

MARLIN BUSINESS SERVICES CORP  
Form SC 13D/A  
December 21, 2009

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

**SCHEDULE 13D/A**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 1)\***

**MARLIN BUSINESS SERVICES CORP.**

**(Name of Issuer)**

**Common Stock, par value \$0.01 per share**

**(Title of Class of Securities)**

**571157106**

**(CUSIP Number)**

**Red Mountain Capital Partners LLC**

**Attn: Willem Mesdag**

**10100 Santa Monica Boulevard, Suite 925**

**Los Angeles, California 90067**

Edgar Filing: MARLIN BUSINESS SERVICES CORP - Form SC 13D/A

Telephone (310) 432-0200

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

December 17, 2009

(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.

\* 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 NAME OF REPORTING PERSONS**

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

2 Red Mountain Capital Partners LLC 73-1726370  
**CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

5 AF (See Item 3)  
**CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)**

..

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware  
**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY** 783,888 shares (See Item 5)  
**8 SHARED VOTING POWER**

**OWNED BY**

**EACH**

**REPORTING** None (See Item 5)  
**9 SOLE DISPOSITIVE POWER**

**PERSON**

**WITH**

783,888 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

783,888 shares (See Item 5)

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

..

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

6.2% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

OO Limited Liability Company

\* See Instructions

**1 NAME OF REPORTING PERSONS**

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

**2** Red Mountain Capital Partners II, L.P. 20-4117535  
**CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

WC (See Item 3)  
**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  
**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY** 708,371 shares (See Item 5)  
**8 SHARED VOTING POWER**

**OWNED BY**

**EACH**

**REPORTING** None (See Item 5)  
**9 SOLE DISPOSITIVE POWER**

**PERSON**

**WITH**

708,371 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

708,371 shares (See Item 5)

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

..

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

5.6% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

PN Limited Partnership

\* See Instructions

**1 NAME OF REPORTING PERSONS**

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

**2** Red Mountain Capital Partners III, L.P. 20-5329858  
**CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

**5** WC (See Item 3)  
**CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)**

..

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware  
**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY** 75,517 shares (See Item 5)  
**8 SHARED VOTING POWER**

**OWNED BY**

**EACH**

**REPORTING** None (See Item 5)  
**9 SOLE DISPOSITIVE POWER**

**PERSON**

**WITH**

75,517 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

75,517 shares (See Item 5)

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

..

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

0.6% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

PN Limited Partnership

\* See Instructions



**1 NAME OF REPORTING PERSONS**

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

**2 RMCP GP LLC 20-4442412  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

**5 AF (See Item 3)  
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)**

..

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware  
**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY 783,888 shares (See Item 5)  
OWNED BY 8 SHARED VOTING POWER**

**EACH**

**REPORTING None (See Item 5)  
PERSON 9 SOLE DISPOSITIVE POWER**

**WITH**

783,888 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

783,888 shares (See Item 5)

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

..

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

6.2% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

OO Limited Liability Company

\* See Instructions

**1 NAME OF REPORTING PERSONS**

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

**2** Red Mountain Capital Management, Inc. 13-4057186  
**CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\***

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

**5** AF (See Item 3)  
**CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)**

..

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Delaware  
**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY** 783,888 shares (See Item 5)  
**8 SHARED VOTING POWER**

**OWNED BY**

**EACH**

**REPORTING** None (See Item 5)  
**9 SOLE DISPOSITIVE POWER**

**PERSON**

**WITH**

783,888 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

783,888 shares (See Item 5)

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

..

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

6.2% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

CO Corporation

\* See Instructions

**1 NAME OF REPORTING PERSONS**

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

Willem Mesdag

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

(a)  (b)

**3 SEC USE ONLY**

**4 SOURCE OF FUNDS\***

AF (See Item 3)

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

..

