

CONSECO INC
Form SC 13D/A
March 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

Conseco, Inc.

(Name of Issuer)

Common Stock, par value \$0.01

(Title of Class of Securities)

208464883

(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)

March 20, 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. 208464883

1 NAME OF REPORTING PERSON

STEEL PARTNERS II, L.P.

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

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		17,380,141 (1)
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		17,380,141 (1)
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,380,141 (1)

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

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

9.4%

14 TYPE OF REPORTING PERSON

PN

(1) Includes 301,000 Shares underlying short put options.

CUSIP NO. 208464883

1 NAME OF REPORTING PERSON

STEEL PARTNERS II GP LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		17,380,141 (1)
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		17,380,141 (1)
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,380,141(1)

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

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

9.4%

14 TYPE OF REPORTING PERSON

OO

(1) Includes 301,000 Shares underlying short put options.

CUSIP NO. 208464883

1 NAME OF REPORTING PERSON

STEEL PARTNERS II MASTER FUND L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		17,380,141 (1)
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		17,380,141 (1)
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,380,141 (1)

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

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

9.4%

14 TYPE OF REPORTING PERSON

PN

(1) Includes 301,000 Shares underlying short put options.

CUSIP NO. 208464883

1 NAME OF REPORTING PERSON

STEEL PARTNERS LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		17,380,141 (1)
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	17,380,141 (1)
		SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,380,141 (1)

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

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

9.4%

14 TYPE OF REPORTING PERSON

OO

(1) Includes 301,000 Shares underlying short put options.

CUSIP NO. 208464883

1 NAME OF REPORTING PERSON

WARREN G. LICHTENSTEIN

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		17,380,141 (1)
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		17,380,141 (1)
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,380,141 (1)

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

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

9.4%

14 TYPE OF REPORTING PERSON

IN

(1) Includes 301,000 Shares underlying short put options.

CUSIP NO. 208464883

1 NAME OF REPORTING PERSON

JACK L. HOWARD

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -**
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -**
		SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

- 0 -**

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

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

- 0 -**

14 TYPE OF REPORTING PERSON

IN

** See Item 5.

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CUSIP NO. 208464883

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

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated to read as follows:

The aggregate purchase price of the 17,079,141 Shares owned directly by Steel Partners II is approximately \$247,818,490, including brokerage commissions. The Shares owned by Steel Partners II were acquired with partnership funds.

Steel Partners II effects purchases of securities primarily through margin accounts maintained for it with prime brokers, which may extend margin credit to it as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and the prime brokers' credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts.

Item 5. Interest in Securities of the Issuer.

Item 5(a) is hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 184,652,017 Shares outstanding, which is the total number of Shares outstanding as of December 31, 2007 as reported in the Issuer's current report on Form 8-K filed with the Securities and Exchange Commission on March 17, 2008.

As of the close of business on March 24, 2008, Steel Partners II beneficially owned 17,380,141 Shares (including 301,000 Shares underlying short put options), constituting approximately 9.4% of the Shares outstanding. By virtue of their relationships with Steel Partners II discussed in further detail in Item 2, each of Steel GP LLC, Steel Master, Partners LLC and Warren G. Lichtenstein may be deemed to beneficially own the Shares owned by Steel Partners II.

Mr. Howard does not directly own any Shares. Mr. Howard, as a member of a "group" for the purposes of Rule 13d-5(b)(1) of the Securities Exchange Act of 1934, as amended, may be deemed to beneficially own the 17,380,141 Shares owned by Steel Partners II. Mr. Howard disclaims beneficial ownership of such Shares.

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

(c) Schedule A annexed hereto lists all transactions in the Shares by the Reporting Persons since the filing of Amendment No. 2 to the Schedule 13D. All of such transactions were effected in the open market.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Item 6 is hereby amended to add the following:

As of the close of business on March 24, 2008, Steel Partners II had entered into the following transactions in derivative securities of the Issuer with unrelated third parties:

CUSIP NO. 208464883

Class of Security	Number of Underlying Shares	Expiration Date	Strike Price (\$)
Short Put Option	(200,000)	06/21/2008	10.00
Short Put Option	(101,000)	06/21/2008	10.00

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CUSIP NO. 208464883

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: March 25, 2008

STEEL PARTNERS II, L.P.

By: Steel Partners II GP LLC
General Partner

By: /s/ Lauren Isenman
Lauren Isenman
as Attorney-In-Fact for Warren G.
Lichtenstein,
Managing Member

STEEL PARTNERS II GP LLC

By: /s/ Lauren Isenman
Lauren Isenman
as Attorney-In-Fact for Warren G.
Lichtenstein,
Managing Member

STEEL PARTNERS II MASTER FUND L.P.

By: Steel Partners II GP LLC
General Partner

By: /s/ Lauren Isenman
Lauren Isenman
as Attorney-In-Fact for Warren G. Lichtenstein,
Managing Member

STEEL PARTNERS LLC

By: /s/ Lauren Isenman
Lauren Isenman
as Attorney-In-Fact for Warren G.
Lichtenstein,
Manager

/s/ Lauren Isenman
LAUREN ISENMAN
as Attorney-In-Fact for Warren G. Lichtenstein

/s/ Jack L. Howard
JACK L. HOWARD

CUSIP NO. 208464883

SCHEDULE A

Transactions in the Securities of the Issuer Since the Filing of Amendment No. 2 to the Schedule 13D

Class of Security	Securities Purchased / (Sold)	Price (\$)	Date of Purchase / Sale
STEEL PARTNERS II, L.P.			
Common Stock	286,514	10.4867	03/13/08
Short Put Option (\$10.00 Strike Price)	(2,000)	--	03/13/08
Common Stock	50,000	10.0449	03/14/08
Short Put Option (\$10.00 Strike Price)	(1,010)	--	03/14/08
Common Stock	71,200	10.0284	03/14/08
Common Stock	450,000	8.9751	03/17/08
Common Stock	385,000	9.3214	03/18/08
Common Stock	276,873	9.2982	03/19/08
Common Stock	190,000	9.9214	03/20/08
Common Stock	135,707	9.4753	03/20/08
Common Stock	50,000	10.3071	03/24/08
Common Stock	50,000	10.3426	03/24/08
Common Stock	200,000	10.4151	03/24/08

STEEL PARTNERS II GP LLC

None

STEEL PARTNERS II MASTER FUND L.P.

None

STEEL PARTNERS LLC

None

WARREN G. LICHTENSTEIN

None

JACK L. HOWARD

None

