

HARBOURVEST PARTNERS LLC
Form SC 13D/A
January 03, 2003

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

Daleen Technologies, Inc.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

23427N 10-4

(CUSIP Number)

David J. Schwartz, Esq.
Debevoise & Plimpton
919 Third Avenue
New York, NY 10022
(212) 909-6000

Martha D. Vorliceck
HarbourVest Partners, LLC
One Financial Center
Boston, MA 02111
(617) 348-3707

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

December 20, 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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box []. Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

* 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 purposes 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).

(Continued on the following pages)

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

(1) Names of Reporting Persons HarbourVest Partners, LLC
I.R.S. Identification I.R.S. No. 04-3335829
Nos. of Above Persons (entities only)

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

(3) SEC Use Only

(4) Source of Funds 00

(5) Check 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 (7) Sole Voting Power
Beneficially Owned 19,270,679*
by Each Reporting Person With

(8) Shared Voting Power
-0-

(9) Sole Dispositive Power
19,270,679*

(10) Shared Dispositive Power
-0-

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 19,270,679

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares

(13) Percent of Class Represented by Amount in Row 11 31.4%

(14) Type of Reporting Person IA

* See Item 4.

Page 2 of 13

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

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

(3) SEC Use Only

(4) Source of Funds 00

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization U.S.A.

Number of Shares Beneficially Owned by Each Reporting Person With (7) Sole Voting Power -0-

(8) Shared Voting Power 19,270,679

(9) Sole Dispositive Power -0-

(10) Shared Dispositive Power 19,270,679

(11) Aggregate Amount Beneficially Owned by Each Reporting Person 19,270,679

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares

(13) Percent of Class Represented by Amount in Row 11 31.4%

(14) Type of Reporting Person IN

Page 3 of 13

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

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

(3) SEC Use Only

(4) Source of Funds 00

(5) Check if Disclosure of Legal Proceedings is Required Pursuant to Items 2(d) or 2(e)

(6) Citizenship or Place of Organization U.S.A.

Number of Shares Beneficially Owned by Each Reporting Person With (7) Sole Voting Power -0-

(8) Shared Voting Power 19,270,679

(9) Sole Dispositive Power

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

-0-

 (10) Shared Dispositive Power
 19,270,679

(11) Aggregate Amount Beneficially
 Owned by Each Reporting Person 19,270,679

 (12) Check if the Aggregate Amount
 in Row (11) Excludes Certain Shares

(13) Percent of Class Represented
 by Amount in Row 11 31.4%

 (14) Type of Reporting Person IN

Page 4 of 13

(1) Names of Reporting Persons HVP V-Direct Associates LLC
 I.R.S. Identification I.R.S. No. 04-3349950
 Nos. of Above Persons (entities only)

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

(3) SEC Use Only

 (4) Source of Funds WC

(5) Check 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 (7) Sole Voting Power
 Beneficially Owned -0-
 by Each Reporting
 Person With

 (8) Shared Voting Power
 3,818,063

(9) Sole Dispositive Power
 -0-

(10) Shared Dispositive Power
 3,818,063

(11) Aggregate Amount Beneficially
 Owned by Each Reporting Person 3,818,063

 (12) Check if the Aggregate Amount in
 Row (11) Excludes Certain Shares

(13) Percent of Class Represented

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

by Amount in Row 11	8.3%

(14) Type of Reporting Person	PN

Page 5 of 13

(1) Names of Reporting Persons	HVP VI-Direct Associates LLC
I.R.S. Identification	I.R.S. No. 04-3464301
Nos. of Above Persons (entities only)	

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

(3) SEC Use Only	

(4) Source of Funds	WC

(5) Check 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
	-0-
	(8) Shared Voting Power
	15,452,616
	(9) Sole Dispositive Power
	-0-
	(10) Shared Dispositive Power
	15,452,616

(11) Aggregate Amount Beneficially Owned by Each Reporting Person	15,452,616

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares	

(13) Percent of Class Represented by Amount in Row 11	25.2%

(14) Type of Reporting Person	PN

Page 6 of 13

(1) Names of Reporting Persons	HarbourVest Partners V-Direct Fund L.P.
I.R.S. Identification	I.R.S. No. 04-3349952
Nos. of Above Persons (entities only)	

(2) Check the Appropriate Box	(a)

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

if a Member of a Group		(b)

