

POTBELLY CORP
Form SC 13D/A
March 01, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 1)

POTBELLY CORPORATION
(Name of Issuer)

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

73754Y100
(CUSIP Number)

Kyle Mowery
c/o GrizzlyRock Capital, LLC
191 N. Wacker Drive, Suite 1500
Chicago, IL 60606
Telephone: (312) 300-4983
(Name, Address and Telephone Number of Persons Authorized to Receive Notices and Communications)

- with copies to-

| | |
|--|---|
| Phillip M. Goldberg Foley & Lardner LLP 321 North Clark Street Suite 2800 Chicago, IL 60654-5313 (312) 832-4549 | Peter D. Fetzer Foley & Larder LLP 777 East Wisconsin Avenue Suite 3800 Milwaukee, WI 53202-5306 (414) 297-5596 |
|--|---|

February 26, 2019
(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.

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| | |
|-------------------------------------|---|
| 1 | NAME OF REPORTING PERSON |
| 2 | GrizzlyRock Capital, LLC CHECK THE APPROPRIATE BOX IF A MEMBER ^(a) OF A ^(b) T GROUP (SEE INSTRUCTIONS) |
| 3 | SEC USE ONLY |
| 4 | SOURCE OF FUNDS (SEE INSTRUCTIONS) |
| 5 | WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| 7 | Delaware SOLE VOTING POWER |
| NUMBER OF SHARES BENEFICIALLY | |

| | |
|---|---|
| OWNED BY EACH REPORTING PERSON WITH | 0 SHARED VOTING POWER |
| | 260,875 SOLE DISPOSITIVE POWER |
| | 0 SHARED DISPOSITIVE POWER |
| 11 | 260,875 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 12 | 260,875 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW ^T (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 1.1% TYPE OF REPORTING PERSON (SEE |

INSTRUCTIONS)

IA

| | |
|---------------------|---|
| 1 | NAME OF REPORTING PERSON |
| | GrizzlyRock General Partner, LLC |
| | CHECK THE APPROPRIATE BOX |
| 2 | IF A ^(a) MEMBER OF A ^(b) 1 GROUP (SEE INSTRUCTIONS) |
| 3 | SEC USE ONLY |
| 4 | SOURCE OF FUNDS (SEE INSTRUCTIONS) |
| | WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |
| 5 | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| | Delaware |
| NUMBER OF SHARES | 7 SOLE VOTING |

| | |
|--|--|
| BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | POWER 0 SHARED VOTING POWER 8 |
| | 260,875 SOLE DISPOSITIVE POWER 9 |
| | 0 10 SHARED DISPOSITIVE POWER |
| 11 | 260,875 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 12 | 260,875 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW ^T (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 1.1% TYPE OF REPORTING |

PERSON (SEE
INSTRUCTIONS)

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| | |
|---------------------|---|
| | NAME OF REPORTING PERSON |
| 1 | GrizzlyRock Institutional Value Partners, LP |
| | CHECK THE APPROPRIATE BOX IF A MEMBER ^(a) OF A ^(b) 1 GROUP (SEE INSTRUCTIONS) |
| 2 | |
| 3 | SEC USE ONLY SOURCE OF FUNDS (SEE INSTRUCTIONS) |
| 4 | |
| | WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |
| 5 | |
| | CITIZENSHIP OR PLACE OF ORGANIZATION |
| 6 | |
| NUMBER OF SHARES | Delaware 7 SOLE VOTING |

| | | |
|----|--|--------------------------|
| | BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | POWER |
| | | 0 |
| | | SHARED VOTING POWER |
| | 8 | |
| | | 260,875 |
| | | SOLE DISPOSITIVE POWER |
| | 9 | |
| | | 0 |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 260,875 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | |
| | | 260,875 |
| | CHECK BOX IF THE AGGREGATE AMOUNT IN ROW ^T | |
| 12 | (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) | |
| | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW | |
| 13 | (11) | |
| | 1.1% | |
| 14 | TYPE OF REPORTING | |

PERSON (SEE
INSTRUCTIONS)

