

BARNWELL INDUSTRIES INC  
Form SC 13D  
February 25, 2008

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

**(Amendment No. \_\_\*)**

BARNWELL INDUSTRIES, INC.

**(Name of Issuer)**

COMMON STOCK, PAR VALUE \$0.50 PER SHARE

**(Title of Class of Securities)**

068221100

**(CUSIP number)**

Malcolm F. MacLean IV

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c/o Mercury Real Estate Advisors LLC

Three River Road

Greenwich, CT 06807

(203) 869-9191

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

February 21, 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.

\* 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).

1 NAMES OF REPORTING PERSONS

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

Mercury Real Estate Advisors LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) ..

(b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES 536,408

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

0

EACH

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 536,408

10 SHARED DISPOSITIVE POWER

WITH

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

536,408

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

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

6.5%\*

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

OO Limited Liability Company

\* All percentage ownership reported in this Schedule 13D is based on 8,241,460 Shares of common stock, par value \$0.50 per share, outstanding as of February 11, 2008, as reported by the Issuer (as defined below) in its Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on February 13, 2008.

1 NAMES OF REPORTING PERSONS

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

David R. Jarvis

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a) ..

(b) ..

3 SEC USE ONLY

4 SOURCE OF FUNDS (SEE INSTRUCTIONS)

WC

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

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NUMBER OF

SHARES 536,408

8 SHARED VOTING POWER

BENEFICIALLY

OWNED BY

EACH 0

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REPORTING

PERSON 536,408

10 SHARED DISPOSITIVE POWER

WITH

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14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN

1 NAMES OF REPORTING PERSONS

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

Malcolm F. MacLean IV

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(a) ..

(b) ..

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6.5%

14 TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

IN



**Item 1. Security and Issuer.**

This statement relates to shares of common stock, par value \$0.50 per share (the Shares ) of Barnwell Industries, Inc., a Delaware corporation (the Issuer ). The principal executive offices of the Issuer are located at 1100 Alakea Street, Suite 2900, Honolulu, HI 96813-2833.

**Item 2. Identity and Background.**

(a) This statement is being filed by the following persons: Mercury Real Estate Advisors LLC, a Delaware limited liability company ( Advisors ), David R. Jarvis, an individual ( Mr. Jarvis ), and Malcolm F. MacLean IV, an individual ( Mr. MacLean ) and collectively with Advisors and Mr. Jarvis, the Reporting Persons ). Advisors is the investment advisor of the following investment funds that hold the Shares reported herein: Mercury Special Situations Fund LP, a Delaware limited partnership; Mercury Special Situations Offshore Fund, Ltd., a British Virgin Island Company; Mercury Real Estate Securities Fund LP, a Delaware limited partnership; Mercury Real Estate Securities Offshore Fund, Ltd., a British Virgin Island Company; Mercury Global Alpha Fund LP, a Delaware limited partnership; Mercury Global Alpha Offshore Fund, Ltd., a British Virgin Island Company; and Mercury Special Situations Leveraged Fund LP, a Delaware limited partnership (collectively, the Funds ). The Shares to which this Schedule 13D relates are owned beneficially by the Funds. Messrs. Jarvis and MacLean are the managing members of Advisors.

(b) The business address of each of the Reporting Persons is c/o Mercury Real Estate Advisors LLC, Three River Road, Greenwich, CT 06807.

(c) The principal business of Advisors is providing investment management services to the Funds. The principal occupation of each of Messrs. Jarvis and MacLean is serving as a managing member of Advisors.

(d) During the past five years, none of the Reporting Persons has been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the past five years, none of the Reporting Persons has been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or state securities laws or finding any violations with respect to such laws.

(f) Advisors is a Delaware limited liability company. Each of Messrs. Jarvis and MacLean is a United States citizen.

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

The total amount of funds required by the Reporting Persons to acquire the Shares was \$5,832,141.48. Each of the Funds used its own assets to purchase such Shares, which may at any given time include funds borrowed in the ordinary course in their margin accounts.

**Item 4. Purpose of the Transaction.**

The Reporting Persons acquired the Shares for investment purposes in the ordinary course of their business of investing in securities for one or more accounts over which the Reporting Persons have investment or voting power.

