

SPARK NETWORKS INC
Form SC 13D
December 06, 2013

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO

RULE 13d-2(a)

(Amendment No.)*

Spark Networks, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share

(Title of Class of Securities)

84651P100

(CUSIP Number)

Osmium Partners, LLC

300 Drakes Landing Road, Suite 172

Greenbrae, CA 94904

Attention: John H. Lewis

Telephone: (415) 785-4044

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(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

December 5, 2013

(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), 13d-1(f) or 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* Rule 13d-7(b) 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 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.: 84651P100

1. NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

John H. Lewis

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

PF

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

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

7 SOLE VOTING POWER

NUMBER OF

SHARES 143,564

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 3,479,309

9 SOLE DISPOSITIVE POWER

REPORTING

PERSON

143,564

WITH 10 SHARED DISPOSITIVE POWER

3,479,309

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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12 3,622,873
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 15.1%
TYPE OF REPORTING PERSON

IN

Page 2 of 12 pages

CUSIP No.: 84651P100

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Osmium Partners, LLC
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware
7 SOLE VOTING POWER

NUMBER OF

SHARES 0

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 3,479,309
9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

WITH 10 SHARED DISPOSITIVE POWER

3,479,309
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 3,479,309
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 14.5%
TYPE OF REPORTING PERSON

IA, OO

CUSIP No.: 84651P100

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Osmium Capital, LP
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 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

7 SOLE VOTING POWER

NUMBER OF

SHARES 0

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 1,304,169
9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

WITH 10 SHARED DISPOSITIVE POWER

11 1,304,169
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 1,304,169
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 5.5%
TYPE OF REPORTING PERSON

PN

CUSIP No.: 84651P100

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Osmium Capital II, LP
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 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
7 SOLE VOTING POWER

NUMBER OF

SHARES 0

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 1,578,097
9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

WITH 10 SHARED DISPOSITIVE POWER

11 1,578,097
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 1,578,097
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 6.6%
TYPE OF REPORTING PERSON

PN

CUSIP No.: 84651P100

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 Osmium Spartan, LP
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

5 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

7 SOLE VOTING POWER

NUMBER OF

SHARES 0

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 327,743
9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

WITH 10 SHARED DISPOSITIVE POWER

11 327,743
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 327,743
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 1.4%
TYPE OF REPORTING PERSON

PN

CUSIP No.: 84651P100

1 NAME OF REPORTING PERSON

S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Osmium Diamond, LP
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7 SOLE VOTING POWER

NUMBER OF

SHARES 0

BENEFICIALLY 8 SHARED VOTING POWER

OWNED BY

EACH 269,300
9 SOLE DISPOSITIVE POWER

REPORTING

PERSON 0

WITH 10 SHARED DISPOSITIVE POWER

269,300
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 269,300
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES ..

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

14 1.1%
TYPE OF REPORTING PERSON

PN

EXPLANATORY NOTE

This Statement on Schedule 13D reflects, that as of December 5, 2013, the Reporting Persons are disclosing their beneficial ownership in Spark Networks, Inc. (Spark Networks or the Issuer) on Schedule 13D instead of Schedule 13G. The Reporting Persons previously disclosed their beneficial ownership in Spark Networks on Schedule 13G as filed with the Securities and Exchange Commission (the SEC) on July 26, 2011 as amended by Amendment No. 1 filed with the SEC on February 14, 2012 and Amendment No. 2 filed with the SEC on February 12, 2013.

ITEM 1. Security and Issuer.

The class of equity securities to which this Statement on Schedule 13D (this Statement) relates is the common stock, par value \$0.001 per share (the Common Stock), of Spark Networks, with its principal executive offices located at 8383 Wilshire Boulevard, Suite 800, Beverly Hills, California 90211.

ITEM 2. Identity and Background.

(a)-(c) and (f) The names of the persons jointly filing this statement on Schedule 13D (the Reporting Persons) are: (1) Osmium Capital, LP, a Delaware limited partnership (Fund I); (2) Osmium Capital II, LP, a Delaware limited partnership (Fund II); (3) Osmium Spartan, LP, a Delaware limited partnership (Fund III); (4) Osmium Diamond, LP (Fund IV), and collectively with Fund I, Fund II, and Fund III, the Funds); (5) Osmium Partners, LLC, a Delaware limited liability company (Osmium Partners); and (6) John H. Lewis, a United States Citizen (Lewis). Osmium Partners serves as the general partner of Fund I, Fund II , Fund III and Fund IV. Mr. Lewis is the controlling member of Osmium Partners.

