

BALLANTYNE STRONG, INC.
Form SC 13D/A
April 22, 2015

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 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)**

Under the Securities Exchange Act of 1934

(Amendment No. 5)*

BALLANTYNE STRONG INC.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

058516105

(CUSIP Number)

D. Kyle Cerminara

Fundamental Global Investors, LLC

4201 Congress Street, Suite 140

Charlotte, North Carolina 28209

(704) 323-6851

With a copy to:

Derek D. Bork

Thompson Hine LLP

3900 Key Center

127 Public Square

Cleveland, Ohio 44114

(216) 566-5500

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

April 21, 2015

(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.

* 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*).

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NAME OF REPORTING PERSON

1

Fundamental Global Partners, LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a) ..
(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS

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

NUMBER OF SOLE VOTING POWER
SHARES

BENEFICIALLY **7**

OWNED BY

EACH

0

REPORTING

SHARED VOTING POWER

PERSON WITH

8

694,925

SOLE DISPOSITIVE POWER

9

0

10 SHARED DISPOSITIVE POWER

694,925

AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

11

694,925

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

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

4.9%

TYPE OF REPORTING PERSON

14

PN

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NAME OF REPORTING PERSON

1

Fundamental Global Partners Master Fund, LP

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a) ..
(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS

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

Cayman Islands

NUMBER OF SOLE VOTING POWER
SHARES

BENEFICIALLY 7
OWNED BY

EACH **0**

REPORTING SHARED VOTING POWER

PERSON WITH

8

1,290,823

SOLE DISPOSITIVE POWER

9

0

10 SHARED DISPOSITIVE POWER

1,290,823

AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

11

1,290,823

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

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.2%

TYPE OF REPORTING PERSON

14

PN

CUSIP No. **058516105 13D** Page 4 of 9 Pages

NAME OF REPORTING PERSON

1

Fundamental Global Partners GP, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a) ..

(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS

4

AF

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

5

..

CITIZENSHIP OR PLACE OF ORGANIZATION

6

North Carolina

SOLE VOTING POWER

7

0

SHARED VOTING POWER

NUMBER OF
SHARES **8**

BENEFICIALLY
OWNED BY **694,925**

EACH
REPORTING PERSON WITH

9

0

SHARED DISPOSITIVE POWER

10

694,925

AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

11

694,925

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

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

4.9%

TYPE OF REPORTING PERSON

14

OO

CUSIP No. **058516105 13D** Page 5 of 9 Pages

NAME OF REPORTING PERSON

1

FG Partners GP, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a) ..
(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS

4

AF

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Florida

NUMBER OF SOLE VOTING POWER
SHARES

BENEFICIALLY 7
OWNED BY

EACH **0**

REPORTING SHARED VOTING POWER

PERSON WITH

8

1,290,823

SOLE DISPOSITIVE POWER

9

0

10 SHARED DISPOSITIVE POWER

1,290,823

AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

11

1,290,823

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

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

9.2%

TYPE OF REPORTING PERSON

14

OO

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NAME OF REPORTING PERSON

1

Fundamental Global Investors, LLC

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

2

(a) ..
(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS

4

AF

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

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

North Carolina

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

SOLE VOTING POWER

8

0
SHARED VOTING POWER

1,985,748
SOLE DISPOSITIVE POWER

9

0
10 SHARED DISPOSITIVE POWER

1,985,748

AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON

11

1,985,748

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

12

PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

13

14.1%

TYPE OF REPORTING PERSON

14

OO

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This Amendment No. 5 to Statement of Beneficial Ownership on Schedule 13D (this “Amendment No. 5”) amends the Statement of Beneficial Ownership on Schedule 13D filed by the Reporting Persons on September 3, 2014, as amended (this “Statement” or “Schedule 13D”), with respect to the Common Stock, par value \$0.01 per share (the “Common Stock”), of Ballantyne Strong, Inc., a Delaware corporation (the “Company”). Capitalized terms used but not defined in this Amendment No. 5 shall have the meanings set forth in the Schedule 13D. Except as amended and supplemented by this Amendment No. 5, the Schedule 13D remains unchanged.

