

VERINT SYSTEMS INC
Form SC 13G
November 12, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G

(Rule 13d-102)

Information Statement Pursuant to Rules 13d-1 and 13d-2

Under the Securities Exchange Act of 1934

(Amendment No. __)*

Verint System Inc.

(Name of issuer)

Common Stock

(Title of class of securities)

92343X 100

(CUSIP number)

November 2, 2010

(Date of event which requires filing of this statement)

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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).

CUSIP No. 92343X 100

1. Name of reporting person

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sankaty Credit Opportunities III, L.P.

EIN No.: 20-5805141

2. Check the appropriate box if a member of a group

(a) (b)

3. SEC use only

4. Citizenship or place of organization

Delaware

Number of 5. Sole voting power

shares

beneficially As of November 2, 2010 360,556

owned by As of November 12, 2010 401,546

each 6. Shared voting power

reporting

person 0
7. Sole dispositive power

with

As of November 2, 2010 360,556

As of November 12, 2010 401,546
8. Shared dispositive power

0

9. Aggregate amount beneficially owned by each reporting person

As of November 2, 2010 360,556

As of November 12, 2010 401,546

10. Check box if the aggregate amount in Row (9) excludes certain shares

11. Percent of class represented by amount in Row (9)

As of November 2, 2010 1.03%

As of November 12, 2010 1.15%

12. Type of reporting person

PN

CUSIP No. 92343X 100

1. Name of reporting person

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sankaty Credit Opportunities IV, L.P.

EIN No.: 26-1884645

2. Check the appropriate box if a member of a group

(a) (b)

3. SEC use only

4. Citizenship or place of organization

Delaware

Number of 5. Sole voting power

shares

beneficially As of November 2, 2010 528,109

owned by As of November 12, 2010 581,920

each 6. Shared voting power

reporting

person 0 7. Sole dispositive power

with

As of November 2, 2010 528,109

As of November 12, 2010 581,920
8. Shared dispositive power

0

9. Aggregate amount beneficially owned by each reporting person

As of November 2, 2010 528,109

As of November 12, 2010 581,920

10. Check box if the aggregate amount in Row (9) excludes certain shares

11. Percent of class represented by amount in Row (9)

As of November 2, 2010 1.52%

As of November 12, 2010 1.67%

12. Type of reporting person

PN

CUSIP No. 92343X 100

13. Name of reporting person

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sankaty Credit Opportunities (Offshore) IV, L.P.

EIN No.: 98-0574089

14. Check the appropriate box if a member of a group

(a) (b)

15. SEC use only

16. Citizenship or place of organization

Delaware

Number of 17. Sole voting power

shares

beneficially As of November 2, 2010 680,376

owned by As of November 12, 2010 749,698

each 18. Shared voting power

reporting

person 0
19. Sole dispositive power

with

As of November 2, 2010 680,376

As of November 12, 2010 749,698
20. Shared dispositive power

0

21. Aggregate amount beneficially owned by each reporting person

As of November 2, 2010 680,376

As of November 12, 2010 749,698

22. Check box if the aggregate amount in Row (9) excludes certain shares

23. Percent of class represented by amount in Row (9)

As of November 2, 2010 1.96%

As of November 12, 2010 2.15%

24. Type of reporting person

PN

CUSIP No. 92343X 100

25. Name of reporting person

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sankaty Managed Account (PSERS), L.P.

EIN No.: 26-4768343

26. Check the appropriate box if a member of a group

(a) (b)

27. SEC use only

28. Citizenship or place of organization

Delaware

Number of 29. Sole voting power

shares

beneficially As of November 2, 2010 45,357

owned by As of November 12, 2010 71,151

each 30. Shared voting power

reporting

person 0
31. Sole dispositive power

with

As of November 2, 2010 45,357

As of November 12, 2010 71,151
32. Shared dispositive power

0

33. Aggregate amount beneficially owned by each reporting person

As of November 2, 2010 45,357

As of November 12, 2010 71,151

34. Check box if the aggregate amount in Row (9) excludes certain shares

35. Percent of class represented by amount in Row (9)

As of November 2, 2010 0.13%

As of November 12, 2010 0.20%

36. Type of reporting person

PN

CUSIP No. 92343X 100

37. Name of reporting person

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Sankaty Advisors, LLC*

EIN No.: 04-3505100

38. Check the appropriate box if a member of a group

(a) (b)

39. SEC use only

40. Citizenship or place of organization

Delaware

Number of 41. Sole voting power

shares

beneficially As of November 2, 2010 176,407

owned by As of November 12, 2010 195,190

each 42. Shared voting power

reporting

person 0
43. Sole dispositive power

with

As of November 2, 2010 176,407

As of November 12, 2010 195,190
44. Shared dispositive power

0

45. Aggregate amount beneficially owned by each reporting person

As of November 2, 2010 176,407

As of November 12, 2010 195,190

46. Check box if the aggregate amount in Row (9) excludes certain shares

47. Percent of class represented by amount in Row (9)

As of November 2, 2010 0.50%

As of November 12, 2010 0.56%

48. Type of reporting person

PN

* Sankaty Advisors, LLC has entered into an Investment Management Agreement with a managed account client pursuant to which it has authority to acquire, dispose of, and vote securities on behalf of such client. Sankaty Advisors, LLC disclaims beneficial ownership of the shares beneficially owned by such client.

