

Zimmerman Michael  
 Form 4  
 July 05, 2005

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 Prentice Capital Management, LP

(Last) (First) (Middle)

623 FIFTH AVENUE, 32ND FLOOR

(Street)

NEW YORK, NY 10022

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
 GAIAM INC [GAIA]

3. Date of Earliest Transaction (Month/Day/Year)  
 06/30/2005

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
 \_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_ Form filed by One Reporting Person  
 \_\_\_X\_\_\_ Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
				(A) or (D)	Price		
Class A Common Stock ("Common Stock")	06/30/2005		X <sup>(4)</sup>	1,821,317 A	\$ 6.63	3,388,519 <sup>(1)</sup> <sub>(2)</sub>	I <sup>(1)</sup> See <sup>(1)</sup>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)



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exceeds such Reporting Person's pecuniary interest.

The investment funds and managed accounts for which the Investment Manager serves as investment manager entered into an amended and restated stock purchase agreement with Gaiam, Inc. (the "Company") as of June 16, 2005 (the "Purchase Agreement"), pursuant to which the Company agreed to issue and sell to the investment funds and managed accounts up to an aggregate of 2,821,317 shares of

- (3) Common Stock; provided, however, that the Company had the option, at any time prior to 9:00 a.m. New York City time on July 1, 2005, to elect to reduce the aggregate number of shares of Common Stock to be sold to the investment funds and managed accounts to 1,000,000 shares of Common Stock. The Company informed the Reporting Persons on June 30, 2005, that it will not elect to reduce the aggregate number of shares of Common Stock to be sold to the investment funds and managed accounts.

Because the Company has informed the Reporting Persons that it will not reduce the aggregate number of shares of Common Stock to be

- (4) sold to the investment funds and managed accounts, the Put Option may be deemed to be exercised pursuant to an exempt closing of the derivative security under Section 16b.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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