,400.00 |

 (1) Excludes commissions and other execution-related costs.

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| Date | Number of Shares | Price Per Share | Cost (1) |
|----------|------------------|-----------------|---------------|
| ---- | ----- | ----- | ----- |
| 9/26/01 | 25,000 | \$ 2.035 | \$ 50,875.00 |
| 9/27/01 | 30,000 | \$ 2.052 | \$ 61,560.00 |
| 9/28/01 | 27,500 | \$ 2.07 | \$ 56,925.00 |
| 10/1/01 | 30,000 | \$ 2.075 | \$ 62,250.00 |
| 10/4/01 | 30,000 | \$ 2.13 | \$ 63,900.00 |
| 10/5/01 | 50,000 | \$ 2.135 | \$ 106,750.00 |
| 10/5/01 | 7,000 | \$ 2.13 | \$ 14,910.00 |
| 11/16/01 | 25,000 | \$ 2.34 | \$ 58,500.00 |
| 11/21/01 | 5,000 | \$ 2.35 | \$ 11,750.00 |
| 11/30/01 | 3,600 | \$ 2.32 | \$ 8,352.00 |
| 12/14/01 | 3,000 | \$ 2.31 | \$ 6,930.00 |
| 12/17/01 | 50,000 | \$ 2.33 | \$ 116,500.00 |
| 12/18/01 | 25,000 | \$ 2.34 | \$ 58,500.00 |
| 12/28/01 | 5,000 | \$ 2.31 | \$ 11,550.00 |
| 12/28/01 | 2,900 | \$ 2.31 | \$ 6,699.00 |
| 12/28/01 | 5,000 | \$ 2.31 | \$ 11,550.00 |
| 12/31/02 | 3,200 | \$ 2.30 | \$ 7,360.00 |
| 2/25/02 | 1,500 | \$ 2.22 | \$ 3,330.00 |
| 2/27/02 | 2,000 | \$ 2.23 | \$ 4,460.00 |
| 2/27/02 | 2,000 | \$ 2.24 | \$ 4,480.00 |
| 2/27/02 | 3,800 | \$ 2.24 | \$ 8,512.00 |
| 2/27/02 | 2,000 | \$ 2.21 | \$ 4,420.00 |
| 2/28/02 | 1,200 | \$ 2.21 | \$ 2,652.00 |

 (1) Excludes commissions and other execution-related costs.

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SIGNATURES

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

Dated: March 1, 2002

MUSICMAKER.COM, INC.

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By /s/ James A. Mitarotonda

Name: James A. Mitarotonda
Title: President and Chief Executive
Officer

JEWELCOR MANAGEMENT, INC.

By /s/ Seymour Holtzman

Name: Seymour Holtzman
Title: Chairman and Chief Executive
Officer

BARINGTON COMPANIES EQUITY PARTNERS, L.P.
By: Barington Companies Investors, LLC,
its general partner

By /s/ James A. Mitarotonda

Name: James A. Mitarotonda
Title: President and Chief Executive
Officer

RAMIUS SECURITIES, LLC
By: Ramius Capital Group, LLC, its
managing member

By /s/ Peter A. Cohen

Name: Peter A. Cohen
Title: Manager

DOMROSE SONS PARTNERSHIP

By /s/ James A. Mitarotonda

Name: James A. Mitarotonda
Title: Partner