

CONVERSION SERVICES INTERNATIONAL INC
Form SC 13G/A
February 13, 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 RULE 13d-1(b), (c) AND (d)
AND AMENDMENTS THERETO FILED PURSUANT TO 13d-2(b)

(Amendment No. 1)*

CONVERSION SERVICES INTERNATIONAL, INC.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

21254R208

(CUSIP Number)

December 31, 2007

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule 13G 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. 21254R208

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Laurus Master Fund, Ltd.
98-0337673

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) []
(b) [X]

(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:	0*
(6) Shared Voting Power:	6,247,869*
(7) Sole Dispositive Power:	0*
(8) Shared Dispositive Power:	6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions): [X]

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): CO

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Laurus Capital Management, LLC
13-4150669

(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:	6,247,869*
(7) Sole Dispositive Power:	0*
(8) Shared Dispositive Power:	6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions):

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): OO

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Valens U.S. SPV I, LLC
20-8903266

(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: 6,247,869*

(7) Sole Dispositive Power: 0*

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

(8) Shared Dispositive Power: 6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions):

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): OO

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Valens Offshore SPV II, Corp.
26-0811267

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

(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:	6,247,869*
(7) Sole Dispositive Power:	0*
(8) Shared Dispositive Power:	6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions):

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): OO

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Valens Capital Management, LLC
20-8903345

(2) Check the Appropriate Box if a Member of a Group (See Instructions)

(a) []
(b) [X]

(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:	6,247,869*
(7) Sole Dispositive Power:	0*
(8) Shared Dispositive Power:	6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions): [X]

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): 00

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

"Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

David Grin

(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: Israel

Number of Shares Beneficially Owned

by Each Reporting Person With	(5) Sole Voting Power:	0*
	(6) Shared Voting Power:	6,247,869*
	(7) Sole Dispositive Power:	0*
	(8) Shared Dispositive Power:	6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions): [X]

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): IN

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

(1) Names of Reporting Persons. I.R.S. Identification Nos. of Above Persons (entities only):

Eugene Grin

(2) Check the Appropriate Box if a Member of a Group (See Instructions)
(a) []

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

(b) [X]

(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*

(6) Shared Voting Power: 6,247,869*

(7) Sole Dispositive Power: 0*

(8) Shared Dispositive Power: 6,247,869*

(9) Aggregate Amount Beneficially Owned by Each Reporting Person:

6,247,869

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See
Instructions): [X]

(11) Percent of Class Represented by Amount in Row (9): 7.8%

(12) Type of Reporting Person (See Instructions): IN

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

CUSIP No. 21254R208

Item 1(a). Name Of Issuer: Conversion Services International, Inc.

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

100 Eagle Rock Avenue
East Hanover, New Jersey 07936

Item 2(a). Name of Person Filing:

Laurus Master Fund, Ltd.

This Schedule 13G, as amended, is also filed on behalf of Laurus Capital Management, LLC, a Delaware limited liability company, Valens U.S. SPV I, LLC, a Delaware limited liability company, Valens Offshore SPV II, Corp., a Delaware corporation, Valens Capital Management, LLC, a Delaware limited liability company, Eugene Grin and David Grin. Laurus Capital Management, LLC manages Laurus Master Fund, Ltd. Valens Capital Management, LLC manages Valens U.S. SPV I, LLC and Valens Offshore SPV II, Corp. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by Laurus Master Fund, Ltd, Valens U.S. SPV I, LLC and Valens Offshore SPV II, Corp. reported in this Schedule 13G, as amended. Information related to each of Laurus Capital Management, LLC, Valens U.S. SPV I, LLC, Valens Offshore SPV II, Corp., Valens Capital Management, LLC, Eugene Grin and David Grin is set forth on Appendix A hereto.

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

c/o Laurus Capital Management, LLC,
335 Madison Avenue, 10th Floor
New York, NY 10017

Item 2(c). Citizenship:

Cayman Islands

Item 2(d). Title of Class of Securities: Common Stock ("Common Stock")

Item 2(e). CUSIP No.: 21254R208

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

Not Applicable.

