

INDUSTRIAL SERVICES OF AMERICA INC /FL  
Form SC 13G  
January 23, 2006

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

SCHEDULE 13G  
(RULE 13d - 102)

Information to be included in statements filed pursuant  
to Rules 13d-1(b), (c) and (d) and amendments thereto filed  
pursuant to 13d-2(b)

(AMENDMENT NO. )\*

Industrial Services of America, Inc.  
(Name of Issuer)

Common Stock, par value \$.005  
(Title of Class of Securities)

456314103  
(CUSIP Number)

October 6, 2005  
(Date of Event which Requires Filing of this Statement)

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).

(Continued on the Following Pages)

1. NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Luxor Capital Partners, LP
2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)   
(b)
3. SEC USE ONLY

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4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH  
REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

79,275

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

79,275

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON

79,275

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)  
EXCLUDES CERTAIN SHARES\* [ ]

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

2.2%

12. TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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

Luxor Capital Partners Offshore, Ltd.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH  
REPORTING PERSON WITH

5. SOLE VOTING POWER

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0

6. SHARED VOTING POWER

106,479

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

106,479

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON

106,479

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)  
EXCLUDES CERTAIN SHARES\* [ ]

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

3.0%

12. TYPE OF REPORTING PERSON\*

CO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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

Luxor Capital Group, LP

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  [x]  
(b) [ ]

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH  
REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

185,754

7. SOLE DISPOSITIVE POWER

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0

8. SHARED DISPOSITIVE POWER  
185,754
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
185,754
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\* [ ]
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
5.2%
12. TYPE OF REPORTING PERSON\*

PN

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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

Luxor Management, LLC

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER  
0
6. SHARED VOTING POWER  
185,754
7. SOLE DISPOSITIVE POWER  
0
8. SHARED DISPOSITIVE POWER  
185,754
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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185,754

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)  
EXCLUDES CERTAIN SHARES\* [ ]
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
- 5.2%
12. TYPE OF REPORTING PERSON\*

OO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

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

LCG Holdings, LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*  
(a)  [x]  
(b) [ ]
3. SEC USE ONLY
4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH  
REPORTING PERSON WITH

5. SOLE VOTING POWER
- 0
6. SHARED VOTING POWER
- 79,275
7. SOLE DISPOSITIVE POWER
- 0
8. SHARED DISPOSITIVE POWER
- 79,275
9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON
- 79,275
10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11)  
EXCLUDES CERTAIN SHARES\* [ ]
11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

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2.2%

12. TYPE OF REPORTING PERSON\*

OO

\*SEE INSTRUCTIONS BEFORE FILLING OUT!

1. NAME OF REPORTING PERSONS

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

Christian Leone

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)

(b)

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

5. SOLE VOTING POWER

0

6. SHARED VOTING POWER

185,754

7. SOLE DISPOSITIVE POWER

0

8. SHARED DISPOSITIVE POWER

185,754

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH  
REPORTING PERSON

185,754

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

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

5.2%

12. TYPE OF REPORTING PERSON\*

IN, HC

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ITEM 1(a). NAME OF ISSUER:

Industrial Services of America, Inc. (the "Issuer")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

7100 Grade Lane  
P.O. Box 32428  
Louisville, Kentucky 40232

ITEM 2(a). NAME OF PERSON FILING:

The names of the persons filing this statement on Schedule 13G are:

- Luxor Capital Partners, LP, a Delaware limited partnership ("Onshore Fund").
- Luxor Capital Partners Offshore, Ltd., a Cayman Islands exempted company ("Offshore Fund").
- Luxor Capital Group, LP, a Delaware limited partnership ("Luxor Capital Group").
- Luxor Management, LLC, a Delaware limited liability company ("Luxor Management").
- LCG Holdings, LLC, a Delaware limited liability company ("LCG Holdings").
- Christian Leone, a United States Citizen ("Mr. Leone").

Luxor Capital Group is the investment manager of the Onshore Fund and the Offshore Fund. Luxor Management is the general partner of Luxor Capital Group. Mr. Leone is the managing member of Luxor Management. LCG Holdings is the general partner of the Onshore Fund. Mr. Leone is the managing member of LCG Holdings.

Luxor Capital Group, Luxor Management and Mr. Leone may each be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund and the Offshore Fund. LCG Holdings and Mr. Leone may be deemed to have voting and dispositive power with respect to the shares of Common Stock held by the Onshore Fund.

ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE OR, IF NONE, RESIDENCE:

The business address of each of the Onshore Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone is 767 Fifth Avenue, 19th Floor, New York, New York 10153.

The business address of the Offshore Fund is c/o M&C Corporate Services Limited, P.O. Box 309 GT, Uglan House, South Church Street, George Town, Grand Cayman, Cayman Islands.

ITEM 2(c). CITIZENSHIP:

Mr. Leone is a citizen of the United States.

Each of Luxor Management and LCG Holdings is a limited liability company formed under the laws of the State of Delaware.

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Each of the Onshore Fund and Luxor Capital Group is a limited partnership formed under the laws of the State of Delaware.

The Offshore Fund is a company formed under the laws of the Cayman Islands.

