

NATIONAL HOLDINGS CORP
Form SC 13D/A
May 03, 2016

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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)

(Amendment No. 2)

National Holdings Corporation

(Name of Issuer)

Common Stock, \$0.02 par value

(Title of Class of Securities)

636375206

(CUSIP Number)

BRYANT R. RILEY

B. RILEY & CO., LLC

11100 Santa Monica Blvd., Suite 800

Los Angeles, CA 90025

(310) 966-1444

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

April 28, 2016

(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.

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NAME OF REPORTING PERSONS

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

1

BRC Partners Opportunity Fund, LP
CHECK THE APPROPRIATE BOX
IF A MEMBER OF A GROUP*

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS*

4

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

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Delaware
SOLE VOTING POWER

NUMBER OF

SHARES

7

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

- 0 -
SHARED VOTING POWER

8

- 0 -

9 SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

- 0 -

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

- 0 -

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

0%

TYPE OF REPORTING PERSON*

14

PN

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NAME OF REPORTING PERSONS

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

B. Riley Capital Management, LLC
CHECK THE APPROPRIATE BOX
IF A MEMBER OF A GROUP*

(a) ☐

(b) ☐
SEC USE ONLY

SOURCE OF FUNDS*

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

CITIZENSHIP OR PLACE OF
ORGANIZATION

New York
SOLE VOTING POWER

7

- 0 -
SHARED VOTING POWER

8

- 0 -
9 SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

- 0 -

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

- 0 -

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

0%

TYPE OF REPORTING PERSON*

14

IA

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NAME OF REPORTING PERSONS

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

1

B. Riley & Co., LLC
CHECK THE APPROPRIATE BOX
IF A MEMBER OF A GROUP*

2

(a) ☐

(b) ☐

SEC USE ONLY

3

SOURCE OF FUNDS*

4

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

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Delaware
SOLE VOTING POWER

NUMBER OF

SHARES

7

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

- 0 -
SHARED VOTING POWER

8

408,920

SOLE DISPOSITIVE POWER

9

- 0 -

SHARED DISPOSITIVE POWER

10

408,920

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

408,920

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

3.3%

TYPE OF REPORTING PERSON*

14

BD

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NAME OF REPORTING PERSONS

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

1

B. Riley & Co., LLC 401(K) Profit
Sharing Plan
CHECK THE APPROPRIATE BOX
IF A MEMBER OF A GROUP*

2

(a) ☐

(b) ☐
SEC USE ONLY

3

SOURCE OF FUNDS*

4

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS
REQUIRED PURSUANT TO ITEM
2(d) OR 2(e) ☐
CITIZENSHIP OR PLACE OF
ORGANIZATION

5

6

NUMBER OF
SHARES

Delaware
SOLE VOTING POWER

7

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

- 0 -
SHARED VOTING POWER

8

- 0 -
9 SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

- 0 -

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

- 0 -

CHECK BOX IF THE
AGGREGATE AMOUNT IN ROW
(11) EXCLUDES CERTAIN
SHARES* ☐
PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

12

13

0%

TYPE OF REPORTING PERSON*

14

EP

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	NAME OF REPORTING PERSONS
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
1	
	Robert Antin Children Irrevocable Trust dtd 1/1/01
	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2	
	(a) ☐
	(b) ☐
	SEC USE ONLY
3	
	SOURCE OF FUNDS*
4	
	WC
	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ☐
5	
	CITIZENSHIP OR PLACE OF ORGANIZATION
6	
	California
NUMBER OF	SOLE VOTING POWER
SHARES	7
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	- 0 -
	SHARED VOTING POWER
	8
	47,296
	9 SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

47,296

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

47,296

CHECK BOX IF THE
AGGREGATE AMOUNT IN ROW
(11) EXCLUDES CERTAIN
SHARES* ☐
PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