Item 1 (a). **Name of Issuer**

The name of the issuer to which this filing on Schedule 13G relates is Verint Systems Inc. (the Company).

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

The principal executive offices of the Company are located at 330 South Service Road, Melville, New York, 11747

Item 2 (a). **Name of Person Filing**

This statement is being filed on behalf of Sankaty Credit Opportunities III, L.P., a Delaware limited partnership (COPS III), Sankaty Credit Opportunities IV, L.P., a Delaware limited partnership (COPS IV), Sankaty Credit Opportunities (Offshore) IV, L.P., a Cayman Island exempted limited partnership (COPS IV Offshore), Sankaty Managed Account (PSERS), L.P., a Delaware limited partnership (PSERS), and Sankaty Advisors, LLC, a Delaware limited liability company (Sankaty Advisors) in its capacity as the investment manager for a managed account client over which it has discretionary authority to acquire, dispose of, and vote securities.

Sankaty Credit Opportunities Investors III, LLC (COPS III Investors), a Delaware limited liability company, is the general partner of COPS III. Sankaty Credit Member, LLC, a Delaware limited liability company (SCM), is the managing member of COPS III investors. Sankaty Credit Opportunities Investors IV, LLC (COPS IV Investors), a Delaware limited liability company, is the general partner of COPS IV. SCM is the managing member of COPS IV Investors. Sankaty Credit Opportunities Investors (offshore) IV, L.P., a Cayman Islands Exempted Limited Partnership (SCM Offshore Investors), is the general partner of COPS IV Offshore. Sankaty Credit Member (Offshore), Ltd., a Cayman Islands Exempted Limited Partnership (SCM Offshore Ltd.), is the general partner of COPS IV Offshore Investors. Sankaty Managed Account Investors, LLC, a Delaware Limited Liability Company (SMAI) is the general partner of PSERS. SCM is the managing member of SMAI. Mr. Jonathan Lavine is the managing member of each and SCM and SCM Offshore Ltd. Sankaty Advisors has entered into an Investment Management Agreement with a managed account client pursuant to which it has authority to acquire, dispose of, and vote securities on behalf of such client. Sankaty Advisors disclaims beneficial ownership of the shares beneficially owned by such client.

The Reporting Persons have entered into a Joint Filing Agreement, dated November 12, 2010, a copy of which is filed with this Schedule 13G as [Exhibit A](#), pursuant to which the Reporting Persons have agreed to file this statement jointly in accordance with the provisions of Rule 13d-1(k)(1) under the Securities Exchange Act of 1934.

Item 2 (b). **Address of Principal Business Office or, if none, Residence**

The principal business address of COPS III, COPS IV and COPS IV Offshore, PSERS, and Sankaty Advisors, is 111 Huntington Avenue, Boston, Massachusetts 02199.

Item 2 (c). **Citizenship**

COPS III, COPS IV, PSERS, and Sankaty Advisors are organized under the laws of the State of Delaware. COPS IV Offshore is organized under the laws of the Cayman Islands. Mr. Jonathan S. Lavine is a citizen of the United States of America.

Item 2 (d). **Title of Class of Securities**

The class of equity securities of the Company to which this filing on Schedule 13G relates is Common Stock (Common Stock).

Item 2 (e). **CUSIP Number**

The CUSIP number of the Company's Common Stock is 92343X 100.

Item 3. **If this statement is filed pursuant to §§ 240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**

Not applicable.

- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
 - (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 73c).
 - (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
 - (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
 - (e) An investment adviser in accordance with §13d-1(b)(1)(ii)(E).
 - (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F).
 - (g) A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G).
 - (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).
 - (i) A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).
 - (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).
- If this statement is filed pursuant to §240.13d-1(c), check this box.**

Item 4. **Ownership**

Item 4 (a). **Amount beneficially owned**

As of the close of business on November 2, 2010, COPS III owned 360,556 shares of Common Stock of the Company, COPS IV owned 528,109 shares of Common Stock of the Company, COPS IV Offshore owned 680,376 shares of Common Stock of the Company, PSERS owned 45,357 shares of Common Stock of the Company, and Sankaty Advisors had discretionary authority to acquire, dispose of and vote 176,407 shares of Common Stock of the Company. As of the close of business on November 12, 2010, COPS III owned 401,456 shares of Common Stock of the Company, COPS IV owned 581,920 shares of Common Stock of the Company, COPS IV Offshore owned 749,698 shares of Common Stock of the Company, PSERS owned 71,151 shares of Common Stock of the Company, and Sankaty Advisors had discretionary authority to acquire, dispose of and vote 195,190 shares of Common Stock of the Company. SCM is the managing member of COPS III and COPS IV. SCM Offshore Ltd. is the general partner of COPS IV Offshore. Sankaty Advisors has entered into an Investment Management Agreement

with a managed account client pursuant to which it has authority to acquire, dispose of, and vote securities on behalf of such client. Mr. Jonathan S. Lavine is the managing member of SCM and is a director of SCM Offshore Ltd.