PN

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| | |
|---|--|
| 1 | NAME OF REPORTING PERSON |
| 2 | Kyle Mowery CHECK THE APPROPRIATE BOX IF A MEMBER ^(a) OF A ^(b) T GROUP (SEE INSTRUCTIONS) |
| 3 | SEC USE ONLY |
| 4 | SOURCE OF FUNDS (SEE INSTRUCTIONS) |
| 5 | PF and WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION |
| 7 | United States SOLE VOTING POWER |
| | NUMBER OF SHARES BENEFICIALLY OWNED BY |

| | |
|-------------------------------------|--|
| EACH REPORTING PERSON WITH | 0 SHARED VOTING POWER |
| | 8 636,604 SOLE DISPOSITIVE POWER |
| | 9 0 SHARED DISPOSITIVE POWER |
| 11 | 636,604 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON |
| 12 | 636,604 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 2.6% TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) |

IN

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1 NAME OF
REPORTING
PERSON

Vivaldi Asset
Management, LLC

2 CHECK
THE
APPROPRIATE
BOX
IF A
MEMBER^(a)
OF A^(b) T
GROUP
(SEE
INSTRUCTIONS)

3 SEC USE ONLY
SOURCE OF
FUNDS (SEE
INSTRUCTIONS)

4 OO – Funds of
investment advisory
clients

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

6 CITIZENSHIP OR
PLACE OF
ORGANIZATION

Delaware
7

| | |
|--|--|
| <p>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</p> | <p>SOLE VOTING POWER</p> <p>0</p> <p>8 SHARED VOTING POWER</p> |
| | <p>375,729</p> <p>SOLE DISPOSITIVE POWER</p> <p>9</p> |
| | <p>0</p> <p>10 SHARED DISPOSITIVE POWER</p> |
| <p>11</p> | <p>375,729</p> <p>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</p> |
| <p>12</p> | <p>375,729</p> <p>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW^T (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)</p> |
| <p>13</p> | <p>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</p> <p>1.5%</p> |

14

TYPE OF
REPORTING
PERSON (SEE
INSTRUCTIONS)

IA

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1 NAME OF REPORTING PERSON

Vivaldi Holdings,
LLC
CHECK
THE
APPROPRIATE
BOX

2 IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

3 SEC USE ONLY SOURCE OF FUNDS (SEE INSTRUCTIONS)

4 OO – Funds of investment advisory clients

CHECK
BOX
IF
DISCLOSURE
OF
LEGAL
PROCEEDINGS

5 IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
7

| | |
|--|--|
| <p>NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH</p> | <p>SOLE VOTING POWER</p> <p>0</p> <p>8 SHARED VOTING POWER</p> |
| | <p>375,729</p> <p>SOLE DISPOSITIVE POWER</p> <p>9</p> |
| | <p>0</p> <p>10 SHARED DISPOSITIVE POWER</p> |
| <p>11</p> | <p>375,729</p> <p>AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON</p> |
| <p>12</p> | <p>375,729</p> <p>CHECK BOX IF THE AGGREGATE AMOUNT IN ROW^T (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)</p> |
| <p>13</p> | <p>PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)</p> <p>1.5%</p> |

14

TYPE OF
REPORTING
PERSON (SEE
INSTRUCTIONS)

HC

Preliminary Note:

This Amendment No. 1 (this "Amendment") to Schedule 13D amends and supplements the Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on October , 2017 (the "Original Schedule 13D", and as amended by this Amendment, this "Schedule 13D") by (i) GrizzlyRock Capital, LLC ("GrizzlyRock Capital"), GrizzlyRock General Partner, LLC ("GrizzlyRock GP"), GrizzlyRock Institutional Value Partners, LP (the "GrizzlyRock Fund") and Kyle Mowery (collectively, the "GrizzlyRock Group"); and (ii) Vivaldi Asset Management, LLC ("VAM") and Vivaldi Holdings, LLC ("Vivaldi Holdings", and collectively with VAM, "Vivaldi") relating to shares of the Common Stock, \$0.01 par value per share (the "Common Stock"), of Potbelly Corporation, a Delaware corporation (the "Issuer").

