

HC2 Holdings, Inc.
Form SC 13D/A
October 13, 2015

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D/A

Under the Securities Exchange Act of 1934
(Amendment No. 3)*

HC2 Holdings, Inc.
(Name of Issuer)

Common Stock, \$0.001 par value per share
(Title of Class of Securities)

404139107
(CUSIP Number)

Scott Black
General Counsel and Chief Compliance Officer
Hudson Bay Capital Management LP
777 Third Ave., 30th Floor
New York, NY 10017
(646) 825-2155

with a copy to:

Eleazer N. Klein, Esq.
Schulte Roth & Zabel LLP
919 Third Avenue
New York, NY 10022
(212) 756-2000
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and
Communications)

October 8, 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 Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box. []

* 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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1 NAME OF REPORTING PERSON

Hudson Bay Credit Management LLC

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

3 SEC USE ONLY SOURCE OF FUNDS

4 AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

5 Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:

7 SOLE VOTING POWER
8 -0- SHARED VOTING POWER

9 3,757,520 SOLE DISPOSITIVE POWER

10 -0- SHARED DISPOSITIVE POWER

| | |
|-----------|---|
| | 3,757,520 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON |
| 12 | 3,757,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) .. |
| 13 | EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 13.2% TYPE OF REPORTING PERSON |
| | IA |

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1 NAME OF REPORTING PERSON

Hudson Bay Capital Management LP

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

3 SEC USE ONLY SOURCE OF FUNDS

4 AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

5 Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH: **8** SOLE VOTING POWER -0- SHARED VOTING POWER

9 3,757,520 SOLE DISPOSITIVE POWER

10 -0- SHARED DISPOSITIVE POWER

| | |
|-----------|---|
| | 3,757,520 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH PERSON |
| 12 | 3,757,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) .. |
| 13 | EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 13.2% TYPE OF REPORTING PERSON |
| | IA |

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1 NAME OF REPORTING PERSON

Sander Gerber

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

3 SEC USE ONLY SOURCE OF FUNDS

4 AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDING IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) CITIZENSHIP OR PLACE OF ORGANIZATION

5 United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH: **8** SOLE VOTING POWER -0- SHARED VOTING POWER

9 3,757,520 SOLE DISPOSITIVE POWER

10 -0- SHARED DISPOSITIVE POWER

| | |
|-----------|---|
| | 3,757,520 |
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| 12 | 3,757,520 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) .. |
| 13 | EXCLUDES CERTAIN SHARES PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) |
| 14 | 13.2% TYPE OF REPORTING PERSON IN |

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This Amendment No. 3 ("Amendment No. 3") amends and supplements the statement on Schedule 13D filed with the Securities and Exchange Commission (the "SEC") on June 9, 2014 (the "Original Schedule 13D"), as amended by Amendment No. 1 filed with the SEC on September 25, 2014 ("Amendment No. 1") and Amendment No. 2 filed with the SEC on August 14, 2015 ("Amendment No. 2") and together with the Original Schedule 13D, Amendment No. 1 and this Amendment No. 3, the "Schedule 13D") with respect to the shares of Common Stock, \$0.001 par value per share (the "Common Stock"), of HC2 Holdings, Inc., a Delaware corporation (the "Company"). Capitalized terms used herein and not otherwise defined in this Amendment No. 3 have the meanings set forth in the Schedule 13D. This Amendment No. 3 amends Items 3, 4, 5, 6 and 7 as set forth below.

Item 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 of the Schedule 13D is hereby amended and restated as follows:

Funds for the purchase of the Common Stock and Convertible Preferred Stock reported herein were derived from the working capital of HB Fund. A total of \$15,545,792.04 was paid to acquire such Common Stock and Convertible Preferred Stock.

Item 4. PURPOSE OF TRANSACTION

Item 4 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

The HB Fund entered into an Irrevocable Proxy Agreement on October 7, 2015, as defined and more fully described in Item 6. A copy of the Irrevocable Proxy Agreement is attached as Exhibit 6 hereto and is incorporated herein by reference.

On October 9, 2015, the HB Fund filed a Form 144 indicating its intention to sell up to 551,331 shares of Common Stock.