No person other than the respective owner referred to herein of the shares of Common Stock of the Company is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such shares of Common Stock of the Company.

Item 4 (b). **Percent of Class**

As of the close of business on November 2, 2010, COPS III owned 1.03% of the Common Stock outstanding of the Company, and COPS IV owned 1.52% of the Common Stock outstanding of the Company, and COPS IV Offshore owned 1.96% of the Common Stock outstanding of the Company, PSERS owned 0.13% of the Common Stock outstanding of the Company, and Sankaty Advisors had discretionary authority to acquire, dispose of and vote 0.51% of the Common Stock outstanding of the Company.

Together, as of the close of business on November 12, 2010, COPS III and COPS IV, COPS IV Offshore, and Sankaty Advisors had discretionary authority to acquire, dispose of and vote 5.76% of the Common Stock outstanding of the Company. The aggregate percentage of Common Stock reported owned by COPS III and COPS IV, COPS IV Offshore, and Sankaty Advisors is based upon 34,715,943 shares of Common Stock outstanding, which is the total number of shares of Common Stock outstanding as of August 31, 2010, based on representations made in the Company's Form 10-Q for the quarter ending July 31, 2010, filed with the Securities and Exchange Commission on September 8, 2010.

Item 4 (c). **Number of shares as to which such person has:**

(i) sole power to vote or to direct the vote:

| | |
|------------------|---------|
| COPS III | 401,546 |
| COPS IV | 581,920 |
| COPS IV OFF | 749,698 |
| PSERS | 71,151 |
| Sankaty Advisors | 195,190 |

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

0

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

| | |
|------------------|---------|
| COPS III | 401,546 |
| COPS IV | 581,920 |
| COPS IV OFF | 749,698 |
| PSERS | 71,151 |
| Sankaty Advisors | 195,190 |

(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 of securities, check the following.

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**

Not Applicable.

Item 9. **Notice of Dissolution of Group**

Not Applicable.

Item 10. **Certification**

By signing below, the undersigned certifies that, to the best of its 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.

Dated: November 12, 2010

SANKATY CREDIT OPPORTUNITIES III, L.P.

By: Sankaty Credit Opportunities Investors, LLC, its
general partner

By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine

Name: Jonathan S. Lavine

Title: Managing Member

SANKATY CREDIT OPPORTUNITIES IV, L.P.

By: Sankaty Credit Opportunities Investors, LLC, its
general partner

By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine

Name: Jonathan S. Lavine

Title: Managing Member

SANKATY CREDIT OPPORTUNITIES (OFFSHORE)
IV, L.P.

By: Sankaty Credit Opportunities Investors (Offshore)
IV, L.P., its general partner.

By: Sankaty Credit Member (Offshore), Ltd., its general
partner

By: /s/ Jonathan S. Lavine

Name: Jonathan S. Lavine

Title: Managing Member

SANKATY MANAGED ACCOUNT (PSERS), L.P.

By: Sankaty Managed Account Investors, LLC, its
general partner

By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

SANKATY ADVISORS, LLC as power-of-attorney for a
managed account client

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

AGREEMENT REGARDING THE JOINT FILING OF SCHEDULE 13G/A

The undersigned hereby agree as follows:

- (1) Each of them is individually eligible to use the Schedule 13G to which this Exhibit is attached, and such Schedule 13G is filed on behalf of each of them; and
- (2) Each of them is responsible for the timely filing of such Schedule 13G and any amendments thereto, and for the completeness and accuracy of such information concerning such person contained therein; but none of them is responsible for the completeness or accuracy of the information concerning the other persons making this filing, unless such person knows or has reason to believe that such information is inaccurate.

Dated: November 12, 2010

SANKATY CREDIT OPPORTUNITIES III, L.P.

By: Sankaty Credit Opportunities Investors, LLC, its
general partner

By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

SANKATY CREDIT OPPORTUNITIES IV, L.P.

By: Sankaty Credit Opportunities Investors, LLC, its
general partner
By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

SANKATY CREDIT OPPORTUNITIES (OFFSHORE)
IV, L.P.

By: Sankaty Credit Opportunities Investors (Offshore)
IV, L.P., its general partner.
By: Sankaty Credit Member (Offshore), Ltd., its general
partner

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

SANKATY MANAGED ACCOUNT (PSERS), L.P.

By: Sankaty Managed Account Investors, LLC, its
general partner
By: Sankaty Credit Member, LLC, its managing member

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member

SANKATY ADVISORS, LLC
as power-of-attorney for a managed account client

By: /s/ Jonathan S. Lavine
Name: Jonathan S. Lavine
Title: Managing Member