

Edgar Filing: VARDON CAPITAL MANAGEMENT LLC - Form SC 13G/A

VARDON CAPITAL MANAGEMENT LLC  
Form SC 13G/A  
February 14, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
  
SCHEDULE 13G/A

OMB APPROVAL
OMB NUMBER:
EXPIRES:
DECEMBER 31, 2005
ESTIMATED AVERAGE
BURDEN HOURS
PER RESPONSE ...11

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

Kirkland's, Inc.

-----  
(Name of Issuer)

Common Stock, Par Value \$.01 Per Share

-----  
(Title of Class of Securities)

497498105

-----  
(CUSIP Number)

December 31, 2005

-----  
(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)

\*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. 497498105

SCHEDULE 13G

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(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)  
Vardon Capital, LLC

-----

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions):  
(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 0
	(6) SHARED VOTING POWER 1,825,528
	(7) SOLE DISPOSITIVE POWER 0
	(8) SHARED DISPOSITIVE POWER 1,825,528

-----

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,825,528

-----

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
(See Instructions) [ ]

-----

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
9.4%

-----

(12) TYPE OF REPORTING PERSON (See Instructions)  
OO

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CUSIP No. 497498105 SCHEDULE 13G

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(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)  
Vardon Capital Management, LLC

-----

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

-----

(3) SEC USE ONLY

-----

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

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NUMBER OF	(5) SOLE VOTING POWER 0
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SHARES  
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

(6) SHARED VOTING POWER  
1,825,528

(7) SOLE DISPOSITIVE POWER  
0

(8) SHARED DISPOSITIVE POWER  
1,825,528

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,825,528

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
(See Instructions) [ ]

(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
9.4%

(12) TYPE OF REPORTING PERSON (See Instructions)  
IA

CUSIP No. 497498105 SCHEDULE 13G

(1) NAMES OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)  
Richard W. Shea, Jr.

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

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION  
United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

(5) SOLE VOTING POWER  
0

(6) SHARED VOTING POWER  
1,825,528

(7) SOLE DISPOSITIVE POWER  
0

(8) SHARED DISPOSITIVE POWER  
1,825,528

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,825,528

(10) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES  
(See Instructions) [ ]

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-----  
(11) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)  
9.4%  
-----

(12) TYPE OF REPORTING PERSON (See Instructions)  
IN  
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Item 1(a). Name of Issuer:

Kirkland's, Inc.

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

805 N. Parkway  
Jackson, TN 38305

Item 2(a). Name of Persons Filing:

This Schedule 13G is being filed on behalf of the following persons ("Reporting Persons")\*:

- (i) Vardon Capital, LLC ("VC")
- (ii) Vardon Capital Management, LLC ("VCM")
- (iii) Richard W. Shea, Jr. ("Shea")

\*Attached as Exhibit 1 is a copy of an agreement among the Reporting Persons stating (as specified hereinabove) that this Schedule is being filed on behalf of each of them.

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

Vardon Capital, LLC  
120 West 45th Street  
17th Floor  
New York, NY 10036

Vardon Capital Management, LLC  
120 West 45th Street  
17th Floor  
New York, NY 10036

Richard W. Shea, Jr.  
120 West 45th Street  
17th Floor  
New York, NY 10036

Item 2(c). Citizenship:

See Item 4 of the attached cover pages

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

Common Stock, par value \$.01 per share

Item 2(e). CUSIP Number:

497498105

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Item 3. If This Statement is Filed Pursuant to Sections 240.13d-1(b) or 240.13d-2(b), Check Whether the Person Filing is a:

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment adviser in accordance with Section 240.13d-1(b)(1)(ii)(E);
- (f)  An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g)  A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h)  A savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i)  A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j)  Group, in accordance with Section 240.13d-1(b)(1)(ii)(J);

Item 4. Ownership.

(a) Amount Beneficially Owned: See Item 9 of the attached cover pages

(b) Percent of Class: See Item 11 of the attached cover pages

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

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

See Item 5 of the attached cover pages

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

See Item 6 of the attached cover pages

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

See Item 7 of the attached cover pages

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

See Item 8 of the attached cover pages

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

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 [ ].

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Item 5 is not applicable.

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

VC and VCM, as the general partner and/or investment manager to a number of private investment funds, and Shea, as the the sole principal of VC and VCM and as portfolio manager of three separately managed accounts, may have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, securities of the Issuer held in the name of the private investment funds and separately managed accounts. None of the private investment funds or managed accounts individually have greater than 5% beneficial ownership of the Issuer.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Controlling Person.

Item 7 is not applicable.

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

Item 8 is not applicable.

Item 9. Notice of Dissolution of Group

Item 9 is not applicable.

Item 10. Certification

By signing below I certify that, to the best of my 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.

SIGNATURE

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

Date: February 14, 2006

Vardon Capital, LLC

By: /s/ Richard W. Shea, Jr.  
-----

Name: Richard W. Shea, Jr.  
Title: Managing Member

Vardon Capital Management, LLC

By: /s/ Richard W. Shea, Jr.  
-----

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Name: Richard W. Shea, Jr.  
Title: Managing Member

Richard W. Shea, Jr.

/s/ Richard W. Shea, Jr.  
-----

EXHIBIT 1

The undersigned, Vardon Capital, LLC, a Delaware limited liability company, Vardon Capital Management, LLC, a Delaware limited liability company registered as an investment advisor under Section 203 of the U.S. Investment Advisors Act of 1940, as amended, and Richard W. Shea, Jr., a United States citizen, hereby agree and acknowledge that the Statement on Schedule 13G to which this agreement is attached as an exhibit is filed on behalf of each of them. The undersigned further agrees that any amendments or supplements thereto also shall be filed on behalf of each of them.

This agreement may be executed in one or more counterparts, each of which will constitute one and the same agreement.

Dated: February 14, 2006

Vardon Capital, LLC

By: /s/ Richard W. Shea, Jr.  
-----

Name: Richard W. Shea, Jr.  
Title: Managing Member

Vardon Capital Management, LLC

By: /s/ Richard W. Shea, Jr.  
-----

Name: Richard W. Shea, Jr.  
Title: Managing Member

Richard W. Shea, Jr.

/s/ Richard W. Shea, Jr.  
-----