The principal business of each of Fund I, Fund II, Fund III and Fund IV is that of a private investment vehicle engaged in investing and trading in a wide variety of securities and financial instruments for its own account. The principal business of Osmium Partners is providing investment management services and serving as the general partner of Fund I, Fund II, Fund III and Fund IV. Mr. Lewis' principal occupation is serving as the Managing Member of Osmium Partners.

(d) (e) During the last five years, none of the Reporting Persons have been (a) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (b) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. Source and Amount of Funds or Other Consideration

The source and amount of funds (excluding commissions) used by the Funds in making their purchase of the shares of Common Stock owned by each of them in the aggregate was \$13,248,844 from working capital.

The source and amount of funds (excluding commissions) used by Mr. Lewis individually in making his purchase of the shares of Common Stock owned by him personally in the aggregate was \$483,370 from his personal funds.

One or more of the Reporting Persons effect purchases of securities through margin accounts which may extend margin credit to the Reporting Persons as and when required to open or carry positions in the margin accounts, subject to applicable federal margin regulations, stock exchange rules and brokers' credit policies. In such instances, the positions held in the margin accounts are pledged as collateral security for the repayment of debit balances in the accounts.

ITEM 4. Purpose of Transaction.

The Reporting Persons purchased the Common Stock based on the belief that such securities, when purchased, were undervalued and represented an attractive investment opportunity. Although no Reporting Person has any specific plan or proposal to acquire or dispose of the Common Stock, consistent with its investment purpose, each Reporting Person at any time and from time to time may acquire additional Common Stock or dispose of any or all of its Common Stock depending upon an ongoing evaluation of the investment in the Common Stock, prevailing market conditions, other investment opportunities, liquidity requirements of the Reporting Persons, and/or other investment considerations. The purpose of the acquisitions of the Common Stock was for investment, and the acquisitions of the Common Stock were made in the ordinary course of business and were not made for the purpose of acquiring control of the Issuer.

Consistent with their investment purpose, the Reporting Persons may engage in communications with one or more stockholders of the Issuer, one or more officers of the Issuer and/or one or more members of the board of directors of the Issuer and/or one or more representatives of the Issuer regarding the Issuer, including but not limited to its operations, and plans of the Reporting Persons. On December 5, 2013, Mr. Lewis

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spoke with representatives of the Issuer expressing his desire to be added immediately to the Board of Directors of the Issuer. The Reporting Persons may discuss ideas that, if effected may result in a change in any of the following: the acquisition by persons of additional Common Stock of the Issuer, an extraordinary corporate transaction involving the Issuer, and/or other changes in the board of directors or management of the Issuer.

Except as disclosed above, none of the Reporting Persons has any other plans or proposals which relate to, or would result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

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ITEM 5. Interest in Securities of the Issuer.

(a) The Reporting Persons beneficially own:

- (i) Fund I directly owns 1,304,169 shares of Common Stock representing 5.5% of all of the outstanding shares of Common Stock of the Issuer.
- (ii) Fund II directly owns 1,578,097 shares of Common Stock representing 6.6% of all of the outstanding shares of Common Stock of the Issuer.
- (iii) Fund III directly owns 327,743 shares of Common Stock representing 1.4% of all of the outstanding shares of Common Stock of the Issuer.
- (iv) Fund IV directly owns 269,300 shares of Common Stock representing 1.1% of all of the outstanding shares of Common Stock of the Issuer.
- (v) Osmium Partners, as the general partner of each of the Funds, may be deemed to beneficially own the 3,479,309 shares of Common Stock held by them, representing 14.5% of all of the outstanding shares of Common Stock of the Issuer.
- (vi) Mr. Lewis individually owns 143,564 shares of Common Stock representing 0.6% of all of the outstanding shares of Common Stock. Mr. Lewis may also be deemed to be the beneficial owner of the shares of Common Stock beneficially owned by Osmium Partners.
- (vii) Collectively, the Reporting Persons beneficially own 3,622,783 shares of Common Stock representing 15.1% of all of the outstanding shares of Common Stock.