**6 CITIZENSHIP OR PLACE OF ORGANIZATION**

U.S. Citizen

**NUMBER OF 7 SOLE VOTING POWER**

**SHARES**

**BENEFICIALLY** 783,888 shares (See Item 5)

**8 SHARED VOTING POWER**

**OWNED BY**

**EACH**

**REPORTING** None (See Item 5)

**9 SOLE DISPOSITIVE POWER**

**PERSON**

**WITH**

783,888 shares (See Item 5)  
**10 SHARED DISPOSITIVE POWER**

None (See Item 5)

**11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON**

783,888 shares (See Item 5)

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

..

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

6.2% (See Item 5)

**14 TYPE OF REPORTING PERSON\***

IN Individual

\* See Instructions

This Amendment No. 1 amends and supplements the Schedule 13D filed with the Securities and Exchange Commission (the SEC) on June 15, 2009 (together, this Schedule 13D), by (i) Red Mountain Capital Partners LLC, a Delaware limited liability company (RMCP LLC), (ii) Red Mountain Capital Partners II, L.P., a Delaware limited partnership (RMCP II), (iii) Red Mountain Capital Partners III, L.P., a Delaware limited partnership (RMCP III), (iv) RMCP GP LLC, a Delaware limited liability company (RMCP GP), (v) Red Mountain Capital Management, Inc., a Delaware corporation (RMCM), and (vi) Willem Mesdag, a natural person and citizen of the United States of America, with respect to the common stock, par value \$0.01 per share (the Common Stock), of Marlin Business Services Corp., a Pennsylvania corporation (Marlin). RMCP LLC, RMCP II, RMCP III and RMCP GP are sometimes collectively referred to herein as Red Mountain. Red Mountain, RMCM and Mr. Mesdag are sometimes collectively referred to herein as the Reporting Persons. The sole limited partner of each of RMCP II and RMCP III is Red Mountain Partners, L.P. The filing of any amendment to this Schedule 13D (including the filing of this Amendment No. 1) shall not be construed to be an admission by the Reporting Persons that a material change has occurred in the facts set forth in this Schedule 13D or that such amendment is required under Rule 13d-2 of the Securities Exchange Act of 1934, as amended.

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

Item 3 of this Schedule 13D is hereby amended to include the following information:

Unless otherwise stated in this Schedule 13D, (i) the source of the funds used by RMCP II to purchase shares of Common Stock was the working capital of RMCP II and (ii) the source of the funds used by RMCP III to purchase shares of Common Stock was the working capital of RMCP III.

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

Items 5(a) and 5(b) of this Schedule 13D are hereby amended and restated as follows:

- (a)-(b) RMCP II beneficially owns, in the aggregate, 708,371 shares of Common Stock, which represent approximately 5.6% of the outstanding Common Stock. <sup>(1)</sup> RMCP II has the sole power to vote or direct the vote, and the sole power to dispose or direct the disposition, of all such 708,371 shares of Common Stock.

RMCP III beneficially owns, in the aggregate, 75,517 shares of Common Stock, which represent approximately 0.6% of the outstanding Common Stock. RMCP III has the sole power to vote or direct the vote, and the sole power to dispose or direct the disposition, of all such 75,517 shares of Common Stock.

The shares of Common Stock beneficially owned by RMCP II and RMCP III, when aggregated together, total 783,888 shares, which represent approximately 6.2% of the outstanding Common Stock.

Because each of RMCP GP, RMCP LLC, RMCM and Mr. Mesdag may be deemed to control RMCP II and RMCP III, each of RMCP GP, RMCP LLC, RMCM and Mr. Mesdag may be deemed to beneficially own, and to have the power to vote or direct the vote, or dispose or direct the disposition of, all of the Common Stock beneficially owned by RMCP II and RMCP III.

Other than shares of Common Stock beneficially owned by RMCP II or RMCP III, none of the Reporting Persons or Mr. Teets may be deemed to beneficially own any shares of Common Stock.