GrizzlyRock Capital, GrizzlyRock GP, GrizzlyRock Fund, Kyle Mowery, VAM and Vivaldi Holdings are each sometimes referred to herein as a "Reporting Person," and collectively as the "Reporting Persons." The filing of any amendment to this Schedule 13D (including the filing of this Amendment) shall not be construed as an admission by the Reporting Persons that a material change has occurred in the facts set forth in this Schedule 13D or that such amendment is required under Rule 13d-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

This Amendment constitutes an "exit filing" with respect to this Schedule 13D by the Reporting Persons. Capitalized terms used but not defined in this Amendment have the meanings ascribed to them in the Original Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of this Schedule 13D is supplemented and superseded, as the case may be, as follows:

This Amendment is being filed to report the disposition of shares of Common Stock that resulted in a disposition of beneficial ownership of Common Stock held as a group by the Reporting Persons in an amount equal to one percent or more of the Issuer's outstanding Common Stock. The Reporting Persons as a group are no longer the beneficial owners of five percent or more of the Issuer's Common Stock, and so this Amendment constitutes an "exit filing" with respect to this Schedule 13D by the Reporting Persons.

The Reporting Persons may make, or cause, further dispositions of shares of Common Stock from time to time and may dispose of, or cause to be disposed, any or all of the Common Stock beneficially owned by them at any time, in each case depending on market conditions and other factors. In addition, the Reporting Persons may acquire, or cause to be acquired, additional beneficial ownership of shares of Common Stock at any time depending on market conditions and factors.

Item 5. Interests in Securities of the Issuer.

Item 5 is hereby amended and restated as follows:

(a)-(b) The following list and notes to the list set forth the aggregate number and percentage (based on 24,844,824 shares of Common Stock outstanding as reported in the Issuer's Form 10-Q for the period ended September 30, 2018) of outstanding shares of Common Stock owned beneficially by each Reporting Person named in Item 2, and indicates whether such Reporting Persons have sole or shared voting and dispositive power over such shares. As a group, the Reporting Persons would hold 636,604 shares of Common Stock, or 2.6% of the outstanding Common Stock:

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| Name | Shares of Common Stock Beneficially Owned | Percentage of Shares of Common Stock Beneficially Owned |
|--|--|--|
| GrizzlyRock Capital, LLC ⁽¹⁾ | 260,875 | 1.1% |
| GrizzlyRock GP, LLC ⁽¹⁾ | 260,875 | 1.1% |
| GrizzlyRock Institutional Value Partners, LP ⁽¹⁾ | 260,875 | 1.1% |
| Kyle Mowery ⁽²⁾ | 636,604 | 2.6% |
| Vivaldi Asset Management LLC ⁽³⁾ | 375,729 | 1.5% |
| Vivaldi Holdings, LLC ⁽³⁾ | 375,729 | 1.5% |

GrizzlyRock Capital is the investment adviser to and GrizzlyRock GP is the general partner of the GrizzlyRock Fund. Each has voting and dispositive power with regard to the 260,875 shares of Common Stock held by the GrizzlyRock Fund. Because Mr. Mowery is the Managing Member of GrizzlyRock Capital and GrizzlyRock GP, (1) he has the power to direct the affairs of GrizzlyRock Capital and GrizzlyRock GP. Therefore, GrizzlyRock Capital and GrizzlyRock GP may be deemed to share with Mr. Mowery voting and dispositive power with regard to the 260,875 shares of Common Stock held by the GrizzlyRock Fund.

Because Mr. Mowery is the Managing Member of GrizzlyRock Capital and GrizzlyRock GP, the investment adviser to and the general partner of the GrizzlyRock Fund, respectively, he has the power to direct the affairs of the GrizzlyRock Fund, including the voting and disposition of 260,875 shares of Common Stock held in the name of the GrizzlyRock Fund. Therefore, Mr. Mowery is deemed to share voting and dispositive power with respect to (2) the 260,875 shares of Common Stock held by the GrizzlyRock Fund. Because Mr. Mowery is the Portfolio Manager for the Client Accounts, he has voting and dispositive power with regard to the 260,875 shares of Common Stock held by the Client Accounts. Mr. Mowery specifically disclaims beneficial ownership of all such shares.

