

CAPITAL SENIOR LIVING CORP
Form SC 13D/A
January 25, 2008

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

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

(Amendment No. 3)1

Capital Senior Living Corporation
(Name of Issuer)

Common Stock, \$0.01 par value
(Title of Class of Securities)

140475104
(CUSIP Number)

STEVEN WOLOSKY, ESQ.
OLSHAN GRUNDMAN FROME ROSENZWEIG & WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

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

January 25, 2008
(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 §§ 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 § 240.13d-7 for other parties to whom copies are to be sent.

1 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. 140475104

1 NAME OF REPORTING PERSON

Boston Avenue Capital, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Oklahoma

| | | |
|---|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | 1,901,000 |
| | 8 | SHARED VOTING POWER |
| | | - 0 - |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 1,901,000 |
| | 10 | SHARED DISPOSITIVE POWER |

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,901,000

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.1%

14 TYPE OF REPORTING PERSON

OO (Limited Liability Company)

CUSIP NO. 140475104

1 NAME OF REPORTING PERSON

Yorktown Avenue Capital, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Oklahoma

| | | |
|---|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | 1,901,000 |
| | 8 | SHARED VOTING POWER |
| | | - 0 - |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 1,901,000 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | - 0 - |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,901,000

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.1%

14 TYPE OF REPORTING PERSON

OO (Limited Liability Company)

CUSIP NO. 140475104

1 NAME OF REPORTING PERSON

Stephen J. Heyman

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

| | | |
|---|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | 1,901,000 |
| | 8 | SHARED VOTING POWER |
| | | - 0 - |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 1,901,000 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | - 0 - |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,901,000

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.1%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 140475104

1 NAME OF REPORTING PERSON

James F. Adelson

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

| | | |
|---|----|--------------------------|
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| | | 1,901,000 |
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| | 10 | SHARED DISPOSITIVE POWER |
| | | - 0 - |

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13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

7.1%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 140475104

The following constitutes Amendment No. 3 (“Amendment No. 3”) to the Schedule 13D filed by the undersigned. This Amendment No. 3 amends the Schedule 13D as specifically set forth herein.

Item 4 is hereby amended to add the following:

On December 26, 2007, the Issuer announced that it had entered into a definitive agreement with Hearthstone Senior Services, L.P. (“Hearthstone”) to acquire the 32 leasehold interests owned by Hearthstone (the “Hearthstone Transaction”). The Reporting Persons have carefully reviewed the Hearthstone Transaction and have also carefully reviewed a sensitivity analysis prepared in connection with the evaluation of the Hearthstone Transaction. The Reporting Persons do not believe that the Hearthstone Transaction is in the best interest of the Issuer's shareholders. The Reporting Persons believe that the lease terms under the Hearthstone Transaction are extremely onerous and could ultimately drive the Issuer into bankruptcy if there is any decline in occupancy rates that would force the Issuer to service the leases with its cash-flow sources. The Reporting Persons strongly urge the Issuer's Board to immediately take all steps necessary to terminate the agreement underlying the Hearthstone Transaction. The Reporting Persons remind the members of the Issuer's Board of their respective fiduciary obligations to take actions that are in the best interests of the Issuer's shareholders and will not hesitate to hold members of the Board personally liable for any failure to fully discharge such obligations. The Reporting Persons continue to urge the Board to immediately retain a nationally-recognized investment bank to conduct a full review of strategic alternatives to maximize shareholder value, including the sale or liquidation of the Issuer. The Reporting Persons may engage in communications with one or more shareholders of the Issuer, one or more officers of the Issuer, one or more members of the Issuer's Board and/or one or more representatives of the Issuer regarding the Hearthstone Transaction. If the Reporting Persons do not receive assurance that the Issuer's Board is re-evaluating the Hearthstone Transaction with the best interests of its shareholders in mind, the Reporting Persons will not hesitate to take any and all action they deem appropriate to protect the interests of all shareholders, including but not limited to, seeking Board representation at the Issuer's 2008 annual meeting of shareholders.

CUSIP NO. 140475104

SIGNATURES

After reasonable inquiry and to the best of his knowledge and belief, each of the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: January 25, 2008

Boston Avenue Capital, LLC

By: /s/ Stephen J. Heyman
Stephen J. Heyman, Manager

By: /s/ James F. Adelson
James F. Adelson, Manager

Yorktown Avenue Capital, LLC

By: /s/ Stephen J. Heyman
Stephen J. Heyman, Manager

By: /s/ James F. Adelson
James F. Adelson, Manager

/s/ Stephen J. Heyman
Stephen J. Heyman

/s/ James F. Adelson
James F. Adelson