In connection with the foregoing, and as may be appropriate from time to time depending on the course of discussions with the Issuer or other actions taken by the Issuer, the Reporting Persons will consider the feasibility and advisability of various alternative courses of action with respect to their investment in the Issuer, including, without limitation: (a) the acquisition or disposition by the Reporting Persons of additional Shares; (b) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (c) a sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (d) changes in the present board of directors or management of the Issuer; (e) a material change in the present capitalization or dividend policy of the Issuer; (f) other material changes in the Issuer's business or corporate structure; (g) changes in the Issuer's articles of incorporation or bylaws or other actions that may impede the acquisition of control of the Issuer by any person; (h) causing any class of the Issuer's securities to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (i) causing a class of equity securities of the Issuer to become eligible for termination of registration pursuant to Section 12(g)(4) of the Exchange Act; or (j) any action similar to those enumerated above. Except to the extent described in the first paragraph of this Item 4 of the Schedule 13D, the Reporting Persons do not currently have any plans or proposals that relate to or would result in any of the actions specified in clause (a) through (j) of this Item 4 of the Schedule 13D.

The Reporting Persons reserve the right, based on all relevant factors and subject to applicable law, at any time and from time to time, to review or reconsider their position, change their purpose, take other actions (including actions that could involve one or more of the types of transactions or have one or more of the results described in paragraphs (a) through (j) of this Item 4 of the Schedule 13D) or formulate and implement plans or proposals with respect to any of the foregoing. Except as set forth in the Schedule 13D, no contract, arrangement, relationship or understanding (either oral or written) exists among the Reporting Persons as to the acquisition, disposition, voting or holding of Shares.

The Reporting Persons intend to review their investment in the Issuer from time to time on the basis of various factors, including the Issuer's business, financial condition, results of operations and prospects, general economic and industry conditions, the securities markets in general and those for the Issuer's stock in particular, as well as other developments.

**Item 5. Interest in Securities of the Issuer.**

(a) and (b) As of the date hereof, Mercury Special Situations Fund LP, Mercury Special Situations Offshore Fund, Ltd., Mercury Real Estate Securities Fund LP, Mercury Real Estate Securities Offshore Fund, Ltd., Mercury Global Alpha Fund LP, Mercury Global Alpha Offshore Fund, Ltd. and Mercury Special Situations Leveraged Fund LP owned beneficially 143,016; 85,130; 8,876; 20,224; 40,703; 9,807; and 228,652 Shares, respectively, representing approximately 1.7%; 1.0%; 0.1%; 0.2%, 0.5%, 0.1% and 2.8% respectively, of the shares of common stock, par value \$0.50, of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Advisors, in its capacity as investment advisor of the Funds, may be deemed to be the beneficial owner of 536,408 Shares, constituting 6.5% of the 8,241,460 shares of common stock, par value \$0.50, of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Mr. Jarvis, in his capacity as a Managing Member of Advisors, may be deemed to be the beneficial owner of 536,408 Shares, constituting 6.5% of the 8,241,460 shares of common stock, par value \$0.50, of the Issuer outstanding as reported in publicly available information.

As of the date hereof, Mr. MacLean, in his capacity as a Managing Member of Advisors, may be deemed to be the beneficial owner of 536,408 Shares, constituting 6.5% of the 8,241,460 shares of common stock, par value \$0.50, of the Issuer outstanding as reported in publicly available information.

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(c) Information with respect to all transactions in the Shares beneficially owned by the Reporting Persons that were effected during the past sixty days is set forth in Exhibit A attached hereto and incorporated herein by reference.

(d) Not applicable.

(e) Not applicable.

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

Except as otherwise set forth in this Schedule 13D, none of the Reporting Persons has any contract, arrangement, understanding or relationship (legal or otherwise) with any person with respect to any securities of the Issuer, including but not limited to, any contract, arrangement, understanding or relationship concerning the transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guaranties of profits, division of profits or loss or the giving or withholding of proxies.

Each of the Funds from time to time may enter into and unwind cash settled equity swap or other similar derivative transactions with respect to the Shares. These arrangements do not and will not give the Reporting Persons voting or investment control over the Shares to which these transactions relate and, accordingly, the Reporting Persons disclaim beneficial ownership of any such Shares.

**Item 7. Material to be Filed as Exhibits.**

The following documents are filed as exhibits to this Schedule 13D:

Exhibit A Schedule of Transactions in Shares of the Issuer

Exhibit B Joint Filing Agreement

After reasonable inquiry and to the best of his, her or its knowledge and belief, each of the persons signing below certifies that the information set forth in this statement is true, complete and correct.

