

ARI NETWORK SERVICES INC /WI
Form SC 13D
March 28, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

ARI NETWORK SERVICES, INC.

(Name of Issuer)

Common Stock, \$.001 par value

(Title of Class of Securities)

1930205

(CUSIP Number)

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

Wynnefield Partners Small Cap Value, L.P.

Edgar Filing: ARI NETWORK SERVICES INC /WI - Form SC 13D

450 Seventh Avenue, Suite 509

New York, New York 10123

Attention: Mr. Nelson Obus

March 18, 2013

(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(b)(3) or (4) check the following box “.

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, as amended (the “Act”), or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

SCHEDULE 13D

CUSIP No. 1930205 Page 2 of 12 Pages

NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Wynnefield Partners Small Cap Value, L.P. 13-3688497

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

NUMBER OF SOLE VOTING POWER

SHARES 7

BENEFICIALLY 360,000 (includes 90,000 presently exercisable warrants) (See Item 5)

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
360,000 (includes 90,000 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

360,000 (includes 90,000 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

2.9%

TYPE OF REPORTING PERSON*

14

PN

SCHEDULE 13D

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NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Wynnefield Partners Small Cap Value L.P. I 13-3953291

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)
5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES 572,400 (includes 143,100 presently exercisable warrants) (See Item 5)

BENEFICIALLY

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9

572,400 (includes 143,100 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

572,400 (includes 143,100 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

4.7%

TYPE OF REPORTING PERSON*

14

PN

SCHEDULE 13D

CUSIP No. 1930205 Page 4 of 12 Pages

NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Wynnefield Small Cap Value Offshore Fund, Ltd. (No IRS Identification No.)

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Cayman Islands

7 SOLE VOTING POWER

NUMBER OF

SHARES 267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

BENEFICIALLY

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

2.2%

TYPE OF REPORTING PERSON*

14

CO

SCHEDULE 13D

CUSIP No. 1930205 Page 5 of 12 Pages

NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Wynnefield Capital Management, LLC 13-4018186

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

New York

NUMBER OF SOLE VOTING POWER

SHARES 7

BENEFICIALLY 932,400 (includes 233,100 presently exercisable warrants) (See Item 5)

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
932,400 (includes 233,100 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

932,400 (includes 233,100 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

7.6%

TYPE OF REPORTING PERSON*

14

OO

SCHEDULE 13D

CUSIP No. 1930205 Page 6 of 12 Pages

NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Wynnefield Capital, Inc. 13-3688495

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

NUMBER OF SOLE VOTING POWER

SHARES 7

BENEFICIALLY 267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

267,600 (includes 66,900 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

2.2%

TYPE OF REPORTING PERSON*

14

CO

SCHEDULE 13D

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NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Nelson Obus

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

NUMBER OF SOLE VOTING POWER

SHARES 7

BENEFICIALLY 1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.8%

TYPE OF REPORTING PERSON*

14

IN

SCHEDULE 13D

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NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

1

Joshua Landes

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2(a) "

(b) x

SEC USE ONLY

3

SOURCE OF FUNDS*

4

N/A

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)

5 or 2(e) "

CITIZENSHIP OR PLACE OF ORGANIZATION

6

United States

SOLE VOTING POWER

NUMBER OF

SHARES

7

1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

BENEFICIALLY

SHARED VOTING POWER

OWNED BY

EACH 8
0 (See Item 5)

SOLE DISPOSITIVE POWER

REPORTING

9
1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

SHARED DISPOSITIVE POWER

PERSON WITH 10

0 (See Item 5)

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

1,200,000 (includes 300,000 presently exercisable warrants) (See Item 5)

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.8%

TYPE OF REPORTING PERSON*

14

IN

Item 1. Security and Issuer.

This statement relates to the Common Stock, \$.001 value per share (the “Common Stock”), of Ari Network Services, Inc., a Wisconsin corporation (the “Issuer”). The Issuer maintains its principal executive office at 10850 West Park Place, Suite 1200, Milwaukee, Wisconsin 53224.

Item 2. Identity and Background.

This Schedule 13D is filed by Wynnefield Partners Small Cap Value, L.P. (“Partners”), Wynnefield Partners Small Cap Value, L.P. I (“Partners I”), Wynnefield Small Cap Value Offshore Fund, Ltd. (“Offshore”), Wynnefield Capital Management, LLC (“WCM”), Wynnefield Capital, Inc. (“WCI”), Nelson Obus and Joshua Landes (collectively the “Wynnefield Reporting Persons”).

(a), (b), (c) and (f). Partners, Partners I, Offshore, WCM, and WCI are each separate and distinct entities with different beneficial owners (whether designated as limited partners, shareholders or members).

WCM, a New York limited liability company, is the general partner of Partners and Partners I, each a private investment company organized as a limited partnership under the laws of the State of Delaware. Nelson Obus and Joshua Landes are the co-managing members of WCM. Messrs. Obus and Landes are citizens of the United States of America.

