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CLINTON GROUP INC  
Form SC 13D  
December 20, 2006

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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SCHEDULE 13D  
(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)

Under the Securities Exchange Act of 1934  
(Amendment No. )\*

Griffon Corporation

-----  
(Name of Issuer)

Common Stock, par value \$0.25 per share

-----  
(Title of Class of Securities)

398433102

-----  
(CUSIP Number)

Marc Weingarten, Esq.  
Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
(212) 756-2000

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

December 15, 2006

-----  
(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)

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\* 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).

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

CLINTON GROUP, INC.

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 ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

-0-

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8 SHARED VOTING POWER

1,538,944

9 SOLE DISPOSITIVE POWER

-0-

10 SHARED DISPOSITIVE POWER

1,538,944

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11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

1,538,944

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

[ ]

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

5.2%

14 TYPE OF REPORTING PERSON\*

IA; CO

\* SEE INSTRUCTIONS

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

CLINTON MULTISTRATEGY MASTER FUND, LTD.

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 ITEMS 2(d) or 2(e)

[ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

7 SOLE VOTING POWER

-0-

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8 SHARED VOTING POWER

1,433,244

9 SOLE DISPOSITIVE POWER

-0-

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10 SHARED DISPOSITIVE POWER

1,433,244

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON

1,433,244

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

[ ]

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

4.8%

14 TYPE OF REPORTING PERSON\*

CO

\* SEE INSTRUCTIONS

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1 NAME OF REPORTING PERSON  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

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 ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
CAYMAN ISLANDS

7 SOLE VOTING POWER

-0-

NUMBER OF

8 SHARED VOTING POWER

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SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	105,700	
	-----	
	9	SOLE DISPOSITIVE POWER
	-----	
	-0-	
	-----	
	10	SHARED DISPOSITIVE POWER
	105,700	
	-----	
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
	105,700	
	-----	
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	
	[ ]	
	-----	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
	0.4%	
	-----	
14	TYPE OF REPORTING PERSON*	
	CO	

\* SEE INSTRUCTIONS

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1	NAME OF REPORTING PERSON I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)	
	GEORGE HALL	
	-----	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*	(a) [ ] (b) [ ]
	-----	
3	SEC USE ONLY	
	-----	
4	SOURCE OF FUNDS*	
	AF	
	-----	
5	CHECK 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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	7	SOLE VOTING POWER	
		-0-	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER	1,538,944
	9	SOLE DISPOSITIVE POWER	-0-
	10	SHARED DISPOSITIVE POWER	1,538,944

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON  
1,538,944

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

[ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
5.2%

14 TYPE OF REPORTING PERSON\*  
IN

\* SEE INSTRUCTIONS

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

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

3 SEC USE ONLY

4 SOURCE OF FUNDS\*  
AF

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

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6	CITIZENSHIP OR PLACE OF ORGANIZATION	
	UNITED STATES	
	7	SOLE VOTING POWER
		-0-
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		1,538,944
	9	SOLE DISPOSITIVE POWER
		-0-
	10	SHARED DISPOSITIVE POWER
		1,538,944
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON	
		1,538,944
12	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*	[ ]
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	
		5.2%
14	TYPE OF REPORTING PERSON*	
	IN	

\* SEE INSTRUCTIONS

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Item 1. SECURITY AND ISSUER.

This statement relates to the shares of Common Stock, par value \$0.25 per share (the "Shares"), of Griffon Corporation, a Delaware corporation (the "Issuer"). The principal executive office of the Issuer is located at 100 Jericho Quadrangle, Jericho, New York 11753.

ITEM 2. IDENTITY AND BACKGROUND.

(a) This statement is filed by Clinton Group, Inc., a Delaware corporation ("CGI"), Clinton Multistrategy Master Fund, Ltd., a Cayman Islands company ("CMSF"), Clinton Special Opportunities Master Fund, Ltd., a Cayman Islands company ("CSO"), George Hall and Conrad Bringsjord (collectively, the "Reporting Persons").

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(b) The principal business address of CGI, George Hall and Conrad Bringsjord is 9 West 57th Street, 26th Floor, New York, New York 10019. The principal business address of CMSF and CSO is c/o Fortis Fund Services (Cayman) Limited, P.O. Box 2003 GT, Grand Pavilion Commercial Centre, 802 West Bay Road, Grand Cayman, Cayman Islands.

(c) The principal business of CGI is investing for funds and accounts under its management. The principal business of CMSF and CSO is to invest in securities. George Hall is the Chief Investment Officer and President of CGI. Conrad Bringsjord is a managing director and senior portfolio manager of CGI.

(d) None of the Reporting Persons nor any of the individuals set forth in Schedule A attached hereto has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons nor any of the individuals set forth in Schedule A attached hereto has, during the last five years, been a party to a 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 violation with respect to such laws.

