

Sound Financial Bancorp, Inc.  
Form SC 13G/A  
February 14, 2019

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 13G**

**Under the Securities Exchange Act of 1934**

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

Sound Financial Bancorp Inc. (SFBC)  
(Name of Issuer)

Common Stock  
(Title of Class of Securities)

83607A100  
(CUSIP Number)

12/31/2018  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

Rule 13d-1(b)

Rule 13d-1(c)

Rule 13d-1(d)

\* 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 the disclosures provided in a prior cover page.

The information required in 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).

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**1** NAME OF REPORTING PERSONS I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY) FJ Capital Management LLC

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

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

<b>5</b> SOLE VOTING POWER	
<b>6</b> SHARED VOTING POWER	189,782 (1)
<b>7</b> SOLE DISPOSITIVE POWER	
<b>8</b> SHARED DISPOSITIVE POWER	189,782 (1)

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 189,782 (1)

**10** CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED 7.47%  
BY AMOUNT IN ROW 9

12 TYPE OF REPORTING PERSON IA

(1) Consists of 59,272 shares of common stock of the Issuer held by Financial Opportunity Fund LLC, 46,889 shares of common stock of the Issuer held by Financial Hybrid Opportunity Fund LLC, 68,793 shares of common stock of the Issuer held by Financial Hybrid Opportunity SPV I LLC, of which FJ Capital Management LLC is the managing member and 14,828 shares common stock of the Issuer held by a managed account that FJ Capital Management manages; as such, the Reporting Person may be deemed to be a beneficial owner of reported shares but as to which the Reporting Person disclaims beneficial ownership.

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**1** NAME OF REPORTING PERSONS Financial Opportunity Fund LLC  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
 (ENTITIES ONLY)

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

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

<b>5</b> SOLE VOTING POWER	
<b>6</b> SHARED VOTING POWER	59,272 (1)
<b>7</b> SOLE DISPOSITIVE POWER	
<b>8</b> SHARED DISPOSITIVE POWER	59,272 (1)

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 59,272 (1)

**10** CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

**11** PERCENT OF CLASS REPRESENTED 2.33%  
BY AMOUNT IN ROW 9

**12** TYPE OF REPORTING PERSON OO

- (1) Consists of 59,272 shares of common stock of the Issuer held by Financial Opportunity Fund LLC.

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**1** NAME OF REPORTING PERSONS Financial Hybrid Opportunity Fund LLC  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
 (ENTITIES ONLY)

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

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

<b>5</b> SOLE VOTING POWER	
<b>6</b> SHARED VOTING POWER	46,889 (1)
<b>7</b> SOLE DISPOSITIVE POWER	
<b>8</b> SHARED DISPOSITIVE POWER	46,889 (1)

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 46,889 (1)

**10** CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

**11** PERCENT OF CLASS REPRESENTED 1.85%  
BY AMOUNT IN ROW 9

**12** TYPE OF REPORTING PERSON OO

(1) Consists of 46,889 shares of common stock of the Issuer held by Financial Hybrid Opportunity Fund LLC.



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**1** NAME OF REPORTING PERSONS Financial Hybrid Opportunity SPV I LLC  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
 (ENTITIES ONLY)

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

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

<b>5</b> SOLE VOTING POWER	
<b>6</b> SHARED VOTING POWER	68,793 (1)
<b>7</b> SOLE DISPOSITIVE POWER	
<b>8</b> SHARED DISPOSITIVE POWER	68,793 (1)

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 68,793 (1)

**10** CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

**11** PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9 2.71%

**12** TYPE OF REPORTING PERSON OO

(1) Consists of 68,793 shares of common stock of the Issuer held by Financial Hybrid Opportunity SPV I LLC.

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**1** NAME OF REPORTING PERSONS Martin Friedman  
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS  
 (ENTITIES ONLY)

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

**3** SEC USE ONLY

**4** CITIZENSHIP OR PLACE OF ORGANIZATION United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

<b>5</b> SOLE VOTING POWER	
<b>6</b> SHARED VOTING POWER	189,782 (1)
<b>7</b> SOLE DISPOSITIVE POWER	
<b>8</b> SHARED DISPOSITIVE POWER	189,782 (1)

**9** AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 189,782 (1)

**10** CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 9 EXCLUDES CERTAIN SHARES

11 PERCENT OF CLASS REPRESENTED 7.47%  
BY AMOUNT IN ROW 9

12 TYPE OF REPORTING PERSON IN

Consists of 59,272 shares of common stock of the Issuer held by Financial Opportunity Fund LLC, 46,889 shares of common stock of the Issuer held by Financial Hybrid Opportunity Fund LLC, 68,793 shares of common stock of the Issuer held by Financial Hybrid Opportunity SPV I LLC, of which FJ Capital Management LLC is the (1) managing member and 14,828 shares common stock of the Issuer held by a managed account that FJ Capital Management manages. Martin Friedman is the Managing Member of FJ Capital Management LLC; as such, Mr. Friedman may be deemed to be a beneficial owner of reported shares but as to which Mr. Friedman disclaims beneficial ownership.