<sup>(1)</sup> All calculations of percentage ownership in this Schedule 13D are based on approximately 12,640,495 shares of Common Stock outstanding as of October 29, 2009, as reported in the Quarterly Report on Form 10-Q for the Quarterly Period ended September 30, 2009, which was filed by Marlin with the SEC on November 3, 2009.

Each of RMCP LLC, RMCP II, RMCP III and RMCP GP affirms membership in a group with each other but disclaims membership in a group with RMCM or Mr. Mesdag. Each of RMCM and Mr. Mesdag disclaims membership in a group with any person.

The filing of this Schedule 13D shall not be construed as an admission that any Reporting Person is the beneficial owner of any of the shares of Common Stock that such Reporting Person may be deemed to beneficially own. Without limiting the foregoing sentence, each of RMCM and Mr. Mesdag disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D. In addition, the filing of this Schedule 13D shall not be construed as an admission that any partner, member, director, officer or affiliate of any Reporting Person is the beneficial owner of any of the shares of Common Stock that such partner, member, director, officer or affiliate may be deemed to beneficially own. Without limiting the foregoing sentence, Mr. Teets disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D.

Item 5(c) of this Schedule 13D is hereby amended to add the following information:

- (c) The following table lists all transactions in Common Stock effected during the past sixty days by RMCP II. All such transactions were effected on the open market.

Shares of		
Common		
Stock	Average Price	Date of
Purchased	per Share (\$)	Purchase
1,700	7.0200	11-04-2009
7,540	7.0992	11-05-2009
600	7.1817	11-06-2009
400	7.1500	11-09-2009
500	7.1560	11-10-2009
3,400	7.1812	11-11-2009
2,000	7.1948	11-12-2009
600	7.2433	11-13-2009
1,900	7.2500	11-16-2009
700	7.2171	11-17-2009
800	7.1713	11-18-2009
2,600	7.2038	11-19-2009
6,800	7.1603	11-20-2009
700	7.1086	11-23-2009
2,700	7.1906	11-24-2009
100	7.2500	11-25-2009
2,000	7.1875	11-30-2009
2,300	7.1670	12-01-2009
2,890	7.1778	12-02-2009
600	7.4958	12-04-2009
900	7.9933	12-08-2009
2,300	7.9467	12-09-2009
2,600	7.8631	12-10-2009
2,200	7.8450	12-11-2009
4,300	7.6912	12-14-2009
2,463	7.8341	12-15-2009
1,500	7.7833	12-16-2009
1,700	7.8423	12-17-2009
17,050	7.7500	12-17-2009
1,100	7.9862	12-18-2009



400

7.9575

12-21-2009

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 21, 2009

**RED MOUNTAIN CAPITAL PARTNERS LLC**

*/s/ WILLEM MESDAG*  
**By: Willem Mesdag**  
**Title: Authorized Signatory**

**RED MOUNTAIN CAPITAL PARTNERS II, L.P.**

By: RMCP GP LLC, its general partner

*/s/ WILLEM MESDAG*  
**By: Willem Mesdag**  
**Title: Authorized Signatory**

**RED MOUNTAIN CAPITAL PARTNERS III, L.P.**

By: RMCP GP LLC, its general partner

*/s/ WILLEM MESDAG*  
**By: Willem Mesdag**  
**Title: Authorized Signatory**

**RMCP GP LLC**

*/s/ WILLEM MESDAG*  
**By: Willem Mesdag**  
**Title: Authorized Signatory**

**RED MOUNTAIN CAPITAL MANAGEMENT, INC.**

**By:** /s/ WILLEM MESDAG  
**Title:** **Willem Mesdag**  
**President**

**WILLEM MESDAG**

/s/ WILLEM MESDAG

**EXHIBIT INDEX**

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
1	Joint Filing Agreement, dated as of June 15, 2009, by and among the Reporting Persons (incorporated by reference to Exhibit 1 to the Schedule 13D filed by the Reporting Persons with the SEC on June 15, 2009).