

POTBELLY CORP  
Form SC 13D  
November 16, 2017

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 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. )\*

Potbelly Corporation  
(Name of Issuer)

Common Stock \$0.01 par value  
(Title of Class of Securities)

73754Y100  
(CUSIP Number)

Christopher P. Davis, Esq.  
Kleinberg, Kaplan, Wolff & Cohen, P.C.  
551 Fifth Avenue, New York, New York 10176  
(212) 986-6000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 10, 2017  
(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 which 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.

\* 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).

NAMES OF REPORTING  
PERSONS

1

Privet Fund LP  
CHECK THE APPROPRIATE BOX  
IF A MEMBER OF A GROUP (see  
Instructions)  
(a)  
(b)  
SEC USE ONLY

2

3

SOURCE OF FUNDS (see  
Instructions)

4

WC  
CHECK 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  
7 0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

SHARED VOTING POWER  
8 1,269,612

SOLE DISPOSITIVE POWER  
9 0

SHARED DISPOSITIVE POWER  
101,269,612

AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
1,269,612

11

12

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

13

PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)

5.1%

TYPE OF REPORTING PERSON

(see Instructions)

PN

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14

NAMES OF REPORTING  
PERSONS

1

Privet Fund Management LLC  
CHECK THE APPROPRIATE BOX  
IF A MEMBER OF A GROUP (see  
Instructions)

2

(a)

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (see  
Instructions)

4

WC, AF  
CHECK 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

7 0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

SHARED VOTING POWER  
8 1,294,112

SOLE DISPOSITIVE POWER  
9 0

SHARED DISPOSITIVE POWER  
101,294,112

AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
1,294,112

11

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

12

PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)

13

5.2%  
TYPE OF REPORTING PERSON  
(see Instructions)  
OO

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14

NAMES OF REPORTING  
PERSONS

1

Ryan Levenson

2

CHECK THE APPROPRIATE BOX  
IF A MEMBER OF A GROUP (see  
Instructions)

(a)

(b)

3

SEC USE ONLY

4

SOURCE OF FUNDS (see  
Instructions)

5

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

6

CITIZENSHIP OR PLACE OF  
ORGANIZATION

United States of America  
SOLE VOTING POWER  
7 0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

SHARED VOTING POWER  
8 1,294,112

SOLE DISPOSITIVE POWER  
9 0

SHARED DISPOSITIVE POWER  
101,294,112

11

AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON  
1,294,112

12

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

13

PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)  
5.2%

TYPE OF REPORTING PERSON  
(see Instructions)  
IN

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14

Item 1. Security and Issuer.

This statement relates to the Common Shares, \$0.01 par value per share (the "Common Stock"), of Potbelly Corporation, a Delaware corporation (the "Issuer"). The Issuer's principal executive office is located at 111 N. Canal Street, Suite 850, Chicago, Illinois 60606.

Item 2. Identity and Background.

(a) This statement is being filed by (i) Privet Fund Management LLC, a Delaware limited liability company, (ii) Privet Fund LP, a Delaware limited partnership and (iii) Ryan Levenson ("Mr. Levenson" and collectively with the foregoing persons, the "Reporting Persons"). Each of the Reporting Persons is party to that certain Joint Filing Agreement, as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D. Mr. Levenson is the sole managing member of Privet Fund Management LLC, which is the general partner and investment manager of Privet Fund LP.

(b) The address of the principal offices of each of the Reporting Persons is 79 West Paces Ferry Road, Suite 200B, Atlanta, Georgia 30305.

(c) The principal business of Privet Fund Management LLC is providing administrative and management services to Privet Fund LP. The principal business of Privet Fund LP is that of private funds engaged in investment in securities for their own account. The principal occupation of Mr. Levenson is manager of Privet Fund Management LLC.

(d) During the last five (5) years, no Reporting Person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five (5) years, no Reporting Person has been party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding such entity 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) Privet Fund Management LLC is a Delaware limited liability company. Privet Fund LP is a Delaware limited partnership. Mr. Levenson is a citizen of the United States of America.

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

The Reporting Persons may be deemed to constitute a group pursuant to Rule 13d-5(b) as a result of entering into a Joint Filing Agreement as described below and filed as an exhibit to this statement. If the Reporting Persons are deemed to have formed a group, the Reporting Persons could be deemed to beneficially own the shares collectively held by the group, which would be an aggregate 1,294,112 shares or 5.2% of the Common Stock of the Company; however, each of the Reporting Persons disclaims beneficial ownership of the shares held by other members of the group except as expressly set forth herein.

