

MICROFINANCIAL INC  
Form SC 13G/A  
January 20, 2004

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 2)\***

**MICROFINANCIAL INCORPORATED**

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**(Name of Issuer)**

**COMMON STOCK, PAR VALUE \$0.01 PER SHARE**

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**(Title of Class of Securities)**

**595072 10 9**

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**(CUSIP Number)**

December 31, 2003

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**(Date of Event Which Required 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 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 ( 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).

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Alex R. Lieblong

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 of America

5. Sole Voting Power

NUMBER OF 191,200

SHARES 6. Shared Voting Power

BENEFICIALLY

OWNED BY 0

EACH 7. Sole Dispositive Power

REPORTING

PERSON 191,200

WITH 8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

191,200

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10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

.. Not applicable

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11. Percent of Class Represented by Amount in Row (9)

1.45%

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12. Type of Reporting Person (See Instructions)

IN

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1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Key Colony Management, LLC

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 of America

5. Sole Voting Power

NUMBER OF  
SHARES

176,800

6. Shared Voting Power

BENEFICIALLY

OWNED BY

0

EACH

7. Sole Dispositive Power

REPORTING

PERSON

176,000

WITH

8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

176,800

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10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

.. Not applicable

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11. Percent of Class Represented by Amount in Row (9)

1.34%

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12. Type of Reporting Person (See Instructions)

OO

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1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Key Colony Fund, LP

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 of America

5. Sole Voting Power

NUMBER OF 176,800

SHARES 6. Shared Voting Power

BENEFICIALLY

OWNED BY 0

EACH 7. Sole Dispositive Power

REPORTING

PERSON 176,800

WITH 8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

176,800

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10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

Not applicable

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11. Percent of Class Represented by Amount in Row (9)

1.34%

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12. Type of Reporting Person (See Instructions)

PN

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1. NAME OF REPORTING PERSONS,

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY).

Alex R. Lieblong IRA

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 of America

5. SOLE VOTING POWER

NUMBER OF  
SHARES

4,100

6. SHARED VOTING POWER

BENEFICIALLY

OWNED BY

0

EACH

7. SOLE DISPOSITIVE POWER

REPORTING

PERSON

4,100

WITH

8. SHARED DISPOSITIVE POWER

0

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,100

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

.. Not Applicable

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11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

0.03%

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12. TYPE OF REPORTING PERSON

EP

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1. Names of Reporting Persons.

I.R.S. Identification Nos. of above person (entities only).

Paul Spann

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 of America

5. Sole Voting Power

NUMBER OF 16,900

SHARES 6. Shared Voting Power

BENEFICIALLY

OWNED BY 0

EACH 7. Sole Dispositive Power

REPORTING

PERSON 16,900

WITH 8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

16,900

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10. Check Box if the Aggregate Amount in Row (9) Excludes Certain Shares

.. Not applicable

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11. Percent of Class Represented by Amount in Row (9)

0.1%

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12. Type of Reporting Person (See Instructions)

IN

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ITEM 1. (a) NAME OF ISSUER:

Microfinancial Incorporated

(b) ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

10 M Commerce Way, Woburn, MA 01801

ITEM 2. (a) NAME OF PERSON FILING:

The names of the reporting persons are Alex R. Lieblong, Key Colony Management, LLC, Key Colony Fund, LP, Alex R. Lieblong IRA and Paul Spann.

(b) ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

The business address for all of the reporting persons is 10825 Financial Centre Parkway, Suite 100, Little Rock, Arkansas 72211.

(c) CITIZENSHIP:

Alex R. Lieblong and Paul Spann are citizens of the United States of America. Key Colony Management, LLC and Key Colony Fund, LP are entities formed under Delaware law. The Alex R. Lieblong IRA is formed under Arkansas law.

(d) TITLE OF CLASS OF SECURITIES:

Common Stock, par value \$0.01 per share.