Item 5. INTEREST IN SECURITIES OF THE ISSUER

Item 5 of the Schedule 13D is hereby amended and restated as follows:

- (a) See rows (11) and (13) of the cover pages to this Schedule 13D for the aggregate number of shares of Common Stock and percentages of the Common Stock beneficially owned by each of the Reporting Persons. References to percentage ownerships of Common Stock in this Statement are based upon 25,592,356 shares of Common Stock outstanding as reported in the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 filed with the SEC on August 10, 2015 and assumes the conversion of the Company's Series A Convertible Participating Preferred Stock, \$0.001 par value per share (the "Convertible Preferred Stock") held by the HB Fund. The Reporting Persons may be deemed to beneficially own an aggregate of 3,757,520 shares of Common Stock (consisting of (i) 2,981,148 shares of Common Stock that can be acquired upon the conversion of outstanding shares of the Company's shares of Convertible Preferred Stock, and (ii) 776,372 shares of Common Stock), which represents approximately 13.2% of the Company's Common Stock, calculated in accordance with Rule 13d-3 under the Act. The shares of Convertible Preferred Stock are convertible into a number of shares of Common Stock determined by dividing the accrued value of the shares of Convertible Preferred Stock to be so

converted by the conversion price in effect at the time of such conversion. The current conversion price is \$4.25 and may be adjusted from time to time. The accrued value for each share of Convertible Preferred Stock is equal to \$1,000 and is subject to increase in the future by the amount of any unpaid dividends on the Convertible Preferred Stock.

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By virtue of the relationship described herein, the Reporting Persons may be deemed to constitute a "group" for purposes of Rule 13(d)(3) of the Act. As a member of a group, each Reporting Person may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the shares beneficially owned by members of the group as a whole. The filing of this Statement shall not be construed as an admission that a Reporting Person beneficially owns those shares held by any other member of the group. In addition, each Reporting Person expressly disclaims beneficial ownership of any securities reported herein except to the extent such Reporting Person actually exercises voting or dispositive power with respect to such securities.

(b) See rows (7) through (10) of the cover pages to this Schedule 13D for the number of shares of Common Stock as to which each Reporting Person has the sole or shared power to vote or direct the vote and sole or shared power to dispose or to direct the disposition.

(c) The transactions in the shares of Common Stock during the past 60 days by the HB Fund, which were all in the open market, are set forth in Schedule A, and are incorporated herein by reference. The other Reporting Persons did not enter into any transactions in the shares of Common Stock within the past sixty days.

(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 shares of Common Stock reported on this Schedule 13D.

(e) Not applicable.

**Item CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO
6. SECURITIES OF THE ISSUER**

Item 6 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

On October 8, 2015, the HB Fund entered into an Irrevocable Proxy Agreement (the "Irrevocable Proxy Agreement") with Daniel Kar Keung Tseung, a director of the Company (the "Proxy Holder"), pursuant to which the HB Fund granted to the Proxy Holder an irrevocable proxy with respect to HB Fund's right to vote on the Preferred Director set forth in Section 7 of the Certificate of Designation of Series A Convertible Participating Preferred Stock, \$0.001 par value per share (the "Preferred Shares") of the Company with respect to 12,500 Preferred Shares of the Company held by the HB Fund.

A copy of the Irrevocable Proxy Agreement is attached hereto as Exhibit 6 and is incorporated herein by reference.

Item 7. MATERIAL TO BE FILED AS EXHIBITS

Item 7 of the Schedule 13D is hereby amended and supplemented by the addition of the following:

6. Irrevocable Proxy Agreement, dated as of October 8, 2015, by and between HB Fund and Daniel Kar Keung Tseung.

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SIGNATURES

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

Date: October 13, 2015

**HUDSON BAY CREDIT
MANAGEMENT LLC**

By: /s/ Sander Gerber
Name: Sander Gerber
Title: Authorized Signatory

**HUDSON BAY CAPITAL
MANAGEMENT, L.P.**

By: /s/ Sander Gerber
Name: Sander Gerber
Title: Authorized Signatory

/s/ Sander Gerber
SANDER GERBER

CUSIP No. 404139107 SCHEDULE 13D/A Page 8 of 8 PagesSchedule A

This Schedule sets forth information with respect to each purchase and sale of shares of Common Stock which were effectuated by the HB Fund during the past 60 days. All transactions were effectuated in the open market through a broker. The amounts reported in the “Weighted Average Price” column in the table below reflect a weighted average price for the shares of Common Stock purchased or sold. The shares of Common Stock were purchased or sold, as applicable, in multiple transactions, each at a price within the range of prices set forth in the “Range of Prices” column in the table below. The Reporting Persons shall undertake to provide to the staff of the Securities and Exchange Commission, upon request, full information regarding such number of shares of Common Stock purchased or sold, as applicable, within the range of prices set forth in the table below.

| <u>Trade Date</u> | <u>Shares Purchased (Sold)</u> | <u>Weighted Average Price Per Share (\$)*</u> | <u>Range of Prices (\$)*</u> |
|-------------------|--------------------------------|---|------------------------------|
| 10/09/2015 | (25,000) | 7.6505 | 7.56-7.7899 |
| 10/12/2015 | (62,500) | 7.9326 | 7.73-8.00 |

* Excluding commissions.