

J. Alexander's Holdings, Inc.
Form SC 13D/A
April 24, 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

J. Alexander's Holdings, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value

(Title of Class of Securities)

46609J106

(CUSIP Number)

MARIO D. CIBELLI

C/O Marathon Partners Equity Management, LLC

One Grand Central Place

60 East 42nd Street, Suite 2306

New York, New York 10165

(212) 490-0399

ANDREW 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)

April 24, 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. 46609J106

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Marathon Partners Equity Management, LLC | |
| 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 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 - |
| OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER |
| | | 910,000 |
| PERSON WITH | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |

910,000
AGGREGATE AMOUNT
BENEFICIALLY OWNED
11 BY EACH REPORTING
PERSON

910,000
CHECK BOX IF
12 THE AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN SHARES

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

6.2%
14 TYPE OF REPORTING
PERSON

IA

CUSIP No. 46609J106

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Mario D. Cibelli | |
| 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 ITEM 2(d) OR 2(e) | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | USA | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | - 0 - |
| OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER |
| | | 910,000 |
| PERSON WITH | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 910,000 |

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

910,000
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%
14 TYPE OF REPORTING
PERSON

IN

CUSIP No. 46609J106

1 NAME OF REPORTING PERSON

Marathon Focus Fund L.P.

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 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 |
| | | 110,000 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |

11 110,000
AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

12 110,000
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN SHARES

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

14 0.7%
TYPE OF REPORTING
PERSON

PN

CUSIP No. 46609J106

| | | |
|---|--|------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Cibelli Research & Management, LLC | |
| 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 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 |
| | | 110,000 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | -0- |
| | 10 | SHARED DISPOSITIVE |

POWER

11 110,000
AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

12 110,000
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
(11) EXCLUDES
CERTAIN SHARES

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

14 0.7%
TYPE OF REPORTING
PERSON

OO

CUSIP No. 46609J106

| | | |
|---|--|--------------------------|
| 1 | NAME OF REPORTING PERSON | |
| | Marathon Partners L.P. | |
| 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 ITEM 2(d) OR 2(e) | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION | |
| | NEW YORK | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER |
| | | - 0 - |
| OWNED BY EACH REPORTING PERSON WITH | 8 | SHARED VOTING POWER |
| | | 800,000 |
| PERSON WITH | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |

CUSIP No. 46609J106

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 3. Source and Amount of Funds or Other Consideration.

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

The Shares purchased by each of Partners LP and Focus Fund 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 purchases. The aggregate purchase price of the 800,000 Shares beneficially owned by Partners LP is approximately \$8,119,709, excluding brokerage commissions. The aggregate purchase price of the 110,000 Shares beneficially owned by Focus Fund is approximately \$1,110,807, excluding brokerage commissions.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On April 24, 2018, Marathon Partners delivered a letter to the Chairman of the Issuer’s board of directors (the “Board”) restating its belief that the appointment of new independent directors and the engagement of an investment bank to evaluate strategic alternatives would be the best pathway for the Issuer to maximize shareholder value. In the letter, addressed to the Chairman of the Board Frank Martire, Marathon Partners reiterated the Issuer’s underwhelming annual growth and meaningful share price underperformance relative to various benchmarks and other domestic publicly-traded entities related to William Foley.

In the letter, Marathon Partners further requested that the Chairman reconsider the Issuer’s costly and conflicted advisory agreement with Black Knight Advisory Services (“BKAS”) to eliminate the unnecessary payment of management fees to BKAS and to restore accountability to shareholders in light of the inherent conflicts of interests arising out of the other Board members’ pre-existing relationships with Mr. Foley.

Marathon Partners cited the continued stock price underperformance in which the Issuer underperformed many peers and various equity indices, stating that, since its spin-off from Fidelity National Financial (“FNF”), the Issuer’s total return has been 24% while the S&P 500 Total Return Index and S&P 500 Restaurants Total Return Index have returned 49% and 37%, respectively, over the same period.

Marathon Partners concluded the letter by reiterating its view that the Chairman must rectify the Issuer’s corporate governance concerns to effectively address their negative impact on the realization of shareholder value.

The full text of the letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

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 Reporting Person is based upon 14,695,176 Shares outstanding, which is the total number of Shares outstanding as of the close of business on March 27, 2018, as reported in the Issuer’s Definitive Proxy Statement on Form DEF 14A filed with the Securities and Exchange Commission on April 20, 2018.