Item 4. Ownership

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

- (a) Amount Beneficially Owned: 6,247,869
- (b) Percent of Class: 7.8%
- (c) Number of Shares as to which the person has:
 - (i) sole power to vote or to direct the vote 0*
 - (ii) shared power to vote or to direct the vote 6,247,869*
 - (iii) sole power to dispose or to direct the disposition of 0*
 - (iv) shared power to dispose or to direct the disposition of 6,247,869*

* Based on 78,959,945 shares of common stock, \$0.001 par value per share (the "Shares") of Conversion Services International, Inc., a Delaware corporation (the "Company") outstanding as of November 2, 2007, as disclosed on the Company's Quarterly Report on Form 10-Q for the quarterly period ending September 30, 2007. As of December 31, 2007, Laurus Master Fund, Ltd. (the "Fund"), Valens U.S. SPV I, LLC ("Valens US"), and Valens Offshore SPV II, Corp. ("VOF" and together with Valens US and the Fund, the "Investors") collectively held (i) 5,393,415 Shares, (ii) a warrant (as amended, the "August Warrant") to acquire 800,000 Shares, at an exercise price of \$4.35 per Share for the first 400,000 Shares acquired thereunder, \$4.65 per Share for the next 200,000 Shares acquired thereunder and \$5.25 per Share for the remaining Shares acquired thereunder, subject to certain adjustments, (iii) an option (as amended, the "Option") to acquire 36,597 Shares at an exercise price of \$0.001 per Share, subject to certain adjustments, and (iv) a warrant (the "March Warrant", and collectively with the Option and the August Warrant, the "Existing Instruments") to acquire 17,857 Shares at an exercise price of \$0.01 per Share, subject to certain adjustments. The Existing Instruments each contain an issuance limitation prohibiting the Investors from exercising those securities to the extent that such exercise would result in beneficial ownership by the Investors of more than 9.99% of the Shares then issued and outstanding (the "9.99% Issuance Limitation"). The 9.99% Issuance Limitation under the August Warrant and Option may be waived by the Investors upon 61 days prior notice to the Company and shall, in connection with the Warrants and Option, automatically become null and void following notice to the Company of the occurrence and/or continuance of an event of default (as defined in and pursuant to the terms of the applicable instrument). The Fund is managed by Laurus Capital Management, LLC. Valens US and VOF are managed by Valens Capital Management, LLC. Eugene Grin and David Grin, through other entities, are the controlling principals of Laurus Capital Management, LLC and Valens Capital Management, LLC and share sole voting and investment power over the securities owned by the Investors reported in this Schedule 13G, as amended.

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

Not applicable

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

Not Applicable.

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

Item 7. Identification and Classification of the Subsidiary Which 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

Not Applicable.

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.

SIGNATURE

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.

February 14, 2008

Date

LAURUS MASTER FUND, LTD.

By: /s/ David Grin

Name: David Grin

Title: Director

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)

CUSIP No. 21254R208

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

APPENDIX A

- A. Name: Laurus Capital Management, LLC, a Delaware limited liability company
- Address: 335 Madison Avenue, 10th Floor
New York, New York 10017
- Place of Organization: Delaware
- B. Name: Valens U.S. SPV I, LLC, a Delaware limited liability Company
- Address: c/o Laurus Capital Management, LLC
335 Madison Avenue, 10th Floor
New York, New York 10017
- Place of Organization: Delaware
- C. Name: Valens Offshore SPV II, Corp., a Delaware corporation
- Address: c/o Laurus Capital Management, LLC
335 Madison Avenue, 10th Floor
New York, New York 10017
- Place of Organization: Delaware
- D. Name: Valens Capital Management, LLC, a Delaware limited liability company
- Address: c/o Laurus Capital Management, LLC
335 Madison Avenue, 10th Floor
New York, New York 10017
- Place of Organization: Delaware
- E. Name: David Grin
Business Address: 335 Madison Avenue, 10th Floor
New York, New York 10017
- Principal Occupation: Director of Laurus Master Fund, Ltd.
Principal of Laurus Capital Management, LLC
- Citizenship: Israel
- F. Name: Eugene Grin
Business Address: 335 Madison Avenue, 10th Floor
New York, New York 10017
- Principal Occupation: Director of Laurus Master Fund, Ltd.
Principal of Laurus Capital Management, LLC
- Citizenship: United States

Edgar Filing: CONVERSION SERVICES INTERNATIONAL INC - Form SC 13G/A

CUSIP No. 21254R208

Each of Laurus Capital Management, LLC, Valens U.S. SPV I, LLC, Valens Offshore SPV II, Corp., Eugene Grin and David Grin hereby agree, by their execution below, that the Schedule 13G to which this Appendix A is attached is filed on behalf of each of them, respectively.

Laurus Capital Management, LLC

/s/ David Grin

David Grin
Principal
February 14, 2008

Valens U.S. SPV I, LLC

Valens Offshore SPV II, Corp.

By Valens Capital Management, LLC, individually and as investment manager

/s/ David Grin

David Grin
Authorized Signatory
February 14, 2008

/s/ David Grin

David Grin, on his individual behalf
February 14, 2008

/s/ Eugene Grin

Eugene Grin, on his individual behalf
February 14, 2008