Vivaldi, as investment adviser to the Client Accounts, may be deemed to have shared voting and dispositive power with respect to 375,729 shares of Common Stock. Vivaldi Holdings, as a control person of Vivaldi, may be (3) deemed to have shared voting and dispositive power with respect to 375,729 shares of Common Stock and may thus be deemed the indirect beneficial owner of the shares beneficially owned by Vivaldi. Vivaldi and Vivaldi Holdings specifically disclaim beneficial ownership of such shares.

(c) The Reporting Persons effected the following sales (and no purchases) within the past 60 days:

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| Name | Trade Date | Number of Shares Sold | Price Per Share | Where and How Transaction was Effected |
|--------------------------|------------|-----------------------|-----------------|--|
| GrizzlyRock Fund | 1/7/2019 | 37,900 | \$8.3736 | Open Market Sale |
| Vivaldi – Client Account | 1/7/2019 | 68,100 | \$8.3736 | Open Market Sale |
| GrizzlyRock Fund | 1/24/2019 | 214 | \$8.56 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 24 | \$8.56 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 32 | \$8.56 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 230 | \$8.56 | Open Market Sale |
| GrizzlyRock Fund | 1/24/2019 | 18,701 | \$8.5925 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 2,093 | \$8.5925 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 2,791 | \$8.5925 | Open Market Sale |
| Vivaldi – Client Account | 1/24/2019 | 20,097 | \$8.5925 | Open Market Sale |
| GrizzlyRock Fund | 1/25/2019 | 6,538 | \$8.7081 | Open Market Sale |
| Vivaldi – Client Account | 1/25/2019 | 699 | \$8.7081 | Open Market Sale |
| Vivaldi – Client Account | 1/25/2019 | 928 | \$8.7081 | Open Market Sale |
| Vivaldi – Client Account | 1/25/2019 | 4,326 | \$8.7081 | Open Market Sale |
| GrizzlyRock Fund | 1/28/2019 | 21,400 | \$8.5944 | Open Market Sale |
| Vivaldi – Client Account | 1/28/2019 | 2,400 | \$8.5944 | Open Market Sale |
| Vivaldi – Client Account | 1/28/2019 | 3,200 | \$8.5944 | Open Market Sale |
| Vivaldi – Client Account | 1/28/2019 | 22,900 | \$8.5944 | Open Market Sale |
| GrizzlyRock Fund | 2/26/2019 | 31,956 | \$8.333069 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 3,699 | \$8.333069 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 4,777 | \$8.333069 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 26,843 | \$8.333069 | Open Market Sale |
| GrizzlyRock Fund | 2/26/2019 | 196,350 | \$8.382294 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 22,735 | \$8.382294 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 29,349 | \$8.382294 | Open Market Sale |
| Vivaldi – Client Account | 2/26/2019 | 164,934 | \$8.382294 | Open Market Sale |

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Common Stock beneficially owned by any Reporting Person.

(e) Not applicable.

Item 7. Material to be Filed as Exhibits.

Exhibit No. Description

99.1 Joint Filing Agreement.

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SIGNATURES

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: March 1, 2019

GRIZZLYROCK CAPITAL, LLC

By: /s/ Kyle Mowery
Kyle Mowery
Managing Member

GRIZZLYROCK GP, LLC

By: /s/ Kyle Mowery
Kyle Mowery
Managing Member

GRIZZLYROCK INSTITUTIONAL VALUE PARTNERS LP

By GrizzlyRock GP, LLC as General Partner

By: /s/ Kyle Mowery
Kyle Mowery
Managing Member

/s/ Kyle Mowery
Kyle Mowery

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VIVALDI ASSET MANAGEMENT, LLC

By: /s/ Chad Eisenberg
Chad Eisenberg
Chief Operating Officer

VIVALDI HOLDINGS, LLC

By: /s/ Chad Eisenberg
Chad Eisenberg
Chief Operating Officer