CUSIP No. 46609J106

A. Marathon Partners

Marathon Partners, as the investment manager of each of Partners LP and Focus Fund, and the general partner of (a) Partners LP, may be deemed the beneficial owner of the (i) 800,000 Shares owned by Partners LP and (ii) 110,000 Shares owned by Focus Fund.

Percentage: Approximately 6.2%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 910,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 910,000

Marathon Partners has not entered into any transactions in the Shares since the filing of Amendment No. 3 to the (c) Schedule 13D. The transactions in the Shares on behalf of each of Partners LP and Focus Fund since the filing of Amendment No. 3 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

B. Mr. Cibelli

(a) Mr. Cibelli, as the managing member of each of Cibelli Research and Marathon Partners, may be deemed the beneficial owner of the (i) 800,000 Shares owned by Partners LP and (ii) 110,000 Shares owned by Focus Fund.

Percentage: Approximately 6.2%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 910,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 910,000

Mr. Cibelli has not entered into any transactions in the Shares since the filing of Amendment No. 3 to the Schedule (c) 13D. The transactions in the Shares on behalf of each of Partners LP and Focus Fund since the filing of Amendment No. 3 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

C. Focus Fund

(a) As of the close of business on April 24, 2018, Focus Fund beneficially owned 110,000 Shares.
Percentage: Approximately 0.7%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 110,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 110,000

(c) The transactions in the Shares by Focus Fund since the filing of Amendment No. 3 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

CUSIP No. 46609J106

D. Cibelli Research

(a) Cibelli Research, as the general partner of Focus Fund, may be deemed the beneficial owner of the 110,000 Shares owned by Focus Fund.

Percentage: Approximately 0.7%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 110,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 110,000

Cibelli Research has not entered into any transactions in the Shares since the filing of Amendment No. 3 to the (c) Schedule 13D. The transactions in the Shares on behalf of Focus Fund since the filing of Amendment No. 3 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

E. Partners LP

(a) As of the close of business on April 24, 2018, Partners LP beneficially owned 800,000 Shares.
Percentage: Approximately 5.4%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 800,000
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 800,000

(c) The transactions in the Shares by Partners LP since the filing of Amendment No. 3 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

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.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibit:

99.1 Letter to the Chairman of the Board of Directors, dated April 24, 2018.

CUSIP No. 46609J106

SIGNATURES

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

Dated: April 24, 2018

Marathon Partners L.P.

Marathon Partners Equity

By: Management, LLC, its
General Partner

By: /s/ Mario D. Cibelli
Name: Mario D. Cibelli
Title: Managing Member

Marathon Focus Fund L.P.

Cibelli Research &
By: Management, LLC,
its General Partner

By: /s/ Mario D. Cibelli
Name: Mario D. Cibelli
Title: Managing Member

Cibelli Research &
Management, LLC

By: /s/ Mario D. Cibelli
Name: Mario D. Cibelli
Title: Managing Member

Marathon Partners Equity
Management, LLC

By: /s/ Mario D. Cibelli
Name: Mario D. Cibelli
Title: Managing Member

/s/ Mario D. Cibelli
MARIO D. CIBELLI

CUSIP No. 46609J106

SCHEDULE A

Transactions in the Shares of the Issuer Since the Filing of Amendment No. 3 to the Schedule 13D

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

Marathon Focus Fund L.P.

| | | | |
|--------------------------|----------|---------|------------|
| Purchase of Common Stock | 5,000 | 9.8725 | 03/02/2018 |
| Purchase of Common Stock | 3,040 | 9.9000 | 03/06/2018 |
| Purchase of Common Stock | 672 | 9.7500 | 03/07/2018 |
| Purchase of Common Stock | 1,288 | 10.2000 | 03/08/2018 |
| Sale of Common Stock | (15,000) | 11.7500 | 04/05/2018 |
| Sale of Common Stock | (5,000) | 11.8199 | 04/10/2018 |
| Sale of Common Stock | (5,000) | 11.8392 | 04/12/2018 |
| Sale of Common Stock | (5,000) | 11.6000 | 04/16/2018 |

Marathon Partners L.P.

| | | | |
|----------------------|----------|---------|------------|
| Sale of Common Stock | (25,000) | 11.7500 | 04/05/2018 |
| Sale of Common Stock | (25,000) | 11.8199 | 04/10/2018 |
| Sale of Common Stock | (8,200) | 12.1271 | 04/18/2018 |
| Sale of Common Stock | (16,800) | 12.1670 | 04/19/2018 |