(f) George Hall and Conrad Bringsjord are citizens of the United States of America.

The name, citizenship, present principal occupation or employment and business address of each director and executive officer of CGI, CMSF and CSO is set forth in Schedule A attached hereto. To the best of the Reporting Persons' knowledge, except as set forth in this statement on Schedule 13D, none of such individuals owns any Shares.

### ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Funds for the purchase of the Shares reported herein were derived from available capital of CMSF and CSO. A total of approximately \$36,856,532 was paid to acquire such Shares.

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### ITEM 4. PURPOSE OF TRANSACTION.

The Reporting Persons originally acquired Shares for investment in the ordinary course of business because they believed that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. On December 19, 2006, CGI delivered a letter to the Issuer stating its belief that the market price of the Shares fails to reflect the stand-alone value of the Issuer's operating subsidiaries. The letter also indicated CGI's desire to work constructively with the Issuer's management to continue to evaluate multiple strategic alternatives for the Issuer, including, but not limited to, a tax-free spin-off or sale to strategic acquirors of one or more of the Issuer's subsidiaries, or a going-private transaction for the Issuer. A copy of this letter is attached hereto as Exhibit B and is incorporated herein by reference.



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Except as set forth herein or as would occur upon completion of any of the actions discussed herein, including in any Exhibits hereto, the Reporting Persons have no present plan or proposal that would relate to or result in any of the matters set forth in subparagraphs (a)-(j) of Item 4 of Schedule 13D. The Reporting Persons intend to review their investment in the Issuer on a continuing basis and may engage in discussions with management, the board of directors, other shareholders of the Issuer and other relevant parties concerning the business, operations, management, strategy and future plans of the Issuer. Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, the outcome of the discussions and actions referenced above, actions taken by the board of directors, price levels of the Shares, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, purchasing additional Shares or selling some or all of their Shares, engaging in short selling of or any hedging or similar transactions with respect to the Shares and/or otherwise changing their intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

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### ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) As of the close of business on December 19, 2006, the Reporting Persons beneficially owned an aggregate of 1,538,944 Shares, constituting approximately 5.2% of the Shares outstanding.

The aggregate percentage of Shares beneficially owned by the Reporting Persons is based upon 29,824,789 Shares outstanding, which is the total number of Shares outstanding as of December 8, 2006 as reported in the Issuer's Annual Report on Form 10-K for the period ended September 30, 2006.

(b) By virtue of investment management agreements with each of CMSF and CSO, CGI has the power to vote or direct the voting, and to dispose or direct the disposition, of all of the 1,433,244 Shares held by CMSF and the 105,700 Shares held by CSO. By virtue of his direct and indirect control of CGI, George Hall is deemed to have shared voting power and shared dispositive power with respect to all Shares as to which CGI has voting power or dispositive power. By virtue of his position as managing director and senior portfolio manager of CGI, Conrad Bringsjord is also deemed to have shared voting power and shared dispositive power with respect to all Shares as to which CGI has voting power or dispositive power. Accordingly, CGI, George Hall and Conrad Bringsjord are deemed to have shared voting and shared dispositive power with respect to an aggregate of 1,538,944 Shares.

(c) Information concerning transactions in the Shares effected by the Reporting Persons during the past sixty days is set forth in Schedule B hereto and is incorporated herein by reference. Unless otherwise indicated, all of such transactions were effected in the open market.

(d) No person other than the Reporting Persons is known to have the right to receive or the power to direct the receipt of dividends from, or the

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proceeds from the sale of, the Shares.

(e) Not applicable.

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

The Reporting Persons may, from time to time, enter into and dispose of cash-settled equity swap or other similar derivative transactions with one or more counterparties that are based upon the value of Shares, which transactions may be significant in amount. The profit, loss and/or return on such contracts may be wholly or partially dependent on the market value of the Shares, the relative value of Shares in comparison to one or more other financial instruments, indexes or securities, a basket or group of securities in which Shares may be included, or a combination of any of the foregoing. In addition to the Shares that they beneficially own without reference to these contracts, the Reporting Persons currently have long economic exposure to 559,200 Shares through such contracts. These contracts do not give the Reporting Persons direct or indirect voting, investment or dispositive control over any securities of the Issuer and do not require the counterparties thereto to acquire, hold, vote or dispose of any securities of the Issuer. Accordingly, the Reporting Persons disclaim any beneficial ownership in any securities that may be referenced in such contracts or that may be held from time to time by any counterparties to such contracts.

Except as otherwise set forth herein, the Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the securities of the Issuer.

Item 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit A - Joint Filing Agreement dated December 20, 2006
Exhibit B - Letter to Issuer dated December 20, 2006

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SIGNATURES

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

Dated: December 20, 2006

CLINTON GROUP, INC.