ITEM 2(d). TITLE OF CLASS OF SECURITIES:

Common Stock, \$.005 par value per share (the "Common Stock")

ITEM 2(e). CUSIP NUMBER:

456314103

ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b),  
OR 13d-2(b) OR (c), CHECK WHETHER THE PERSON FILING IS A:

- (a)  Broker or dealer registered under Section 15 of the Exchange Act.
- (b)  Bank as defined in Section 3(a)(6) of the Exchange Act.
- (c)  Insurance company defined in Section 3(a)(19) of the Exchange Act.
- (d)  Investment company registered under Section 8 of the Investment Company Act.
- (e)  An investment adviser in accordance with Rule 13d-1(b)(1)(ii)(E).
- (f)  An employee benefit plan or endowment fund in accordance with Rule 13d-1(b)(1)(ii)(F).
- (g)  A parent holding company or control person in accordance with Rule 13d-1(b)(1)(ii)(G).
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act.
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act;
- (j)  Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

If this statement is filed pursuant to Rule 13d-1(c), check this box

ITEM 4. OWNERSHIP.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

- (i) The Onshore Fund beneficially owns 79,275 shares of Common Stock.
- (ii) The Offshore Fund beneficially owns 106,479 shares of Common Stock.
- (iii) Luxor Capital Group, as the investment manager of the Onshore Fund and the Offshore Fund, may be deemed to beneficially own the 185,754 shares of Common Stock held by them.



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(iv) Luxor Management and Mr. Leone may each be deemed to be the beneficial owners of the shares of Common Stock beneficially owned by Luxor Capital Group.

(v) LCG Holdings may be deemed to be the beneficial owner of the shares of Common Stock held by the Onshore Fund.

(vi) Mr. Leone may be deemed to be the beneficial owner of the shares of Common Stock beneficially owned by LCG Holdings.

(vii) Collectively, the Reporting Persons beneficially own 185,754 shares of Common Stock.

(b) Percent of Class:

(i) The Onshore Fund's beneficial ownership of 79,275 shares of Common Stock represents 2.2% of all of the outstanding shares of Common Stock.

(ii) The Offshore Fund's beneficial ownership of 106,479 shares of Common Stock represents 3.0% of all of the outstanding shares of Common Stock.

(iii) LCG Holdings' beneficial ownership of the 79,275 shares of Common Stock beneficially owned by the Onshore Fund represents 2.2 % of all of the outstanding shares of Common Stock.

(iv) Luxor Capital Group's, Luxor Management's and Mr. Leone's beneficial ownership of 185,754 shares of Common Stock represents 5.2% of all of the outstanding shares of Common Stock.

(v) Collectively, the Reporting Persons' beneficial ownership of 185,754 shares of Common Stock represents 5.2% of all of the outstanding shares of Common Stock.

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

Not applicable.

(ii) Shared power to vote or to direct the vote of shares of Common Stock:

The Onshore Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone have shared power to vote or direct the vote of the 79,275 shares of Common Stock held by Onshore Fund.

The Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to vote or direct the vote of the 106,479 shares of Common Stock held by the Offshore Fund.

(iii) Sole power to dispose or to direct the disposition of shares of Common Stock:

Not applicable.

(iv) Shared power to dispose or to direct the disposition of shares

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of Common Stock:

The Onshore Fund, Luxor Capital Group, Luxor Management, LCG Holdings and Mr. Leone have shared power to dispose or direct the disposition of the 79,275 shares of Common Stock beneficially held by Onshore Fund.

The Offshore Fund, Luxor Capital Group, Luxor Management and Mr. Leone have shared power to dispose or direct the disposition of the 106,479 shares of Common Stock held by the Offshore Fund.

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 Persons have 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.

See Exhibit B.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP.

Not applicable.

ITEM 10. CERTIFICATION.

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

SIGNATURE

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

Dated: January 20, 2006

LUXOR CAPITAL PARTNERS, LP  
By: LCG Holdings, LLC, as General Partner

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By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR CAPITAL PARTNERS OFFSHORE, LTD.

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR CAPITAL GROUP, LP  
By: Luxor Management, LLC, as General Partner

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LCG HOLDINGS, LLC

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR MANAGEMENT, LLC

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

/s/ Christian Leone  
-----  
Christian Leone

EXHIBIT A  
JOINT FILING AGREEMENT

The undersigned hereby agree that the statement on Schedule 13G with respect to the Common Stock of Industrial Services of America, Inc. dated as of January 20, 2006 is, and any further amendments thereto signed by each of the undersigned shall be, filed on behalf of each of the undersigned pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended.

Dated: January 20, 2006

LUXOR CAPITAL PARTNERS, LP

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By: LCG Holdings, LLC, as General Partner

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR CAPITAL PARTNERS OFFSHORE, LTD.

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR CAPITAL GROUP, LP  
By: Luxor Management, LLC, as General Partner

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LCG HOLDINGS, LLC

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

LUXOR MANAGEMENT, LLC

By: /s/ Elena Cimador  
-----  
Elena Cimador,  
CFO

/s/ Christian Leone  
-----  
Christian Leone

EXHIBIT B

Luxor Capital Partners, LP

Luxor Capital Partners Offshore, Ltd.

Luxor Capital Group, LP

LCG Holdings, LLC

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Luxor Management, LLC

Christian Leone