Date: February 25, 2008

MERCURY REAL ESTATE ADVISORS LLC

/s/ MALCOLM F. MACLEAN IV

Signature

Malcolm F. MacLean IV, Managing Member  
Name/Title

/s/ MALCOLM F. MACLEAN IV

Signature

/s/ DAVID R. JARVIS

Signature

Exhibit A Schedule of Transactions in Shares of the Issuer

Exhibit B Joint Filing Agreement

## Schedule of Transactions in Shares of the Issuer

## During the Past 60 Days

Silvercreek SAV LLC

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
12/21/2007	(2300.00)	9.17
12/21/2007	(1500.00)	9.06
01/04/2008	(42263.00)	9.70
01/04/2008	(31741.00)	9.68

Mercury Special Situations Fund LP

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
12/21/2007	(2900.00)	9.17
12/21/2007	(1900.00)	9.06
01/02/2008	(5300.00)	12.23
01/03/2008	(8500.00)	9.92
01/04/2008	(20340.00)	9.70
01/04/2008	(83461.00)	9.68
01/04/2008	(3382.00)	9.54
01/11/2008	(1000.00)	9.42
01/14/2008	(16600.00)	9.22
01/14/2008	(1000.00)	9.29
01/15/2008	(3300.00)	8.92
01/15/2008	(700.00)	8.89
01/16/2008	(2900.00)	8.77
01/22/2008	(200.00)	8.26
02/12/2008	(61418.00)	9.96
02/12/2008	130900.00	10.04
02/13/2008	(1300.00)	10.30
02/13/2008	(200.00)	10.46
02/14/2008	(1600.00)	10.29
02/19/2008	(3400.00)	9.99
02/20/2008	10100.00	11.05
02/21/2008	51270.00	11.09

Mercury Special Situations Offshore Fund, Ltd.

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
01/04/2008	(15887.00)	9.68
02/21/2008	85130.00	11.09

Mercury Real Estate Securities Fund LP

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
02/12/2008	8876.00	10.04

Mercury Real Estate Securities Offshore Fund, Ltd.

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
02/12/2008	20224.00	10.04

Mercury Global Alpha Fund LP

Date of Transaction	Quantity Purchased(Sold)(1)	Price/Share \$(2)
01/31/2008	102.00	12.09

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02/01/2008	500.00	12.21
02/06/2008	300.00	11.46

**Mercury Global Alpha Offshore Fund, Ltd**

<b>Date of Transaction</b>	<b>Quantity Purchased(Sold)(1)</b>	<b>Price/Share \$(2)</b>
01/29/2008	3300.00	11.38
01/30/2008	500.00	12.01
01/31/2008	698.00	12.09

**Mercury Special Situations Leveraged Fund LP**

<b>Date of Transaction</b>	<b>Quantity Purchased(Sold)(1)</b>	<b>Price/Share \$(2)</b>
12/21/2007	(18000.00)	9.17
12/21/2007	(11800.00)	9.06
01/04/2008	(162397.00)	9.70
01/04/2008	(4618.00)	9.54
01/04/2008	(67211.00)	9.68
01/09/2008	4100.00	9.47
01/16/2008	2700.00	8.77
01/17/2008	125000.00	8.67
01/18/2008	4700.00	9.70
01/25/2008	6100.00	9.60
01/28/2008	3200.00	10.30
02/04/2008	500.00	11.98
02/12/2008	(88582.00)	9.96

- (1) All purchases/sales were effected through open market or privately negotiated transactions.  
(2) Inclusive of brokerage commissions.



**Joint Filing Agreement**

In accordance with Rule 13d-1(k) under the Securities and Exchange Act of 1934, the persons or entities named below agree to the joint filing on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the Shares of the Issuer and further agree that this joint filing agreement be included as an exhibit to this Schedule 13D. In evidence thereof, the undersigned, being duly authorized, have executed this Joint Filing Agreement as of February 25, 2008.

Date: February 25, 2008

MERCURY REAL ESTATE ADVISORS LLC

/s/ MALCOLM F. MACLEAN IV  
Signature

Malcolm F. MacLean IV, Managing Member  
Name/Title

/s/ MALCOLM F. MACLEAN IV  
Signature

/s/ DAVID R. JARVIS  
Signature