

U.S. Auto Parts Network, Inc.
Form SC 13D/A
October 26, 2018

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. 1)¹

U.S. Auto Parts Network, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value

(Title of Class of Securities)

90343C100

(CUSIP Number)

MR. DAVID L. KANEN

KANEN WEALTH MANAGEMENT, LLC

5850 Coral Ridge Drive, Suite 309

Coral Springs, FL 33076

(631) 863-3100

ANDREW M. FREEDMAN, ESQ.

OLSHAN FROME WOLOSKY LLP

1325 Avenue of the Americas

New York, New York 10019

(212) 451-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

October 26, 2018

(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*).

CUSIP NO. 90343C100

1 NAME OF REPORTING PERSON

PHILOTIMO FUND, LP

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

| | | |
|---|----|--------------------------|
| NUMBER OF | 7 | SOLE VOTING POWER |
| SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | | |
| | | - 0 - |
| | 8 | SHARED VOTING POWER |
| | | 1,100,292 |
| | 9 | SOLE DISPOSITIVE POWER |
| | | - 0 - |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 1,100,292 |

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

1,100,292

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)

3.2%

14 TYPE OF REPORTING
PERSON

IA, PN

CUSIP NO. 90343C100

1 NAME OF REPORTING PERSON

KANEN WEALTH MANAGEMENT, LLC

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

OO; AF
CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

FLORIDA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

7 SOLE VOTING POWER

- 0 -

8 SHARED VOTING POWER

2,573,415

9 SOLE DISPOSITIVE POWER

- 0 -

10 SHARED DISPOSITIVE POWER

2,573,415

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

2,573,415

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

13 PERCENT OF CLASS
REPRESENTED BY AMOUNT
IN ROW (11)

7.4%

14 TYPE OF REPORTING
PERSON

IA, OO

CUSIP NO. 90343C100

1 NAME OF REPORTING PERSON

DAVID L. KANEN

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

(b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF; OO
CHECK BOX IF DISCLOSURE OF LEGAL

5 PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF 7 SOLE VOTING POWER

SHARES BENEFICIALLY 40,021

OWNED BY 8 SHARED VOTING POWER

EACH REPORTING 2,573,415

PERSON WITH 9 SOLE DISPOSITIVE POWER

40,021
10 SHARED DISPOSITIVE POWER

2,573,415

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY
EACH REPORTING PERSON

2,613,427

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

13 PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)

7.5%

14 TYPE OF REPORTING
PERSON

IN

CUSIP NO. 90343C100

The following constitutes Amendment No. 1 to the Schedule 13D filed by the undersigned (“Amendment No. 1”). This Amendment No. 1 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:

The Shares purchased by Philotimo were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The Shares purchased by KWM were purchased with the funds for the accounts of its customers (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The Shares purchased by Mr. Kanen were purchased with personal funds (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The aggregate purchase price of the 1,473,123 Shares beneficially owned by KWM is approximately \$2,189,737, including brokerage commissions. The aggregate purchase price of the 1,100,292 Shares beneficially owned by Philotimo is approximately \$1,661,331, including brokerage commissions. The aggregate purchase price of the 40,012 Shares beneficially owned by Mr. Kanen is approximately \$59,443 including brokerage commissions.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On October 26, 2018, the Reporting Persons issued a press release announcing that it requests observer status on the Board of Directors of the Issuer as the Issuer undergoes its search process for a new Chief Executive Officer.

A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Items 5(a)-(c) are hereby amended and restated to read as follows:

The aggregate percentage of Shares reported owned by each person named herein is based upon 34,984,454 Shares outstanding as of August 4, 2018 as reported in the Issuer’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 9, 2018.

A. Philotimo

(a) As of the close of business on October 25, 2018, Philotimo beneficially owned 1,100,292 Shares.
Percentage: Approximately 3.2%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 1,100,292
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 1,100,292

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(c) Philotimo has not entered into any transactions in the Shares since the filing of the Schedule 13D.

B. KWM

(a) As of the close of business on October 25, 2018, KWM beneficially owned 1,473,123 Shares. KWM, as the general partner of Philotimo, may be deemed the beneficial owner of the 1,100,292 Shares owned by Philotimo.

Percentage: Approximately 7.4%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 2,573,415
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 2,573,415

(c) The transactions in the Shares by KWM since the filing of the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

C. Mr. Kanen

(a) As of the close of business on October 25, 2018, Mr. Kanen directly beneficially owned 40,012 Shares. Mr. Kanen, as the managing member of KWM, may be deemed the beneficial owner of the (i) 1,473,123 Shares owned by KWM and (ii) 1,100,292 Shares owned by Philotimo.

Percentage: Approximately 7.5%

- (b)
1. Sole power to vote or direct vote: 40,021
 2. Shared power to vote or direct vote: 2,573,415
 3. Sole power to dispose or direct the disposition: 40,021
 4. Shared power to dispose or direct the disposition: 2,573,415

The transactions in the Shares by Mr. Kanen since the filing of the Schedule 13D are set forth in Schedule A and (c) are incorporated herein by reference. The transactions in the Shares on behalf of KWM since the filing of the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

KWM, in its role as investment manager to several customer accounts (collectively, the "Accounts") to which it furnishes investment advice, and Mr. Kanen, as the managing member of KWM, may each be deemed to beneficially own shares of the Issuer's Shares held in the Accounts.

Each Reporting Person, as a member of a "group" with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

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Item 7.

Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibit:

99.1 Press Release, dated October 26, 2018.

7

CUSIP NO. 90343C100

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: October 26, 2018

KANEN WEALTH
MANAGEMENT, LLC

By: /s/ David L. Kanen
Name: David L. Kanen
Title: Managing Member

PHILOTIMO FUND, LP

Kanen Wealth
Management, LLC
By:

its general partner

By: /s/ David L. Kanen
Name: David L. Kanen
Title: Managing Member

/s/ David L. Kanen
DAVID L. KANEN

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SCHEDULE A

Transactions in the Shares of the Issuer Since the Filing of the Schedule 13D

| <u>Nature of the Transaction</u> | <u>Amount of Shares</u> <u>Purchased/(Sold)</u> | <u>Date of</u> <u>Price (\$)</u> | <u>Purchase/Sale</u> |
|----------------------------------|--|-------------------------------------|----------------------|
|----------------------------------|--|-------------------------------------|----------------------|

KANEN WEALTH MANAGEMENT, LLC

| | | | |
|--------------------------|---------|--------|------------|
| Purchase of Common Stock | 185,545 | 1.4852 | 10/23/2018 |
| Purchase of Common Stock | 174,898 | 1.4589 | 10/24/2018 |
| Purchase of Common Stock | 144,426 | 1.4252 | 10/25/2018 |

DAVID L. KANEN

| | | | |
|--------------------------|-------|--------|------------|
| Purchase of Common Stock | 5,455 | 1.4852 | 10/23/2018 |
| Purchase of Common Stock | 5,102 | 1.4589 | 10/24/2018 |
| Purchase of Common Stock | 4,064 | 1.4252 | 10/25/2018 |