

SCHOOL SPECIALTY INC
Form SC 13D/A
April 16, 2018

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. 4)¹

SCHOOL SPECIALTY, INC.

(Name of Issuer)

Common Stock, par value \$0.001

(Title of Class of Securities)

807863 10 5

(CUSIP Number)

Warren G. Lichtenstein

Steel Partners Holdings L.P.

590 Madison Avenue, 32nd Floor

New York, New York 10022

(212) 520-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

April 12, 2018

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(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. 807863 10 5

1 NAME OF REPORTING PERSON

STEEL EXCEL INC.

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC
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 - 0 -

OWNED BY 8 SHARED VOTING POWER

EACH REPORTING 570,731

PERSON WITH 9 SOLE DISPOSITIVE POWER

10 SHARED DISPOSITIVE POWER

570,731

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

570,731

12

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

13

PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)

8.2%

14

TYPE OF REPORTING
PERSON

CO

CUSIP No. 807863 10 5

1 NAME OF REPORTING PERSON

STEEL PARTNERS HOLDINGS L.P.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF 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 - 0 -

8 SHARED VOTING POWER 570,731

9 SOLE DISPOSITIVE POWER

10 SHARED DISPOSITIVE POWER

570,731

11 AGGREGATE AMOUNT
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BY EACH REPORTING
PERSON

570,731

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(11) EXCLUDES
CERTAIN SHARES

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

8.2%

14 TYPE OF REPORTING
PERSON

PN

CUSIP No. 807863 10 5

1 NAME OF REPORTING PERSON

SPH GROUP LLC

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

AF
CHECK BOX IF DISCLOSURE OF LEGAL

5 PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF 7 SOLE VOTING SHARES BENEFICIALLY POWER

- 0 -

OWNED BY 8 SHARED VOTING POWER

EACH REPORTING 570,731

PERSON WITH 9 SOLE DISPOSITIVE POWER

- 0 -

10 SHARED DISPOSITIVE POWER

570,731

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
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CHECK BOX IF
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(11) EXCLUDES
CERTAIN SHARES

13

PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)

8.2%

14

TYPE OF REPORTING
PERSON

OO

CUSIP No. 807863 10 5

1 NAME OF REPORTING PERSON
SPH GROUP HOLDINGS LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

| | | |
|---|----|--------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | | |
| | | - 0 - |
| | 8 | SHARED VOTING POWER |
| | | 570,731 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |

11 570,731
AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

12 570,731
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN SHARES

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

14 8.2%
TYPE OF REPORTING
PERSON

OO

CUSIP No. 807863 10 5

1 NAME OF REPORTING PERSON

STEEL PARTNERS HOLDINGS GP INC.

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

7 NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SOLE VOTING POWER

- 0 -

8 SHARED VOTING POWER

570,731

9 SOLE DISPOSITIVE POWER

- 0 -

10 SHARED DISPOSITIVE POWER

570,731

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

570,731

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

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

8.2%

14 TYPE OF REPORTING
PERSON

CO

CUSIP No. 807863 10 5

The following constitutes Amendment No. 4 to the Schedule 13D filed by the undersigned (“Amendment No. 4”). This Amendment No. 4 amends the Schedule 13D as specifically set forth herein.

Item 2.

Identity and Background.

Item 2 is hereby amended and restated to read as follows:

(a) This statement is filed by Steel Excel Inc., a Delaware corporation (“Steel Excel”), Steel Partners Holdings L.P., a Delaware limited partnership (“Steel Holdings”), SPH Group LLC, a Delaware limited liability company (“SPHG”), SPH Group Holdings LLC, a Delaware limited liability company (“SPHG Holdings”), and Steel Partners Holdings GP Inc., a Delaware corporation (“Steel Holdings GP”). Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.”

SPHG Holdings owns 100% of the outstanding shares of common stock of Steel Excel. Steel Holdings owns 99% of the membership interests of SPHG. SPHG is the sole member of SPHG Holdings. Steel Holdings GP is the general partner of Steel Holdings, the managing member of SPHG and the manager of SPHG Holdings. Accordingly, for purposes of this Schedule 13D, each of SPHG Holdings, SPHG, Steel Holdings and Steel Holdings GP may be deemed to beneficially own the Shares owned directly by Steel Excel.

