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PRICE LEGACY CORP
Form SC 13D/A
December 30, 2003

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 13D/A
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED
PURSUANT TO RULE 13d-2(a)

(Amendment No. 5) (1)

PRICE LEGACY CORPORATION

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.0001 PER SHARE

(Title of Class of Securities)

74144P106

(CUSIP Number)

JAMES F. CAHILL
THE PRICE GROUP LLC
7979 IVANHOE AVENUE, SUITE 520
LA JOLLA, CALIFORNIA 92037
TELEPHONE (858) 551-2303

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

DECEMBER 18, 2003

(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 that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

(Continued on following pages)

(Page 1 of 7 pages)

1 The remainder of this cover page shall be filled out for a reporting

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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 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).

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 1 NAME OF REPORTING PERSONS
 I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

 The Price Group LLC
 52-2255962

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
 (a)
 (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
 WC, OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
 PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION
 California

| | | |
|----------------|----|--------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES | | 7,364,996 (See Item 5) |
| BENEFICIALLY | 8 | SHARED VOTING POWER |
| OWNED BY | | ----- |
| EACH REPORTING | 9 | SOLE DISPOSITIVE POWER |
| PERSON | | 7,364,996 (See Item 5) |
| WITH | 10 | SHARED DISPOSITIVE POWER |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 7,364,996 (See Item 5)

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

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12

[] (See Item 5)

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

20.1% (See Item 5)

TYPE OF REPORTING PERSON*

14

OO - Limited Liability Company

* See instructions before filling out!

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This Amendment No. 5 relates to the common stock, par value \$0.0001 per share ("Price Legacy Common Stock"), of Price Legacy Corporation, a Maryland corporation ("Price Legacy"), and amends the Schedule 13D, filed by The Price Group LLC, a California limited liability company ("Price Group"), with the Securities and Exchange Commission (the "SEC") on September 28, 2001 (the "Original 13D"), as amended by Amendment No. 1 thereto, filed by Price Group with the SEC on October 19, 2001, Amendment No. 2 thereto, filed by Price Group with the SEC on September 11, 2003 (the "Second Amendment"), Amendment No. 3 thereto, filed by Price Group with the SEC on September 29, 2003, and Amendment No. 4 thereto, filed by Price Group with the SEC on November 26, 2003 (the Original 13D, as so amended, being the "Schedule 13D"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Schedule 13D.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 of the Schedule 13D is hereby amended to add the following:

As disclosed previously in the Second Amendment, on September 9, 2003, Warburg, Pincus Equity Partners, L.P., a Delaware limited partnership, and certain of its affiliates (collectively "Warburg Pincus") entered into a purchase agreement (the "Purchase Agreement") with Price Group to sell all Price Legacy securities held by Warburg Pincus (the "Warburg Securities"), including 17,985,612 shares of the Price Legacy 9% Series B Junior Convertible Preferred Stock (the "Series B Preferred Stock"), (2) 5,000,000 shares of Price Legacy Common Stock, and warrants to purchase 2,500,000 shares of Price Legacy Common Stock, to Price Group and/or its assignees, on January 5, 2004, for an aggregate purchase price of \$138 million. In connection with the Purchase Agreement, Price Group paid to Warburg Pincus a deposit of \$5,000,000 (the "Deposit").

In addition, and also as disclosed previously in the Second Amendment, on September 9, 2003, Price Group and Price Legacy entered into a letter agreement (the "Letter Agreement") pursuant to which Price Group confirmed that it executed the Purchase Agreement as a facilitator and agreed, among other things, to assign all of its rights to purchase the Warburg Securities under the Purchase Agreement to one or more third parties in a manner that will ensure that the ownership of the Warburg Securities will be in compliance with the ownership limits in Price Legacy's charter. Under the Letter Agreement, Price Group also agreed that its assignment of such rights will be on terms such that the aggregate consideration paid by the assignees for the Warburg Securities will not exceed \$138 million (reduced

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proportionately to the extent that Price Group retains any of the Warburg Securities).