(e) CUSIP NUMBER:

595072 10 9

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULES 13d-1(b), OR 13d-2(b) or (c), CHECK WHETHER THE PERSON FILING IS A:

(a) " Broker or Dealer registered under Section 15 of the Act

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(b) " Bank as defined in Section 3(a)(6) of the Act

(c) " Insurance Company as defined in Section 3(a)(19) of the Act

(d) " Investment Company registered under Section 8 of the Investment Company Act

(e) " Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

(f) " Employee Benefit Plan, Pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund; see Section 240.13d-1(b)(1)(ii)(F)

(g) " Parent Holding Company, in accordance with Section 240.13b-1(b)(1)(ii)(G)

(h) " Group, in accordance with Section 240.13d-1(b)(1)(ii)(H)

Not Applicable

ITEM 4. OWNERSHIP.

The percentage calculations below are based on an assumed 13,176,416 shares of outstanding Common Stock, as shown on the Company Form 10-Q for the quarter ending on September 30, 2003.

Alex R. Lieblong

(A) Amount Beneficially Owned: 191,200

(B) Percent of Class: 1.45%

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

(i) sole power to vote or direct the vote: 191,200

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 191,200

(iv) shared power to dispose or to direct the disposition of: 0

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Of the 191,200 shares reported in (A) above: 10,300 are directly held by Mr. Lieblong, 4,100 are held by Alex R. Lieblong IRA, and 176,800 are held by Key Colony Fund, LP.

The filing of this statement shall not be construed as an admission that Mr. Lieblong is, for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended, or otherwise, the beneficial owner of any securities covered by this statement.



Key Colony Management, LLC

(A) Amount Beneficially Owned: 176,800

(B) Percent of Class: 1.34%

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

(i) sole power to vote or direct the vote: 176,800

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 176,800

(iv) shared power to dispose or to direct the disposition of: 0

The 176,800 shares reported in (A) above are held by Key Colony Fund, LP.

The filing of this statement shall not be construed as an admission that Key Colony Management, LLC is, for purposes of Section 13(d) or 13(g) of the Securities Exchange Act of 1934, as amended, or otherwise, the beneficial owner of any securities covered by this statement.

Key Colony Fund, LP

(A) Amount Beneficially Owned: 176,800

(B) Percent of Class: 1.34%

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

(i) sole power to vote or direct the vote: 176,800

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 176,800

(iv) shared power to dispose or to direct the disposition of: 0

Alex R. Lieblong IRA

(A) Amount Beneficially Owned: 4,100

(B) Percent of Class: 0.03%

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

(i) sole power to vote or direct the vote: 4,100

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 4,100

(iv) shared power to dispose or to direct the disposition of: 0

Paul Spann

(A) Amount Beneficially Owned: 16,900

(B) Percent of Class: 0.1%

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

(i) sole power to vote or direct the vote: 16,900

(ii) shared power to vote or to direct the vote: 0

(iii) sole power to dispose or to direct the disposition of: 16,900

(iv) shared power to dispose or to direct the disposition of: 0

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, check the following [X].

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON.

Not applicable

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY.

Not Applicable

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP.

See Exhibit A.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

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.



EXHIBIT A

AGREEMENT AS TO JOINT FILING

Pursuant to Regulation Section 240.13d-1(k)(1)(iii), the undersigned acknowledge and agree that the attached Schedule 13G relating to Microfinancial Incorporated is being filed on behalf of each of the undersigned.

January 16, 2004

KEY COLONY FUND, LP

By: \_\_\_\_\_ /s/ Alex R. Lieblong

Name: Alex R. Lieblong  
Title: Manager

KEY COLONY MANAGEMENT, LLC

By: \_\_\_\_\_ /s/ Alex R. Lieblong

Name: Alex R. Lieblong  
Title: Manager

ALEX R. LIEBLONG IRA

By: \_\_\_\_\_ /s/ Alex R. Lieblong

Name: Alex R. Lieblong  
Title: Trustee

\_\_\_\_\_  
/s/ Alex R. Lieblong

ALEX R. LIEBLONG

\_\_\_\_\_  
/s/ Paul Spann

PAUL SPANN