12

13

Less than 1%
TYPE OF REPORTING PERSON*

14

OO

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NAME OF REPORTING PERSONS

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

1

B. Riley Financial, Inc.
CHECK THE APPROPRIATE BOX
IF A MEMBER OF A GROUP*

2

(a) ☐

(b) ☐
SEC USE ONLY

3

SOURCE OF FUNDS*

4

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

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Delaware
SOLE VOTING POWER

NUMBER OF

SHARES

7

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

- 0 -
SHARED VOTING POWER

8

408,920

SOLE DISPOSITIVE POWER

9

- 0 -

SHARED DISPOSITIVE POWER

10

408,920

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

408,920

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

3.3%

TYPE OF REPORTING PERSON*

14

CO

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	NAME OF REPORTING PERSONS
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
1	
	Bryant R. Riley CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2	
	(a) ☐
	(b) ☐
3	SEC USE ONLY
	SOURCE OF FUNDS*
4	
	AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ☐
5	
	CITIZENSHIP OR PLACE OF ORGANIZATION
6	
NUMBER OF	United States of America
SHARES	SOLE VOTING POWER
	7
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	- 0 -
	SHARED VOTING POWER
	8
	47,296

SOLE DISPOSITIVE POWER

9

- 0 -

SHARED DISPOSITIVE POWER

10

47,296

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

47,296

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

Less than 1%
TYPE OF REPORTING PERSON*

14

IN

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	NAME OF REPORTING PERSONS
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
1	
	Mark D. Klein
	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
2	
	(a) ☐
	(b) ☐
3	SEC USE ONLY
	SOURCE OF FUNDS*
4	
	PF, OO
	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) ☐
5	
	CITIZENSHIP OR PLACE OF ORGANIZATION
6	
	United States of America
NUMBER OF	SOLE VOTING POWER
SHARES	7
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	1,041,574
	SHARED VOTING POWER

8

- 0 -

SOLE DISPOSITIVE POWER

9

1,041,574

SHARED DISPOSITIVE POWER

10

- 0 -

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

11

1,041,574

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

12

PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)

13

8.0%

TYPE OF REPORTING PERSON*

14

IN

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The following constitutes Amendment No. 2 to the Schedule 13D filed by the undersigned ("Amendment No. 2"). This Amendment No. 2 amends the Schedule 13D as specifically set forth herein.

Item 2. Identity and Background.

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

(a) This statement is filed by BRC Partners Opportunity Fund, LP, a Delaware limited partnership ("BPOF"), B. Riley Capital Management, LLC, a New York limited liability company ("BRCM"), B. Riley & Co., LLC 401(K) Profit Sharing Plan, a Delaware Trust ("Retirement Trust"), Robert Antin Children Irrevocable Trust, a California Trust ("Antin Trust"), B. Riley & Co., LLC, a Delaware limited liability company ("BRC"), B. Riley Financial, Inc., a Delaware corporation ("BRF"), Bryant R. Riley ("Mr. Riley" and together with BPOF, BRCM, Retirement Trust, Antin Trust, BRC and BRF, the "Riley Parties") and Mark D. Klein ("Mr. Klein"). Each of the foregoing is referred to as a "Reporting Person" and collectively as the "Reporting Persons." On April 28, 2016, the Issuer announced that it entered into a definitive agreement pursuant to which it will be acquired by Fortress Biotech. Accordingly, effective as of such announcement, the Riley Parties are no longer members of a Section 13(d) group with Mr. Klein. Mr. Klein will continue to separately file statements on Schedule 13D with respect to his investment in securities of the Issuer to the extent required by applicable law.

BRF is the parent company of BRCM and BRC. BRCM serves as the investment manager and general partner of BPOF. Mr. Riley serves as the Trustee of the Retirement Trust and the Antin Trust. By virtue of these relationships, each of BRF and BRCM may be deemed to beneficially own the securities owned directly by BPOF, BRF may be deemed to beneficially own the securities owned directly by BRC, and Mr. Riley may be deemed to beneficially own the securities owned directly by the Retirement Trust and the Antin Trust.

Set forth on Schedule A to the initial Schedule 13D ("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 the executive officers and directors of BRF. To the best of the Reporting Persons' knowledge, except as otherwise set forth herein, 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.