Set forth on Schedule A annexed hereto (“Schedule A”) is the name and present principal business, occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted of (i) the executive officers and directors of Steel Excel and (ii) the executive officers and directors of Steel Holdings GP. To the best of the Reporting Persons’ knowledge, except as otherwise set forth herein, including on Schedule A, none of the persons listed on Schedule A beneficially owns any securities of the Issuer or is a party to any contract, agreement or understanding required to be disclosed herein.

(b) The principal business address of the Reporting Persons is 590 Madison Avenue, 32nd Floor, New York, New York 10022.

(c) Steel Excel provides drilling and production services to the oil and gas industry and owns a youth sports business. Steel Holdings is a global diversified holding company that engages or has interests in a variety of operating businesses through its subsidiary companies. Steel Holdings may seek to obtain majority or primary control, board representation or other significant influence over the businesses in which it holds an interest. The principal business of SPHG Holdings is holding securities for the account of Steel Holdings. The principal business of SPHG is serving as the sole member of SPHG Holdings and other affiliates. The principal business of Steel Holdings GP is serving as the general partner of Steel Holdings, the managing member of SPHG and the manager of SPHG Holdings.

(d) No Reporting Person nor any person listed on Schedule A has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

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(e) No Reporting Person nor any person listed on Schedule A has, during the last five years, been 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) Each of the individuals who are Reporting Persons or listed on Schedule A is a citizen of the United States of America. Each of the entities that are Reporting Persons are organized under the laws of the State of Delaware.

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

Item 3 is hereby amended to add the following:

All Shares sold by Steel Excel since the filing of Amendment No. 3 to the Schedule 13D were Shares initially acquired pursuant to the Plan and Confirmation Order.

Item 5. Interest in Securities of the Issuer.

Item 5(a)-(c) 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 7,000,000 Shares outstanding, which is the total number of Shares outstanding as of February 28, 2018, as reported in the Issuer's Form 10-K/A filed with the Securities and Exchange Commission on March 16, 2018.

As of the close of business on the date hereof, Steel Excel owned directly 570,731 Shares, constituting approximately 8.2% of the Shares outstanding. By virtue of their relationships with Steel Excel discussed in further detail in Item 2, each of SPHG Holdings, Steel Holdings, SPHG and Steel Holdings GP may be deemed to beneficially own the Shares owned directly by Steel Excel.

The filing of this Schedule 13D shall not be deemed an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any Shares it does not directly own. Each of the Reporting Persons specifically disclaims beneficial ownership of the Shares reported herein that it does not directly own.

(b) Each of Steel Excel, SPHG Holdings, SPHG, Steel Holdings and Steel Holdings GP may be deemed to have shared power to vote and dispose of the Shares owned directly by Steel Excel.

(c) The transactions in the Shares by the Reporting Persons during the past sixty days are set forth in Schedule B and are incorporated herein by reference.

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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: April 16, 2018

STEEL EXCEL INC.

By: /s/ Douglas B. Woodworth
Douglas B. Woodworth,

Treasurer

STEEL PARTNERS HOLDINGS
L.P.

By: Steel Partners Holdings GP Inc.
General Partner

By: /s/ Douglas B. Woodworth
Douglas B. Woodworth,

Senior Vice President and Chief
Financial Officer

SPH GROUP LLC

By: Steel Partners Holdings GP Inc.
Managing Member

By: /s/ Douglas B. Woodworth
Douglas B. Woodworth,

Senior Vice President and Chief
Financial Officer

SPH GROUP HOLDINGS LLC

By: Steel Partners Holdings GP Inc.
Manager

By: /s/ Douglas B. Woodworth
Douglas B. Woodworth,

Senior Vice President and Chief
Financial Officer

STEEL PARTNERS HOLDINGS GP INC.