(3) SEC Use Only		

(4) Source of Funds		WC

(5) Check 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 -0-

	(8)	Shared Voting Power 3,818,063

	(9)	Sole Dispositive Power -0-

	(10)	Shared Dispositive Power 3,818,063

(11) Aggregate Amount Beneficially Owned by Each Reporting Person		3,818,063

(12) Check if the Aggregate Amount in Row (11) Excludes Certain Shares		

(13) Percent of Class Represented by Amount in Row 11		8.3%

(14) Type of Reporting Person		PN

Page 7 of 13

(1) Names of Reporting Persons		HarbourVest Partners VI-Direct Fund L.P.
I.R.S. Identification		I.R.S. No. 04-3464307
Nos. of Above Persons (entities only)		

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

(3) SEC Use Only		

(4) Source of Funds		WC

(5) Check 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	(7)	Sole Voting Power -0-

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

by Each Reporting Person With

	(8)	Shared Voting Power 15,452,616
	(9)	Sole Dispositive Power -0-
	(10)	Shared Dispositive Power 15,452,616
(11)	Aggregate Amount Beneficially Owned by Each Reporting Person	15,452,616
(12)	Check if the Aggregate Amount in Row (11) Excludes Certain Shares	
(13)	Percent of Class Represented by Amount in Row 11	25.2%
(14)	Type of Reporting Person	PN

Page 8 of 13

CONTINUATION PAGES TO SCHEDULE 13D
AMENDMENT NO. 3

This Amendment No. 3 to the Statement on Schedule 13D, filed by HarbourVest Partners, LLC ("HarbourVest"), D. Brooks Zug ("Zug"), Edward W. Kane ("Kane"), HVP V-Direct Associates LLC ("Associates V"), HarbourVest Partners V-Direct Fund L.P. ("Fund V"), HVP VI-Direct Associates LLC ("Associates VI"), and HarbourVest Partners VI-Direct Fund L.P. ("Fund VI") (together the "Reporting Persons"), relates to the Common Stock of Daleen Technologies, Inc., a Delaware corporation (herein referred to as "Daleen" or "Issuer"), and further supplements and amends the Statement on Schedule 13D originally filed by each of the Reporting Persons, other than Associates V and Fund V, on June 16, 2001, as amended by Amendment No. 1 to the Statement on Schedule 13D, dated August 20, 2001, and Amendment No. 2 filed by each of the Reporting Persons, including Associates V and Fund V, dated October 24, 2002.

Item 4. Purpose of Transaction.

Item 4 is supplemented by the addition of the following:

On December 20, 2002, the transactions contemplated by the Asset Purchase Agreement were consummated. Abiliti sold to Acquisition Sub the goodwill and substantially all of its assets for consideration consisting of 11,406,284 shares of Common Stock, 115,681 shares of Series F Preferred Stock, and Warrants to purchase 5,666,069 shares of Common Stock, with an exercise price of \$0.906 per share, plus the assumption of certain specified liabilities (the "Asset Purchase"). Each share of Series F Preferred Stock is immediately convertible into 122.4503 shares of Common Stock. Accordingly, the securities received by Abiliti represented approximately 47.96% of the shares of Common Stock outstanding after giving effect to the consummation of the Asset Purchase and of the transactions contemplated by the Investment Agreement.

In addition, upon consummation of the Asset Purchase on December 20, 2002, the Voting Agreement terminated in accordance with its terms. The Supplemental Voting Agreement will remain in effect through the 2003 annual meeting of the stockholders of Daleen.

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

All references to, and summaries of the Asset Purchase Agreement, the Investment Agreement, the Voting Agreement and the Supplemental Voting Agreement in this Schedule 13D are qualified in their entirety by reference to such documents, the full text of which was filed on October 24, 2002 as Exhibits 9, 10, 11 and 12 to Amendment No. 2 to the Statement on Schedule 13D, and which are incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Items 5(a), (b) and (c) are amended in their entirety to read as follows:

(a) HarbourVest, as the result of its position as the sole managing member of Associates V and Associates VI, and Zug and Kane, as the result of their positions as managing members of HarbourVest, may each be deemed to beneficially own an aggregate

Page 9 of 13

of 19,270,679 shares of Common Stock, or 31.4% of Common Stock currently outstanding (based on 45,847,865 shares of Daleen's Common Stock currently outstanding following consummation of the transactions described in Item 4 above), as a result of their beneficial ownership of:

(i) 3,818,063 shares of Common Stock held by Fund V; and

(ii) 15,452,616 shares of Common Stock, assuming conversion of 90,139 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 11,037,548 shares of Common Stock and exercise of the Series F Warrants for 36,056 shares of Series F Preferred and the conversion of such 36,056 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 4,415,068 shares of Common Stock, held by Fund VI.

Kane and Zug disclaim beneficial ownership over any of the reported securities which they may be deemed to beneficially own, except to the extent of their pecuniary interest therein.