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

Item 3 is hereby amended and restated to read as follows:

The aggregate purchase price of the 408,920 Shares owned directly by BRC is approximately \$2,422,408. excluding brokerage commissions. Such Shares were acquired with the working capital of BRC.

The aggregate purchase price of the 47,296 Shares owned directly by the Antin Trust is approximately \$246,691. excluding brokerage commissions. Such Shares were acquired with the working capital of the Antin Trust.

The aggregate purchase price of 471,574 Shares owned by Mr. Klein is approximately \$1,414,722. excluding brokerage commissions. Such Shares were acquired with the personal funds of Mr. Klein. The remaining 570,000 Shares beneficially owned by Mr. Klein are issuable upon the exercise of stock options owned directly by Mr. Klein.

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Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On April 28, 2016, the Issuer announced that it entered into a definitive agreement pursuant to which it will be acquired by Fortress Biotech. Accordingly, effective as of such announcement, the Riley Parties are no longer members of a Section 13(d) group with Mr. Klein.

Item 5. Interest in Securities of the Issuer.

Items 5(a)-(c) are hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 12,446,365 Shares outstanding as of April 26, 2016, which is the total number of Shares outstanding as reported in Exhibit No. 2.1 to the Issuer's Form 8-K filed with the Securities and Exchange Commission on April 28, 2016.

As of the close of business on May 2, 2016, BRC owned directly 408,920 Shares, the Antin Trust owned directly 47,296 Shares and Mr. Klein beneficially owned 1,041,574 Shares (consisting of (i) 570,000 Shares issuable upon exercise of vested options held directly by him, and (ii) 471,574 Shares held by a company controlled by him), constituting approximately 3.3%, less than 1% and 8.0%, respectively, of the Shares outstanding. BPOF and the Retirement Trust no longer directly own securities of the Issuer.

BRF, as the parent company of BRC, may be deemed to beneficially own the 408,920 Shares owned directly by BRC, constituting approximately 3.3% of the Shares outstanding.

Mr. Riley, as the Trustee of the Antin Trust, may be deemed to beneficially own the 47,296 Shares owned directly by the Antin Trust, constituting less than 1% of the Shares outstanding.

(b) Each of BRC and BRF may be deemed to have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares owned directly by BRC.

Each of the Antin Trust and Mr. Riley may be deemed to have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares owned directly by the Antin Trust.

Mr. Klein has the sole power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares owned by him.

(c) Schedule B annexed hereto lists all transactions in the Shares by the Reporting Persons during the past 60 days. All of such transactions were effected in the open market.

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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: May 3, 2016

BRC PARTNERS OPPORTUNITY FUND,
LP

By: B. Riley Capital Management, LLC,
its General Partner

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Chief Executive Officer

B. RILEY CAPITAL
MANAGEMENT, LLC

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Chief Executive Officer

B. RILEY & CO., LLC

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Chairman

B. RILEY & CO., LLC
401(K) PROFIT
SHARING PLAN

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Trustee

ROBERT ANTIN
CHILDREN
IRREVOCABLE TRUST

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Trustee

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B. RILEY FINANCIAL, INC.

By: /s/ Bryant R. Riley
Name: Bryant R. Riley
Title: Chief Executive Officer

By: /s/ Bryant R. Riley
Name: Bryant R. Riley

By: /s/ Mark D. Klein
Name: Mark D. Klein

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SCHEDULE B

Transactions in the Shares During the Past 60 Days

Shares of Common Stock (Sold)	Price Per Date of Share Sale
----------------------------------	---------------------------------

BRC PARTNERS OPPORTUNITY FUND, LP

(4,080)\$3.204/28/16

B. RILEY & CO., LLC

(500) \$3.204/28/16

(62,516)\$3.174/28/16

(41,916)\$3.104/29/16

(98) \$3.105/02/16

B. Riley & Co., LLC 401(K) Profit Sharing Plan

(38,788)\$3.144/29/16

Mark D. Klein

(41,929)\$3.104/29/16