

U.S. Auto Parts Network, Inc.
Form SC 13D/A
December 03, 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. 2)¹

U.S. Auto Parts Network, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value

(Title of Class of Securities)

90343C100

(CUSIP Number)

MR. DAVID L. KANEN

KANEN WEALTH MANAGEMENT, LLC

5850 Coral Ridge Drive, Suite 309

Coral Springs, FL 33076

(631) 863-3100

ANDREW M. FREEDMAN, ESQ.

OLSHAN FROME WOLOSKY LLP

1325 Avenue of the Americas

New York, New York 10019

(212) 451-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

November 28, 2018

(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. 90343C100

1 NAME OF REPORTING PERSON

PHILOTIMO FUND, LP

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 OWNED BY EACH REPORTING PERSON WITH | | |
| | | - 0 - |
| | 8 | SHARED VOTING POWER |
| | | 2,005,928 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 2,005,928 |

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

2,005,928

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

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

5.7%

14 TYPE OF REPORTING
PERSON

IA, PN

CUSIP NO. 90343C100

1 NAME OF REPORTING PERSON

KANEN WEALTH MANAGEMENT, LLC

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

FLORIDA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

- 0 -

8 SHARED VOTING POWER

4,563,877

9 SOLE DISPOSITIVE POWER

- 0 -

10 SHARED DISPOSITIVE POWER

4,563,877

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

4,563,877

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

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

13.0%

14 TYPE OF REPORTING
PERSON

IA, OO

CUSIP NO. 90343C100

1 NAME OF REPORTING PERSON

DAVID L. KANEN

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

| | | |
|---|----|--------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | | 41,690 |
| | 8 | SHARED VOTING POWER |
| | | 4,563,877 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 41,690 |
| | 10 | SHARED DISPOSITIVE POWER |

4,563,877

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

4,605,567

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

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

13.2%

14 TYPE OF REPORTING
PERSON

IN

CUSIP NO. 90343C100

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 3. Source and Amount of Funds or Other Consideration.

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

The Shares purchased by Philotimo were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The Shares purchased by KWM were purchased with the funds for the accounts of its customers (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The Shares purchased by Mr. Kanen were purchased with personal funds (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The aggregate purchase price of the 2,557,949 Shares beneficially owned by KWM is approximately \$3,566,956 including brokerage commissions. The aggregate purchase price of the 2,005,928 Shares beneficially owned by Philotimo is approximately \$2,652,505 including brokerage commissions. The aggregate purchase price of the 41,690 Shares beneficially owned by Mr. Kanen is approximately \$61,843 including brokerage commissions.

Item 5. Interest in Securities of the Issuer.

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

The aggregate percentage of Shares reported owned by each person named herein is based upon 34,986,782 Shares outstanding as of October 26, 2018 as reported in the Issuer’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on October 31, 2018.

A. Philotimo

(a) As of the close of business on November 30, 2018, Philotimo beneficially owned 2,005,928 Shares.
Percentage: Approximately 5.7%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 2,005,928
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 2,005,928

(c) The transactions in the Shares by Philotimo since the filing of Amendment No. 1 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

B. KWM

(a) As of the close of business on November 30, 2018, KWM beneficially owned 1,473,123 Shares. KWM, as the general partner of Philotimo, may be deemed the beneficial owner of the 2,005,928 Shares owned by Philotimo.
Percentage: Approximately 13.0%

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- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 4,563,877
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 4,563,877

(c) The transactions in the Shares by KWM since the filing of Amendment No. 1 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

C. Mr. Kanen

As of the close of business on November 30, 2018, Mr. Kanen directly beneficially owned 41,690 Shares. Mr. (a) Kanen, as the managing member of KWM, may be deemed the beneficial owner of the (i) 1,473,123 Shares owned by KWM and (ii) 2,005,928 Shares owned by Philotimo.
Percentage: Approximately 13.2%

- (b)
1. Sole power to vote or direct vote: 41,690
 2. Shared power to vote or direct vote: 4,563,877
 3. Sole power to dispose or direct the disposition: 41,690
 4. Shared power to dispose or direct the disposition: 4,563,877

(c) The transactions in the Shares by Mr. Kanen since the filing of Amendment No. 1 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference. The transactions in the Shares on behalf of KWM since the filing of Amendment No. 1 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

KWM, in its role as investment manager to several customer accounts (collectively, the "Accounts") to which it furnishes investment advice, and Mr. Kanen, as the managing member of KWM, may each be deemed to beneficially own shares of the Issuer's Shares held in the Accounts.

Each Reporting Person, as a member of a "group" with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

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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: November 30, 2018

KANEN WEALTH
MANAGEMENT, LLC

By: /s/ David L. Kanen
Name: David L. Kanen
Title: Managing Member

PHILOTIMO FUND, LP

Kanen Wealth
Management, LLC
By:

its general partner

By: /s/ David L. Kanen
Name: David L. Kanen
Title: Managing Member

/s/ David L. Kanen
DAVID L. KANEN

CUSIP NO. 90343C100

SCHEDULE A

Transactions in the Shares of the Issuer Since the Filing of Amendment No. 1 to the Schedule 13D

| <u>Nature of the Transaction</u> | <u>Amount of Shares</u> <u>Purchased/(Sold)</u> | <u>Price (\$)</u> | <u>Date of</u> <u>Purchase/Sale</u> |
|----------------------------------|--|-------------------|--|
|----------------------------------|--|-------------------|--|

PHILOTIMO FUND, LP

Purchase of Common Stock 656,846 1.1100 11/28/2018
 Purchase of Common Stock 248,790 1.0534 11/28/2018

KANEN WEALTH MANAGEMENT, IIC

Purchase of Common Stock 935 1.4300 10/26/2018
 Sale of Common Stock (4,000)* 1.0717 11/20/2018
 Sale of Common Stock (23,213)** - 11/20/2018
 Purchase of Common Stock 1,111,104 1.2400 11/30/2018

DAvid L. Kanen

Purchase of Common Stock 1,678 1.4300 10/26/2018

* Client gave direct instruction to broker to liquidate

** Client initiated transfer out to another broker