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**Item  
1(a). Name of Issuer:**

Sound Financial Bancorp, Inc (SFBC)

**Item  
1(b). Address of Issuer's Principal Executive Offices:**

2400 Third Avenue, STE 150  
Seattle, WA 98121

**Item  
2(a). Name of Person Filing:**

This Schedule 13G is being filed on behalf of the following Reporting Persons:

Financial Opportunity Fund LLC

Financial Hybrid Opportunity Fund LLC

Financial Hybrid Opportunity SPV I LLC

FJ Capital Management LLC

Martin Friedman

**Item  
2(b). Address of Principal Business Office or, if None, Residence:**

FJ Capital Management, LLC

1313 Dolley Madison Blvd, Ste 306

McLean, VA 22101

Financial Opportunity Fund LLC

1313 Dolley Madison Blvd., Ste 306

McLean, VA 22101

Financial Hybrid Opportunity Fund LLC

1313 Dolley Madison Blvd., Ste 306

McLean, VA 22101

Financial Hybrid Opportunity SPV I LLC

1313 Dolley Madison Blvd., Ste 306

McLean, VA 22101

Martin Friedman

1313 Dolley Madison Blvd., Ste 306

McLean, VA 22101

**Item  
2(c).**

**Citizenship:**

Financial Opportunity Fund LLC, Financial Hybrid Opportunity Fund LLC, Financial Hybrid Opportunity SPV I LLC, and FJ Capital Management LLC – Delaware limited liability companies

Martin Friedman – United States citizen

**Item  
2(d).**

**Title of Class of Securities:**

Common Stock

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**Item 2(e). CUSIP Number:**

83607A100

**Item 3. If This Statement  
is Filed Pursuant  
to  
§§240.13d-1(b),  
or 240.13d-2(b)  
or (c), Check  
Whether the  
Person Filing is  
a:**

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);

- (f) An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with §240.13d-1(b)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act (15 U.S.C. 80a-3);
- (j) Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4. Ownership.**

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

(a) Amount beneficially owned:

FJ Capital Management LLC – 189,782 shares

Financial Opportunity Fund LLC – 59,272 shares

Financial Hybrid Opportunity Fund LLC – 46,889 shares

Financial Hybrid Opportunity SPV I LLC – 68,793 shares

Martin Friedman – 189,782 shares

(b) Percent of class:



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FJ Capital Management LLC – 7.47%

Financial Opportunity Fund LLC – 2.33%

Financial Hybrid Opportunity Fund LLC – 1.85%

Financial Hybrid Opportunity SPV I LLC – 2.71%

Martin Friedman – 7.47%

(c) Number of shares as to which such person has:

(i) Sole power to vote or to direct the vote

All Reporting Persons - 0

(ii) Shared power to vote or to direct the vote

FJ Capital Management LLC – 189,782 shares

Financial Opportunity Fund LLC – 59,272 shares

Financial Hybrid Opportunity Fund LLC – 46,889 shares

Financial Hybrid Opportunity SPV I LLC – 68,793 shares

Martin Friedman – 189,782 shares

(iii) Sole power to dispose or to direct the disposition of

All Reporting Persons - 0

(iv) Shared power to dispose or to direct the disposition of

FJ Capital Management LLC – 189,782 shares

Financial Opportunity Fund LLC – 59,272 shares

Financial Hybrid Opportunity Fund LLC – 46,889 shares

Financial Hybrid Opportunity SPV I LLC – 68,793 shares

Martin Friedman – 189,782 shares

**Item 5. Ownership of Five Percent or Less of a Class.**

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following

**Item 6. Ownership of More than Five Percent on Behalf of Another Person.**

N/A.

**Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company or Control Person.**

N/A

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**Identification  
and**

**Item 8. Classification  
of Members  
of the Group.**

Due to the relationships among them, the reporting persons hereunder may be deemed to constitute a “group” with one another for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934.

**Notice of**

**Item 9. Dissolution of  
Group.**

N/A

**Item 10. Certification.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having such purpose or effect.

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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.

Date: 2/14/2019 **Financial Opportunity Fund LLC**

By: FJ Capital Management LLC, its Managing Member

By: /s/ Martin Friedman

Name: Martin Friedman

Title: Managing Member

**Financial Hybrid Opportunity Fund LLC**

By: FJ Capital Management LLC, its Managing Member

By: /s/ Martin Friedman

Name: Martin Friedman

Title: Managing Member

**Financial Hybrid Opportunity SPV I LLC**

By: FJ Capital Management LLC, its Managing Member

By: /s/ Martin Friedman

Name: Martin Friedman

Title: Managing Member

**FJ Capital Management LLC**

By: /s/ Martin Friedman

Name: Martin Friedman

Title: Managing Member

/s/ Martin Friedman

MARTIN FRIEDMAN