Each Reporting Person disclaims beneficial ownership with respect to any shares of Common Stock other than the shares owned directly and of record by such Reporting Person.

The percentages set forth in this response are based on the 23,920,803 shares of Common Stock outstanding as of November 13, 2013, as reported by the Issuer in its Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 as filed with the SEC on November 13, 2013.

(b) Osmium Partners and Mr. Lewis may be deemed to share with Fund I, Fund II, Fund III and Fund IV (and not with any third party) the power to vote or direct the vote of and to dispose or direct the disposition of the 1,304,169 shares of Common Stock, 1,578,097 shares of Common Stock, 327,743 shares of Common Stock and 269,300 shares of Common Stock reported herein, respectively. Mr. Lewis, individually, has the power to vote or direct the vote of and to dispose or direct the disposition of the 143,564 shares of Common Stock reported herein as individually owned by him.

(c) The following Reporting Persons engaged in the following transactions with respect to the Issuer's Common Stock during the last 60 days (as previously reported by the Reporting Persons on Form 4 at the time of the respective transactions):

Osmium Capital, LP

| Transaction Date | Number of Shares | Price per Share | Type of Transaction |
|------------------|------------------|-----------------|---------------------|
| 11/22/2013 | 57,270 | \$ 5.40 | Purchase |
| 11/25/2013 | 25,230 | \$ 5.44 | Purchase |
| 11/26/2013 | 13,200 | \$ 5.70 | Purchase |

Osmium Capital II, LP

| Transaction Date | Number of Shares | Price per Share | Type of Transaction |
|------------------|------------------|-----------------|--|
| 11/7/2013 | 120,000 | \$ 7.17 | Non-open market cross-trade with Osmium Diamond, LP (Disposition by Osmium Capital II, LP) |
| 12/2/2013 | 100,000 | \$ 5.61 | Non-open market cross-trade with Osmium Diamond, LP (Disposition by Osmium Capital II, LP) |

Osmium Diamond, LP

| Transaction Date | Number of Shares | Price per Share | Type of Transaction |
|------------------|------------------|-----------------|--|
| 11/7/2013 | 120,000 | \$ 7.17 | Non-open market cross-trade with Osmium Capital II, LP (Acquisition by Osmium Diamond, LP) |
| 11/22/2013 | 29,503 | \$ 5.40 | Purchase |
| 11/25/2013 | 12,997 | \$ 5.44 | Purchase |
| 11/26/2013 | 6,800 | \$ 5.70 | Purchase |
| 12/2/2013 | 100,000 | \$ 5.61 | Non-open market cross-trade with Osmium Capital II, LP (Acquisition by Osmium Diamond, LP) |

Other than the foregoing, no transactions in the Common Stock have been effected by the Reporting Persons in the last sixty (60) days.

(d) Not applicable.

(e) Not applicable.

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

Not applicable.

ITEM 7. Material to be Filed as Exhibits.

Exhibit 1 Joint Filing Agreement

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SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned each certifies that the information with respect to it set forth in this Statement is true, complete and correct.

Dated: December 6, 2013

John H. Lewis
Osmium Partners, LLC
Osmium Capital, LP
Osmium Capital II, LP
Osmium Spartan, LP
Osmium Diamond, LP

By: /s/ John H. Lewis
John H. Lewis, for himself and as Managing Member of
Osmium Partners, LLC, for itself and as General Partner
of Osmium Capital, LP, Osmium Capital II, LP, and
Osmium Spartan, LP

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EXHIBIT INDEX

Exhibit 1 Joint Filing Agreement

EXHIBIT 1

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) 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 a statement on Schedule 13D (including amendments thereto) with respect to the Common Stock, par value \$0.001 per share, of Spark Networks, Inc., and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filing. In evidence thereof, the undersigned hereby execute this Agreement.

Dated: December 6, 2013

John H. Lewis
Osmium Partners, LLC
Osmium Capital, LP
Osmium Capital II, LP
Osmium Spartan, LP
Osmium Diamond, LP

By: /s/ John H. Lewis
John H. Lewis, for himself and as Managing Member of
Osmium Partners, LLC, for itself and as General Partner
of Osmium Capital, LP, Osmium Capital II, LP, and
Osmium Spartan, LP