

KIRKLANDS INC
Form 4
September 04, 2007

FORM 4

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

OMB APPROVAL

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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 *
TIMON PHILIP C

2. Issuer Name and Ticker or Trading Symbol
KIRKLANDS INC [KIRK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1515 MARKET STREET, SUITE 2000

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2007

____ Director
____ Officer (give title below)
 10% Owner
____ Other (specify below)

(Street)

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

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

PHILADELPHIA, PA 19102

(City) (State) (Zip)

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 Beneficial Ownership (Instr. 4) | | | |
|--------------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|------------------------------------|---|-------------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, no par value per share | 08/30/2007 | | S | | 204,600 <u>(1)</u> <u>(2)</u> | D | \$ 1.7513 | 2,350,294 <u>(1)</u> <u>(2)</u> | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value per share | 08/30/2007 | | S | | 700 <u>(1)</u> <u>(2)</u> | D | \$ 1.75 | 2,349,594 <u>(1)</u> <u>(2)</u> | I | See footnotes <u>(1)</u> <u>(2)</u> |
| Common Stock, no par value per share | 08/31/2007 | | S | V | 75,000 <u>(1)</u> <u>(2)</u> | D | \$ 1.75 | 2,274,594 <u>(1)</u> <u>(2)</u> | I | See footnotes <u>(1)</u> <u>(2)</u> |

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

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Date (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| TIMON PHILIP C 1515 MARKET STREET, SUITE 2000 PHILADELPHIA, PA 19102 | | X | | |

Signatures

/s/ Philip C. Timon, in his capacity as sole managing member of Endowment Capital Group, LLC, the sole general partner of Endowment Capital, L.P. and Long Drive, L.P.

09/04/2007

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) Endowment Capital, L.P. and Long Drive, L.P., each a Delaware limited partnership (collectively, the "Limited Partnerships"), own in the aggregate 2,274,594 shares of the Common Stock no par value per share (the "Shares") of Kirkland's Inc., a Tennessee corporation (the "Company"), as of August 31, 2007 (the "Reporting Date"). Endowment Capital Group, LLC, a Delaware limited liability company ("Endowment LLC"), is the sole general partner of each of the Limited Partnerships. Mr. Timon is the sole managing member of Endowment LLC. As a result, Mr. Timon possessed the sole power to vote and the sole power to direct the disposition of the Shares held by the Limited Partnerships as of the Reporting Date. Thus, as of the Reporting Date, pursuant to Reg. Section 240.13d-3, Mr. Timon is deemed to beneficially own 2,274,594 Shares, or approximately 11.6% of the Shares deemed issued and outstanding as of the Reporting Date.
- (2) Mr. Timon's interest in the Shares is limited to his pecuniary interest, if any, in the Limited Partnerships.

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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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