On December 18, 2003, Price Group entered into an Agreement to Assign Purchase Agreement and an Assignment (collectively, the "Assignment Agreements"), pursuant to which Price Group assigned to The 520 Group, LLC, a California limited liability company (the "520 Group"), all of Price Group's rights to purchase the Warburg Securities under the Purchase Agreement in exchange for the 520 Group's agreement to (i) reimburse Price Group for the Deposit and related attorneys fees, banks fees, and other expenses and (ii) pay interest on the Deposit and such fees and expenses at the rate of 7% per annum from the dates of the Deposit or such fees and expenses, as applicable. As a result of such assignment, to the extent that Price Group may have been deemed to have beneficially owned any of the Warburg Securities, Price Group has ceased to beneficially own

2 Effective as of September 18, 2003, the Series B Preferred Stock became convertible pursuant to its terms into Price Legacy Common Stock. Price Group believes that, under such terms, each share of Series B Preferred Stock is presently convertible into one share of Price Legacy Common Stock (excluding any additional shares, if any, issuable on account of accrued and unpaid dividends on the Series B Preferred Stock).

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such Warburg Securities. The Assignment Agreements have been incorporated by reference into this Schedule 13D as Exhibits 8 and 9 hereto and are hereby incorporated herein in their entirety in response to this Item 3.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

Items 5(a) and 5(b) of the Schedule 13D is hereby amended and restated in their entirety as follows:

- (a)-(b) After giving effect to the assignment described in Item 3 above, Price Group presently beneficially owns, in the aggregate, the equivalent of 7,364,996 shares of Price Legacy Common Stock, which represent approximately 20.1% of the outstanding Price Legacy Common Stock.(3) Such 7,364,996 shares consists of (i) 5,450,175 shares of issued and outstanding Price Legacy Common Stock directly held by Price Group, (ii) a warrant to acquire 233,679 shares of Price Legacy Common Stock (the "Price Group Warrant"), and 1,681,142 shares of Series B Preferred Stock directly held by Price Group. Price Group presently has sole voting and dispositive power over all 7,364,996 shares and shared voting and dispositive power over none.

Mr. McGrory presently beneficially owns options exercisable for 29,001 shares of Price Legacy Common Stock, which represent less than 0.1% of the outstanding Price Legacy Common Stock. He presently has sole voting and dispositive power over all 29,001 shares and shared voting and dispositive power over no shares.

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Mr. Cahill presently beneficially owns options exercisable for 15,000 shares of Price Legacy Common Stock, which represent less than 0.1% of the outstanding Price Legacy Common Stock. He presently has sole voting and dispositive power over all 15,000 shares and shared voting and dispositive power over no shares.

Mr. Galinson presently beneficially owns options exercisable for 15,000 shares of Price Legacy Common Stock, which represent less than 0.1% of the outstanding Price Legacy Common Stock. He presently has sole voting and dispositive power over all 15,000 shares and shared voting and dispositive power over no shares.

Each of the Managers is an officer and/or director of the Price Family Charitable Fund, which presently beneficially owns 1,000,700 shares of Price Legacy Common Stock.

In addition, Price Group presently beneficially owns 1,000,000 shares of the 8 3/4% Series A Cumulative Redeemable Preferred Stock of Price Legacy ("Series A Preferred Stock"). The terms of the Series A Preferred Stock provide that such stock votes together with the Price Legacy Common Stock on matters on which the Price Legacy Common Stock is entitled to vote. On these matters, each share of Series A Preferred Stock only has one-tenth of the vote of a share of Price Legacy Common Stock.

3 All calculations of percentage ownership in this Schedule 13D (i) is based on approximately 34,732,157 shares of Price Legacy Common Stock estimated to be outstanding as of November 11, 2003, as reported in the Quarterly Report on Form 10-Q for the Quarter Ended September 30, 2003, filed by Price Legacy with the SEC on November 12, 2003, (ii) assumes exercise of the Price Group Warrant for 233,679 shares of Price Legacy Common Stock, and (iii) assumes conversion of all Series B Preferred Stock held by Price Group into 1,681,142 shares of Price Legacy Common Stock.

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The Managers presently may be deemed to beneficially own, in the aggregate, 12,227,660 shares of Series A Preferred Stock (including the 1,000,000 shares presently beneficially owned by Price Group).