By: /s/ Douglas B. Woodworth
Douglas B. Woodworth,

Senior Vice President and Chief Financial Officer

CUSIP No. 807863 10 5

SCHEDULE AExecutive Officers and Directors of Steel Excel Inc.

| <u>Name and Position</u> | <u>Present Principal Occupation</u> | <u>Business Address</u> |
|--|---|--|
| Warren G. Lichtenstein, Chairman | Executive Chairman of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| Jack L. Howard ¹ , President, Secretary and Director | President of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company, and a principal of Mutual Securities, Inc., a registered broker dealer | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| Douglas B. Woodworth, Treasurer and Director | Senior Vice President and Chief Financial Officer of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |

CUSIP NO. 807863 10 5

Executive Officers and Directors of Steel Partners Holdings GP Inc.

| <u>Name and Position</u> | <u>Present Principal Occupation</u> | <u>Business Address</u> |
|--|--|---|
| Warren G. Lichtenstein, Executive Chairman and Director | Executive Chairman of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| Jack L. Howard ¹ , President and Director | President of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company, and a principal of Mutual Securities, Inc., a registered broker dealer | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| Douglas B. Woodworth, Senior Vice President and Chief Financial Officer | Senior Vice President and Chief Financial Officer of Steel Partners Holdings GP Inc., the General Partner of Steel Partners Holdings L.P., a global diversified holding company | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| William T. Fejes, President of the Steel Services, Ltd. subsidiary and Diversified Industrial segment | President of the Steel Services, Ltd. subsidiary and Diversified Industrial segment of Steel Partners Holdings L.P., a global diversified holding company | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |

| | | |
|----------------------------|---|---|
| | | c/o Steel Partners Holdings L.P. |
| Lon Rosen, Director | Executive Vice President and Chief Marketing Officer for the Los Angeles Dodgers | 590 Madison Avenue, 32nd Floor New York, NY 10022 |

¹ As of the close of business on the date hereof, Jack L. Howard directly owned 3,350 Shares and may be deemed to beneficially own an additional 3,350 Shares directly owned by EMH Howard, LLC ("EMH"), an affiliate of Mr. Howard, constituting in the aggregate less than 1% of the Shares outstanding. The aggregate purchase price of the Shares owned directly by Mr. Howard is approximately \$56,508.50, including brokerage commissions. Such Shares were acquired with the personal funds of Mr. Howard. The aggregate purchase price of the Shares owned directly by EMH is approximately \$56,508.50, including brokerage commissions. Such Shares were acquired with the working capital of EMH. Mr. Howard has or may be deemed to have the sole power to vote and dispose of all such Shares and the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, all such Shares.

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| <u>Name and Position</u> | <u>Present Principal Occupation</u> | <u>Business Address</u> |
|--------------------------------------|---|---|
| John P. McNiff, Director | Chairman of Discovery Capital Management, LLC, a multi-strategy hedge fund | 1 Fayette Street, Conshohocken, PA 19428 |
| Joseph L. Mullen, Director | Managing Partner of Li Moran International, Inc., a management consulting company | c/o Li Moran International 611 Broadway, Suite 722 New York, NY 10012 |
| General Richard I. Neal, Director | Retired | c/o Steel Partners Holdings L.P. 590 Madison Avenue, 32nd Floor New York, NY 10022 |
| Allan R. Tessler, Director | Chairman and Chief Executive Officer of International Financial Group, Inc., an international merchant banking firm | c/o International Financial Group, Inc. 2500 North Moose Wilson Road Wilson, WY 83014 |

CUSIP NO. 807863 10 5

SCHEDULE B

Transactions in the Shares During the Past Sixty Days

Shares of Common Stock Price Per Date of

(Sold) Share(\$) Sale

Steel Excel inc.

(4,600) 16.700003/21/2018
(350) 16.680003/27/2018
(1,800) 16.750003/29/2018
(2,000) 16.700004/03/2018
(100) 16.700004/04/2018
(500) 16.700004/04/2018
(3,500) 16.700004/09/2018
(583) 16.950004/10/2018
(100,000) 16.800004/12/2018