

SCHOOL SPECIALTY INC
Form SC 13D/A
July 28, 2014
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

SCHOOL SPECIALTY, INC.

(Name of Issuer)

Common Stock, par value \$0.001

(Title of Class of Securities)

807864103

(CUSIP Number)

Warren G. Lichtenstein

Steel Partners Holdings L.P.

590 Madison Avenue, 32nd Floor

New York, New York 10022

(212) 520-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

July 24, 2014

(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*).

NAME OF REPORTING PERSONS

1

STEEL EXCEL INC.

2

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

SEC USE ONLY

(b)

3

SOURCE OF FUNDS

4

WC

CHECK BOX 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 -

SHARED VOTING POWER

NUMBER OF 8

SHARES

BENEFICIALLY

OWNED BY EACH

REPORTING

PERSON WITH 9

99,002

SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

99,002

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

99,002

12

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

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.9%

TYPE OF REPORTING PERSON

14

CO

NAME OF REPORTING PERSONS

1

STEEL PARTNERS HOLDINGS L.P.

2

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a)
SEC USE ONLY (b)

3

SOURCE OF FUNDS

4

AF
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TYPE OF REPORTING PERSON

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PN

NAME OF REPORTING PERSONS

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SPH GROUP LLC

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SEC USE ONLY (b)

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SOURCE OF FUNDS

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(b)

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TYPE OF REPORTING PERSON

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NAME OF REPORTING PERSONS

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STEEL PARTNERS HOLDINGS GP INC.

2

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

SEC USE ONLY (b)

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SOURCE OF FUNDS

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TYPE OF REPORTING PERSON

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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:

Steel Excel acquired 75,593 Shares pursuant to the Issuer's Second Amended Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code (the "Plan") and the order confirming the Plan entered by the Bankruptcy Court on June 3, 2013 (such order, the "Confirmation Order").

Pursuant to the Plan and Confirmation Order, (i) each lender holding loans ("DIP Loans") under the Ad Hoc DIP Facility (as defined in the Plan) received its pro rata portion (based on its holdings of DIP Loans) of 65% of the Shares to be issued when the Issuer emerged from bankruptcy, and (ii) each holder of Notes (as defined in the Plan) received its pro rata portion (based on its holdings of Notes) of 35% of the Shares to be issued when the Issuer emerged from bankruptcy on June 11, 2013 (the "Effective Date"). As of the Effective Date and immediately prior to the Issuer's emergence from bankruptcy, Steel Excel held approximately \$4,327,332 of DIP Loans and approximately \$11,906,000 of Notes. Steel Excel received 75,593 Shares upon the Issuer's emergence from bankruptcy. As provided for in the Plan and Confirmation Order, the DIP Loans and Notes were cancelled. The source of funds used to acquire the DIP Loans and Notes was the working capital of Steel Excel.

Steel Excel purchased 23,409 Shares with working capital. The aggregate purchase price of such shares is approximately \$2,756,397, including brokerage commissions.

Item 5. Interest in Securities of the Issuer.

Item 5(a)-(c) is hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 1,000,004 Shares outstanding, which is the total number of Shares outstanding as of June 12, 2014, as reported in the Issuer's Annual Report on Form 10-K filed with the Securities Exchange Commission on July 9, 2014.

As of the date hereof, Steel Excel owns directly 99,002 Shares, constituting approximately 9.9% of the Shares outstanding. By virtue of their relationships with Steel Excel discussed in further detail in Item 2, each of SPHG Holdings, Steel Holdings, SPHG and Steel Holdings GP may be deemed to beneficially own the Shares owned directly by Steel Excel.

(b) Each of Steel Excel, SPHG Holdings, SPHG, Steel Holdings and Steel Holdings GP is deemed to have shared power to vote and dispose of the Shares owned directly by Steel Excel.

(c) Schedule A annexed hereto lists all transactions in the Shares of the Issuer by the Reporting Persons since the filing of Amendment No. 1. All of such transactions were effected in the open market.

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: July 28, 2014

STEEL EXCEL INC.

By: /s/ James F. McCabe, Jr.
James F. McCabe, Jr., Chief Financial Officer

STEEL PARTNERS HOLDINGS L.P.

By: Steel Partners Holdings GP Inc.
General Partner

By: /s/ Jack L. Howard
Jack L. Howard, President

SPH GROUP LLC

By: Steel Partners Holdings GP Inc.
Managing Member

By: /s/ Jack L. Howard
Jack L. Howard, President

SPH GROUP HOLDINGS LLC

By: Steel Partners Holdings GP Inc.
Manager

By: /s/ Jack L. Howard
Jack L. Howard, President

STEEL PARTNERS HOLDINGS GP INC.

By: /s/ Jack L. Howard
Jack L. Howard, President

Transactions in the Shares Since the Filing of Amendment No. 1

<u>Class of Security</u>	<u>Securities Purchased</u>	<u>Price (\$)</u>	<u>Date of Purchase</u>
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STEEL EXCEL INC.

Common Stock	3,200	118.82	07/22/2014
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Common Stock	9,000	119.90	07/24/2014
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