Other than the 1,000,000 shares of Series A Preferred Stock referenced above, which is directly owned by Price Group, Price Group disclaims beneficial ownership of all Price Legacy securities that may be deemed to be beneficially owned by the Price Family Charitable Fund or any of the Managers. Each of the Managers disclaims beneficial ownership of all Price Legacy securities that may be deemed to be beneficially owned by the Price Family Charitable Fund or Price Group. The Price Family Charitable Fund disclaims beneficial ownership of all Price Legacy securities that may be deemed to be beneficially owned by Price Group or any of the Managers.

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The information set forth in Items 2 and 3 above is incorporated herein in its entirety in response to this Item 5(b).

Item 5(c) is hereby amended to add the following:

- (c) The information set forth in Item 3 above is incorporated herein in its entirety in response to this Item 5(c).

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Items 6 of the Schedule 13D is hereby amended to add the following:

The information set forth in Item 3 above is incorporated herein in its entirety in response to this Item 6.

ITEM 7. MATERIALS TO BE FILED AS EXHIBITS

Items 7 of the Schedule 13D is hereby amended to add the following:

| Exhibit No. ----- | Description of Exhibit ----- |
|----------------------|--|
| 8 | Agreement to Assign Purchase Agreement, dated as of December 18, 2003, by and between The Price Group LLC and The 520 Group, LLC (incorporated by reference to Exhibit 1 to the Schedule 13D filed by The 520 Group, LLC with the SEC on December 29, 2003). |
| 9 | Assignment, dated as of December 18, 2003, by and between The Price Group LLC and The 520 Group, LLC (incorporated by reference to Exhibit 2 to the Schedule 13D filed by The 520 Group, LLC with the SEC on December 29, 2003). |

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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.

Dated: December 30, 2003

THE PRICE GROUP LLC

/s/ James F. Cahill

By: James F. Cahill
Title: Manager

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EXHIBIT INDEX

| Exhibit No. ----- | Description of Exhibit ----- |
|----------------------|---|
| 1 | Agreement and Plan of Merger, dated as of March 21, 2001, among Price Enterprises, Inc., PEI Merger Sub, Inc., and Excel Legacy Corporation (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K filed by Price Enterprises, Inc. with the SEC on March 23, 2001). |
| 2 | Conversion Agreement, dated as of April 12, 2001, among Price Enterprises, Inc., The Sol and Helen Price Trust, Excel Legacy Corporation, Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V., and Warburg, Pincus Netherlands Equity Partners III, C.V. (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q/A filed by Price Enterprises, Inc. with the SEC on May 24, 2001). |
| 3 | Form of Common Stock Purchase Warrant (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K filed by Price Enterprises, Inc. with the SEC on March 23, 2001). |
| 4 | Registration Rights Agreement, dated as of September 18, 2001, among The Price Group LLC, Price Enterprises, Inc., Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V., and Warburg, Pincus Netherlands Equity Partners III, C.V. (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K filed by Price Legacy Corporation with the SEC on September 19, 2001). |
| 5 | Purchase Agreement, dated as of September 9, 2003, by and among The Price Group LLC, Warburg, Pincus Equity Partners, L.P., Warburg, Pincus Netherlands Equity Partners I, C.V., Warburg, Pincus Netherlands Equity Partners II, C.V., and Warburg, Pincus Netherlands Equity Partners III, C.V. (incorporated by reference to Exhibit 5 to Amendment No. 2 to Schedule 13D filed by The Price Group LLC on September 11, 2003). |
| 6 | Letter Agreement, dated as of September 9, 2003, by and between The Price Group LLC and Price Legacy Corporation (incorporated by reference to Exhibit 6 to Amendment No. 2 to Schedule 13D filed by The Price Group LLC on September 11, 2003). |
| 7 | Press Release issued by Price Legacy Corporation on September 22, 2003 (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K filed by Price Legacy Corporation with the SEC on September 23, 2003). |

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- 8 Agreement to Assign Purchase Agreement, dated as of December 18, 2003, by and between The Price Group LLC and The 520 Group, LLC (incorporated by reference to Exhibit 1 to the Schedule 13D filed by The 520 Group, LLC with the SEC on December 29, 2003).
- 9 Assignment, dated as of December 18, 2003, by and between The Price Group LLC and The 520 Group, LLC (incorporated by reference to Exhibit 2 to the Schedule 13D filed by The 520 Group, LLC with the SEC on December 29, 2003).