The aggregate purchase price of the 1,294,112 shares of Common Stock beneficially owned by the Reporting Persons is approximately \$15,277,287.42, not including brokerage commissions, which was funded with partnership funds of Privet Fund LP and with assets under separately managed accounts with Privet Fund Management LLC. Privet Fund LP effects purchases of securities primarily through margin accounts maintained for it with prime brokers, which may extend margin credit to it as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and the prime brokers' credit policies.

Item 4. Purpose of the Transaction

The Reporting Persons purchased the securities of the Issuer reported herein based on their belief that such securities, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon other factors, including overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of securities of the Issuer at prices that would make the purchase or sale of such securities desirable, the Reporting Persons may endeavor (i) to increase or decrease their respective positions in the Issuer through, among other things, the purchase or sale of securities of the Issuer on the open market or in private transactions or otherwise on such terms and at such times as the Reporting Persons may deem advisable and/or (ii) to enter into transactions that increase or hedge their economic exposure to the Shares without affecting their beneficial ownership of Shares.

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No Reporting Person has any present plan or proposal which would relate to or result in any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons may take positions regarding or make precatory, conditional or binding proposals with respect to, or with respect to potential changes in, the Issuer's: operations, management, certificate of incorporation and bylaws, composition of the Board or its committees, ownership, capital or corporate structure, dividend policy, potential acquisitions or sales, businesses or assets, including the sales thereof, strategy and/or plans of the Issuer as a means of enhancing stockholder value. The Reporting Persons may change their intention with respect to any and all matters referred to in this Item 4. The Reporting Persons intend to review their investment in the Issuer on an ongoing basis and may from time to time in the future express their views to and/or meet with management, the Board, other stockholders or third parties, including, potential acquirers, service providers and financing sources, and/or may formulate plans or proposals regarding the Issuer, its assets or its securities. Such possible plans or proposals may include one or more plans or proposals that relate to or would result in one or more of the changes referred to herein, or any of the matters set forth in subparagraphs (a) - (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a) As of the date of this filing, the Reporting Persons may be deemed to beneficially own 1,294,112 shares (the "Shares"), or approximately 5.2% of the outstanding Common Stock of the Issuer. The aggregate percentages of Common Stock reported owned by the Reporting Persons is based upon approximately 24,804,265 shares of Common Stock outstanding, which is the total number of shares of Common Stock outstanding as disclosed on the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on September 24, 2017.

(b) Privet Fund Management LLC is the Managing Partner of Privet Fund LP, and Mr. Levenson is the sole managing member of Privet Fund Management LLC. Accordingly, Privet Fund Management LLC and Mr. Levenson may be deemed to hold shared voting power and dispositive power with respect to the Shares held by Privet Fund LP, and Mr. Levenson may be deemed to hold shared voting and dispositive power with respect to the Shares held by Privet Fund Management LLC.

As a result of the formation of a group constituted hereby, each of the Reporting Persons could be deemed to beneficially own all the Shares; however, each of the Reporting Persons disclaims beneficial ownership of the Shares held by other Reporting Persons except as expressly set forth above.

Except as set forth on the cover pages hereto and under this paragraph (b), each Reporting Person has the sole power to vote or direct the vote and to dispose or direct the disposition of the Shares reported herein as owned by each such Reporting Person.

(c) Except as set forth on Schedule 1 hereto, no transactions in the Common Stock were effected during the past 60 days by the Reporting Persons, or, to the best of the knowledge of the Reporting Persons, by any of the other persons named in response to Item 2, if any.

(d) To the best knowledge of the Reporting Persons, no other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, the Shares.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

On the date hereof, the Reporting Persons entered into a Joint Filing Agreement in which the parties agreed to the joint filing on behalf of each of them of statements on Schedule 13D, and any amendments thereto, with respect to the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Except as described above in this Item 6, none of the Reporting Persons has any contracts, arrangements, understandings or relationships with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Exhibit 99.1 – Joint Filing Agreement, dated as of the date hereof, by and among Privet Fund Management LLC, Privet Fund LP and Ryan Levenson.



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

Dated: November 16, 2017

PRIVET FUND LP

By: Privet Fund Management LLC, Its Managing Partner

By: /s/ Ryan Levenson  
Name: Ryan Levenson  
Title: Sole Manager

PRIVET FUND MANAGEMENT LLC

By: /s/ Ryan Levenson  
Name: Ryan Levenson  
Title: Sole Manager

/s/ Ryan Levenson  
Ryan Levenson

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SCHEDULE 1

Transaction in Securities of the Issuer During the Past 60 Days

Date      Security      Amount of Shs. Bought/(Sold)      Approx. price (\$) per Share<sup>1</sup>

Privet Fund LP

11/10/2017 Common Stock 50,000      \$11.8703

Privet Fund Management LLC

11/10/2017 Common Stock 24,500      \$11.6915

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<sup>1</sup> Not including any brokerage fees.