Associates V, as the result of its position as the sole general partner of Fund V, and Fund V, as record and ultimate owner of shares of Common Stock, may each be deemed to beneficially own 3,818,063 shares of Common Stock, or 8.3% of Common Stock currently outstanding.

Associates VI, as the result of its position as the sole general partner of Fund VI, and Fund VI, as record and ultimate owner of the Series F Preferred and Series F Warrants, may be deemed to beneficially own 15,452,616 shares of Common Stock, or 25.2% of Common Stock currently outstanding, assuming conversion of 90,139 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 11,037,548 shares of Common Stock, and exercise of the Series F Warrants for 36,056 shares of Series F Preferred and the conversion of such 36,056 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 4,415,068 shares of Common Stock, held by Fund VI.

(b) HarbourVest, as the result of its position as the sole managing member of Associates V and Associates VI, may be deemed to have the sole power to vote or direct the vote of and to dispose of or to direct the disposition of:

(i) 3,818,063 shares of Common Stock held by Fund V; and

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

(ii) 15,452,616 shares of Common Stock, assuming conversion of 90,139 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 11,037,548 shares of Common Stock and exercise of the Series F Warrants for 36,056 shares of Series F Preferred and the conversion of such 36,056 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 4,415,068 shares of Common Stock, held by Fund VI.

Kane and Zug, as the result of their position as managing members of HarbourVest, may be deemed to share power to vote or direct the vote of and to dispose of or to direct the disposition of:

Page 10 of 13

(i) 3,818,063 shares of Common Stock held by Fund V; and

(ii) 15,452,616 shares of Common Stock, assuming conversion of 90,139 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 11,037,548 shares of Common Stock and exercise of the Series F Warrants for 36,056 shares of Series F Preferred and the conversion of such 36,056 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 4,415,068 shares of Common Stock, held by Fund VI.

Associates V, as the result of its position as the sole general partner of Fund V, and Fund V, as record and ultimate owner of shares of Common Stock, may be deemed to share power to vote or direct the vote of and to dispose of or to direct the disposition of 3,818,063 shares of Common Stock held by Fund V.

Associates VI, as the sole general partner of Fund VI, and Fund VI, as record and ultimate owner of the Series F Preferred and Series F Warrants, may be deemed to share power to vote or direct the vote of and to dispose of or to direct the disposition of 15,452,616 shares of Common Stock, assuming conversion of 90,139 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 11,037,548 shares of Common Stock and exercise of the Series F Warrants for 36,056 shares of Series F Preferred and the conversion of such 36,056 shares of Series F Preferred (at a Series F Preferred conversion price of \$0.9060 per share) into 4,415,068 shares of Common Stock, held by Fund VI.

(c) On September 12, 2002, the Warrant held by Fund V for the purchase of 1,250,000 shares of Common Stock expired in accordance with its terms, without payment of any consideration to Fund V.

Item 7. Material to be Filed as Exhibits

Exhibit 14. Joint Filing Agreement, dated January 2, 2003 (filed herewith).

Page 11 of 13

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.

Date: January 2, 2003

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

HARBOURVEST PARTNERS, LLC

By: /s/ Martha D Vorlicek

Name: Martha D. Vorlicek
Title: Member

/s/ Edward W. Kane

Edward W. Kane

/s/ D. Brooks Zug

D. Brooks Zug

HVP V-DIRECT ASSOCIATES LLC
By: HARBOURVEST PARTNERS,
LLC
Its Managing Member

By: /s/ Martha D. Vorlicek

Name: Martha D. Vorlicek
Title: Member

HARBOURVEST PARTNERS V-
DIRECT FUND L.P.
By: HVP V-DIRECT ASSOCIATES
LLC
Its General Partner
By: HARBOURVEST PARTNERS,
LLC
Its Managing Member

By: /s/ Martha D. Vorlicek

Name: Martha D. Vorlicek
Title: Member

Page 12 of 13

HVP VI-DIRECT ASSOCIATES LLC
By: HARBOURVEST PARTNERS, LLC
Its Managing Member

By: /s/ Martha D. Vorlicek

Name: Martha D. Vorlicek
Title: Member

HARBOURVEST PARTNERS VI-DIRECT
FUND L.P.
By: HVP VI-DIRECT ASSOCIATES LLC
Its General Partner
By: HARBOURVEST PARTNERS, LLC

Edgar Filing: HARBOURVEST PARTNERS LLC - Form SC 13D/A

Its Managing Member

By: /s/ Martha D. Vorlicek

Name: Martha D. Vorlicek

Title: Member

Page 13 of 13