By: /s/ Francis Ruchalski

-----
Name: Francis Ruchalski
Title: Comptroller

CLINTON MULTISTRATEGY MASTER FUND, LTD.
By: Clinton Group, Inc. its investment

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manager

By: /s/ Francis Ruchalski

-----  
Name: Francis Ruchalski  
Title: Comptroller

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.  
By: Clinton Group, Inc. its investment  
manager

By: /s/ Francis Ruchalski

-----  
Name: Francis Ruchalski  
Title: Comptroller

/s/ George Hall

-----  
George Hall

/s/ Conrad Bringsjord

-----  
Conrad Bringsjord

-----  
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SCHEDULE A

DIRECTORS AND EXECUTIVE OFFICERS OF CERTAIN REPORTING PERSONS

The following sets forth the name, position and principal occupation of each director and executive officer of CGI. Each such person is a citizen of the United States of America. The business address of each director and executive officer is 9 West 57th Street, 26th Floor, New York, New York 10019.

CLINTON GROUP, INC.

Name	Position
George E. Hall	Director and President
John L. Hall	Director and Chief Financial Officer
Wendy Ruberti	General Counsel and Assistant Secretary
Francis A. Ruchalski	Director and Comptroller
John B. Breaux	Director and Senior Managing Director
Hani K. Findakly	Director

The following sets forth the name, position and principal occupation of each director of each of CMSF and CSO. There are no executive officers of CMSF and CSO.

CLINTON MULTISTRATEGY MASTER FUND, LTD.

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Jane Fleming is a citizen of the United Kingdom. Her principal occupation is Client Accountant of Queensgate Bank & Trust Company Ltd. Her business address is Queensgate Bank & Trust Company Ltd., Harbour Place, 5th Floor, 103 South Church Street, P.O. Box 30464 SMB, Grand Cayman, Cayman Islands.

Dennis Hunter is a citizen of the United Kingdom. His principal occupation is Director of Queensgate Bank & Trust Company Ltd. His business address is Queensgate Bank & Trust Company Ltd., Harbour Place, 5th Floor, 103 South Church Street, P.O. Box 30464 SMB, Grand Cayman, Cayman Islands.

Roger Hanson is a citizen of the United Kingdom. His principal occupation is director of dms Management Ltd. His business address is dms Management Ltd., P.O. Box 31910 SMB, Ansbacher House, 20 Genesis Close, Grand Cayman, Cayman Islands.

Blair Gauld is a citizen of New Zealand. His principal occupation is Director of Queensgate Bank & Trust Company Ltd. His business address is Queensgate Bank & Trust Company Ltd., Harbour Place, 5th Floor, 103 South Church Street, P.O. Box 30464 SMB, Grand Cayman, Cayman Islands.

CLINTON SPECIAL OPPORTUNITIES MASTER FUND, LTD.

Dennis Hunter's citizenship, principal occupation and business address are set forth above.

Roger Hanson's citizenship, principal occupation and business address are set forth above.

Cassandra Powell is a citizen of the Cayman Islands. Her principal occupation is Senior Manager of Queensgate Bank & Trust Company Ltd. Her business address is Queensgate Bank & Trust Company Ltd., Harbour Place, 5th Floor, 103 South Church Street, P.O. Box 30464 SMB, Grand Cayman, Cayman Islands.

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### SCHEDULE B

TRANSACTIONS IN THE SHARES BY THE REPORTING PERSONS DURING THE PAST 60 DAYS

Clinton Multistrategy Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
10/19/06	54,000	25.13
10/20/06	24,300	24.88
10/20/06	1,300	25.00
10/23/06	11,000	24.94
10/24/06	7,000	24.81
10/25/06	17,000	24.80
10/26/06	13,000	24.95
10/30/06	25,000	24.72
10/31/06	74,200	24.76
11/01/06	41,000	24.53
11/02/06	78,344	24.10

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11/02/06	13,000	24.05
11/03/06	5,000	24.09
11/03/06	2,000	24.25
11/03/06	489,300	23.81
11/03/06	(7,700)	23.47
11/03/06	34,600	25.00
11/06/06	75,000	21.75
11/06/06	(108)	22.14
11/07/06	20,500	25.00
11/07/06	15,500	22.10
11/17/06	11,200	25.00
12/15/06	77,700	23.94

Clinton Special Opportunities Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
11/03/06	15,200	23.81
11/06/06	75,000	21.75
11/07/06	15,500	22.10

The following transactions in the Shares were effected by CGI pursuant to investment management agreements with each of the funds listed below.

Clinton Quantitative Equity Strategies Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
11/06/06	(52)	22.14

Clinton Statistical Arbitrage Master Fund (2X) Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
11/06/06	(36)	22.14

Clinton Equity Strategies Master Fund, Ltd.

Trade Date	Shares Purchased (Sold)	Price Per Share (\$)
-----	-----	-----
10/25/06	200	24.82
11/06/06	(204)	22.14