Item 4. Purpose of Transaction.

On April 21, 2015, Fundamental Global Investors, LLC and certain of its affiliates entered into a Settlement Agreement with the Company relating to the proxy contest announced by Fundamental Global on March 16, 2015.

Pursuant to the Settlement Agreement, Fundamental Global has agreed to withdraw its proxy contest, and the Company has agreed to expand its board of directors to nine directors and nominate five director candidates from Fundamental Global’s slate of directors for election at the Company’s annual meeting to be held on May 13, 2015. The five director candidates to be nominated from Fundamental Global’s slate of directors are D. Kyle Cerminara, William J. Gerber, Charles T. Lanktree, Robert J. Marino and Robert J. Roschman. The parties have agreed that the four continuing directors from the Company’s existing board of directors will be Samuel C. Freitag, James C. Shay, Marc E. LeBaron and Gary L. Cavey.

As part of the Settlement Agreement, the parties have agreed that at least two of the continuing directors will serve on all committees of the Company’s board of directors for a period of two years. The Company agreed that it will amend its shareholder rights plan (or “poison pill”) to expire within five business days after the date of the Settlement Agreement without any consideration being paid to the holders of the rights thereunder. In addition, Fundamental Global and certain of its affiliates and associates have agreed not to acquire, in the aggregate, beneficial ownership of more than 20% of the outstanding shares of common stock of the Company for a period of two years. Fundamental Global has also agreed to customary standstill provisions for a period of two years.

A copy of the Settlement Agreement is filed as Exhibit 99.1 to this Statement and is hereby incorporated herein by reference.

None of the Reporting Persons has any present plan or proposal that would result in any of the actions described in paragraphs (a) through (j) of Item 4 of Schedule 13D, except as may be proposed by their director nominees in their capacities as directors of the Company or by such board of directors with the participation of such director nominees. The Reporting Persons reserve the right in the future to formulate any such plans or proposals, and to take any actions with respect to their investments in the Company, including any or all of the actions described in paragraphs (a) through (j) of Item 4 of Schedule 13D.

The Reporting Persons may in the future acquire additional shares of common stock of the Company or dispose of some or all of the shares of common stock of the Company held by them in open-market transactions or privately negotiated transactions, on such terms and at such times as the Reporting Persons may deem advisable, subject to applicable law.

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

Information set forth under Item 4 hereof is hereby incorporated herein by reference.

Pursuant to rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the Reporting Persons have entered into an agreement with respect to the joint filing of this Amendment No. 5, which agreement is set forth on the signature page to this Statement.

Item 7. Material to Be Filed as Exhibits.

^{99.1} Settlement Agreement, dated as of April 21, 2015, by and among Ballantyne Strong, Inc. and Fundamental Global Investors, LLC and certain of its affiliates.

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SIGNATURE

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

In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of this Statement on Schedule 13D with respect to the Common Stock of the Company.

Dated: April 22, 2015

FUNDAMENTAL GLOBAL PARTNERS, LP,
by Fundamental Global Partners GP, LLC, its general partner

/s/ D. Kyle Cerminara
D. Kyle Cerminara
Partner and Manager

FUNDAMENTAL GLOBAL PARTNERS MASTER FUND, LP,
by FG Partners GP, LLC, its general partner

/s/ D. Kyle Cerminara
D. Kyle Cerminara
Manager

FUNDAMENTAL GLOBAL PARTNERS GP, LLC

/s/ D. Kyle Cerminara
D. Kyle Cerminara
Partner and Manager

FG PARTNERS GP, LLC

/s/ D. Kyle Cerminara
D. Kyle Cerminara
Manager

FUNDAMENTAL GLOBAL INVESTORS, LLC

/s/ D. Kyle Cerminara
D. Kyle Cerminara
Chief Executive Officer, Partner and Manager

/s/ D. Kyle Cerminara
D. Kyle Cerminara

/s/ Lewis M. Johnson
Lewis M. Johnson

/s/ Joseph H. Moglia
Joseph H. Moglia