The business address of the Wynnefield Reporting Persons is 450 Seventh Avenue, Suite 509, New York, NY 10123.

(d) and (e). During the past five years, none of the Wynnefield Reporting Persons have been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding 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.

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

The securities reported in this Statement as directly beneficially owned by the Wynnefield Reporting Persons were acquired with funds of \$1,350,000. All such funds were provided from the working capital of the Wynnefield Reporting Persons which directly beneficially own such securities.

Item 4. Purpose of Transaction.

The Wynnefield Reporting Persons have no current plans or proposals which, other than as expressly set forth below, would relate to or would result in any of the actions set forth in paragraphs (a) through (j) of Item 4 of Schedule 13D. To the extent permitted by law, the Wynnefield Reporting Persons may seek to engage in discussions with other shareholders and/or with management and the board of directors of the Issuer concerning the business, operations or future plans of the Issuer. Depending on various factors including, without limitation, the Issuer's financial position, the price levels of the Common Stock, conditions in the securities markets and general economic and industry conditions, the Wynnefield Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, purchasing additional shares of Common Stock, selling Common Stock, engaging in short selling of or any hedging or similar transaction with respect to the Common Stock, taking any other action with respect to the Issuer or any of its securities in any manner permitted by law or changing their intentions with respect to any and all matters referred to in paragraphs (a) through (j) of Item 4 of Schedule 13D.

The Wynnefield Reporting Persons further reserve the right to act in concert with any other shareholders of the Issuer, or other persons, for a common purpose should they determine to do so, and/or to recommend courses of action to management and the shareholders of the Issuer.

Item 5. Interest in Securities of the Issuer.

(a) and (b). The number of shares of the Issuer's Common Stock and the percentage of the outstanding shares (based upon 11,987,789 shares of Common Stock outstanding) directly beneficially owned by each Wynnefield Reporting Person is as follows:

<u>Name</u>	Number of Shares (Including Warrants) <u>Outstanding Shares</u>	Percentage of
Partners 360,000		2.9%
Partners I 572,400		4.7%
Offshore 267,600		2.2%

WCM is the sole general partner of Partners and Partners I and, accordingly, may be deemed to be the indirect beneficial owner (as that term is defined under Rule 13d-3 promulgated pursuant to the Exchange Act) of the shares of Common Stock that Partners and Partners I beneficially own. WCM, as the sole general partner of Partners and Partners I, has the sole power to direct the voting and disposition of the shares of Common Stock that Partners and Partners I beneficially own.

Nelson Obus and Joshua Landes are the co-managing members of WCM and, accordingly, they may be deemed to be the indirect beneficial owners (as that term is defined under Rule 13d-3 promulgated pursuant to the Exchange Act) of the shares of Common Stock that WCM may be deemed to beneficially own. Messrs. Obus and Landes, as co-managing members of WCM, have the sole power to direct the voting and disposition of the shares of Common Stock that WCM may be deemed to beneficially own.

The filing of this Schedule 13D and the inclusion of information herein with respect to WCM and Messrs. Obus and Landes shall not be considered an admission that any of such persons, for the purpose of Section 13(d) of the Exchange Act, is the beneficial owner of any shares in which such person does not have a pecuniary interest.

(c) All of the reported shares were purchased in a direct transaction with the issuer.

(d) No person, other than each of the Wynnefield Reporting Persons referred to as the direct beneficial owner of the shares of Common Stock set forth in this response to Item 5, has the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such shares of Common Stock.

(e) Not applicable.

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

Messrs. Obus and Landes may be deemed to have beneficial ownership and control of the shares of the Issuer's Common Stock held by Partners and Partners I by virtue of their control of the General Partner of such entities. Messrs. Obus and Landes disclaim beneficial ownership of the shares of the Issuer's Common Stock held by Partners and Partners I.

Other than as set forth above, the Wynnefield Reporting Persons have no contracts, arrangements, understandings or relationships (legal or otherwise) either amongst themselves or with any other persons with respect to the shares of the Issuer's Common Stock.

Item 7. Material to be Filed as Exhibits.

None.

SIGNATURE

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

Dated: March 27, 2013

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P.

By: Wynnefield Capital Management, LLC, General Partner

By: /s/ Nelson Obus
Nelson Obus, Managing Member

WYNNEFIELD PARTNERS SMALL CAP VALUE, L.P. I

By: Wynnefield Capital Management, LLC, General Partner

By: /s/ Nelson Obus
Nelson Obus, Managing Member

WYNNEFIELD SMALL CAP VALUE OFFSHORE
FUND, LTD.

By: Wynnefield Capital, Inc.,

By: /s/ Nelson Obus
Nelson Obus, President

WYNNEFIELD CAPITAL MANAGEMENT, LLC

By: /s/ Nelson Obus
Nelson Obus, Co-Managing Member

WYNNEFIELD CAPITAL, INC.

By: /s/ Nelson Obus
Nelson Obus, President

/s/ Nelson Obus
Nelson Obus, Individually

/s/ Joshua Landes
Joshua Landes, Individually

