

IMMERSION CORP
Form SC 13D/A
February 07, 2017

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. 4)1

Immersion Corporation
(Name of Issuer)

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

452521107
(CUSIP Number)

ERIC SINGER
VIEX CAPITAL ADVISORS, LLC
825 Third Avenue, 33rd Floor
New York, New York 10022

STEVE WOLOSKY, 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)

February 6, 2017
(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.

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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).

1 NAME OF REPORTING PERSON

VIEX Opportunities Fund, LP – Series One*

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

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		226,465
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		226,465

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

226,465

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

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

Less than 1%

14 TYPE OF REPORTING PERSON

PN

* This Series One is part of a series of VIEX Opportunities Fund, LP, a series limited partnership.

1 NAME OF REPORTING PERSON

2 VIEX Special Opportunities Fund II, LP
CHECK THE APPROPRIATE BOX IF A MEMBER OF A (a) o
GROUP (b) o

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

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		1,822,433
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		1,822,433

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

12 1,822,433
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) o
EXCLUDES CERTAIN SHARES

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

14 6.3%
TYPE OF REPORTING PERSON

PN

1 NAME OF REPORTING PERSON

VIEX GP, LLC

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

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

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		226,465
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		226,465

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

226,465

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

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

Less than 1%

14 TYPE OF REPORTING PERSON

OO

1 NAME OF REPORTING PERSON

VIEX Special Opportunities GP II, LLC

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

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

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		1,822,433
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		1,822,433

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,822,433

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

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

6.3%

14 TYPE OF REPORTING PERSON

OO

1 NAME OF REPORTING PERSON

VIEX Capital Advisors, LLC

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

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

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		2,048,898
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		2,048,898

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,048,898

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

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

7.1%

14 TYPE OF REPORTING PERSON

IA

1 NAME OF REPORTING PERSON

Eric Singer

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

USA

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY		- 0 -
OWNED BY	8	SHARED VOTING POWER
EACH		
REPORTING		2,048,898
PERSON WITH	9	SOLE DISPOSITIVE POWER
	10	- 0 -
		SHARED DISPOSITIVE POWER
		2,048,898

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,048,898

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

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

7.1%

14 TYPE OF REPORTING PERSON

IN

The following constitutes Amendment No. 4 to the Schedule 13D filed by the undersigned (the “Amendment No. 4”). This Amendment No. 4 amends the Schedule 13D as specifically set forth herein.

Item 2. Identity and Background.

Item 2 is hereby amended to add the following:

In connection with the Cooperation Agreement (defined and described in Item 4 below), Dr. Bartholomeusz and Messrs. Gupta and McCurdy are no longer members of the Section 13(d) group and ceased to be Reporting Persons effective as of the date of the Cooperation Agreement. The remaining Reporting Persons will continue filing a group statement on Schedule 13D with respect to their beneficial ownership of securities of the Issuer to the extent required by applicable law. Each of the remaining Reporting Persons is party to the Joint Filing Agreement, as further described in Item 6 below.

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 Series One 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 purchases, except as otherwise noted, as set forth in Schedule A, which is incorporated by reference herein. The aggregate purchase price of the 226,465 Shares beneficially owned by Series One is approximately \$1,533,054, including brokerage commissions.

The Shares purchased by VSO II 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 purchases, except as otherwise noted, as set forth in Schedule A, which is incorporated by reference herein. The aggregate purchase price of the 1,822,433 Shares beneficially owned by VSO II is approximately \$12,378,229, including brokerage commissions.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On February 6, 2017, the Reporting Person and the Issuer entered into a cooperation agreement (the “Cooperation Agreement”). Pursuant to the Cooperation Agreement, the Issuer agreed, among other things, to (i) cause the Reporting Persons’ independent nominee, Daniel P. McCurdy (the “New Director”), to be nominated and recommended for election to the board of directors of the Issuer (the “Board”) at the Issuer’s 2017 Annual Meeting of Stockholders (the “2017 Annual Meeting”); (ii) appoint the New Director to the Board’s Nominating and Corporate Governance Committee concurrent with his election to the Board, (iii) submit to a stockholder vote at the 2017 annual meeting of stockholders, a binding proposal to amend the Issuer’s Certificate of Incorporation to declassify the Board, which if approved by the Issuer’s stockholders, would result in the first annual election of directors with one-year terms occurring at the Issuer’s 2018 annual meeting of stockholders (the “2018 Annual Meeting”); (iv) during the Standstill Period (as defined below), not increase the size of the Board beyond seven (7) members without the unanimous approval of the Board; (v) hold the 2017 Annual Meeting no later than June 9, 2017; and (vi) from the date of the Cooperation Agreement and ending with the certification of the vote at the 2017 Annual Meeting, allow the New Director to serve as an observer to the Board.

The Reporting Persons have agreed, among other things, to (i) withdraw its notice of nomination and stockholder proposal submitted to the Issuer on December 27, 2016, which nominated three persons for election to the Board and submitted a non-binding proposal to declassify the Board at the 2017 Annual Meeting, (ii) abide by certain customary “standstill provisions” from the date of the Cooperation Agreement until the earlier of (x) ten (10) business days prior to the expiration of the advance notice period for the submission by stockholders of director nominations for consideration at the 2018 Annual Meeting (as set forth in the advance notice provisions of the Issuer’s Bylaws) or (y) one hundred (100) calendar days prior to the first anniversary of the 2017 Annual Meeting (such period, the “Standstill Period”), and (iii) appear in person or by proxy at any special or annual meeting held prior to the expiration of the Standstill Period, and vote all Shares beneficially owned by it in favor of the election of the Issuer’s nominees to the Board and in accordance with the Board’s recommendations on all other proposals, subject to certain exceptions.

The foregoing description of the Cooperation Agreement is qualified in its entirety by reference to the full text of the Cooperation Agreement, which is attached as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

Item 5(a)-(c) is hereby amended and restated to read as follows:

The aggregate percentage of Shares reported owned by each Reporting Person is based upon 28,834,412 Shares outstanding, which is the total number of Shares outstanding as of October 28, 2016 as reported in the Issuer’s Quarterly Report on Form 10-Q, filed with the Securities and Exchange Commission on November 4, 2016.

A. Series One

- (a) As of the close of business on February 6, 2017, Series One beneficially owned 226,465 Shares.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 226,465
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 226,465

- (c) The transactions in the Shares by Series One since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

B. VSO II

- (a) As of the close of business on February 6, 2017, VSO II beneficially owned 1,822,433 Shares.

Percentage: Approximately 6.3%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 1,822,433
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 1,822,433

(c) The transactions in the Shares by VSO II since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

C. VIEX GP

(a) VIEX GP, as the general partner of Series One, may be deemed the beneficial owner of the 226,465 Shares owned by Series One.

Percentage: Less than 1%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 226,465
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 226,465

(c) VIEX GP has not entered into any transactions in the Shares since the filing of Amendment No. 3. The transactions in the Shares on behalf of Series One since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

D. VSO GP II

(a) VSO GP II, as the general partner of VSO II, may be deemed the beneficial owner of the 1,822,433 Shares owned by VSO II.

Percentage: Approximately 6.3%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 1,822,433
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 1,822,433

(c) VSO GP II has not entered into any transactions in the Shares since the filing of Amendment No. 3. The transactions in the Shares on behalf of VSO II since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

E. VIEX Capital

(a) VIEX Capital, as the investment manager of Series One and VSO II, may be deemed the beneficial owner of the (i) 226,465 Shares owned by Series One and (ii) 1,822,433 owned by VSO II.

Percentage: Approximately 7.1%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 2,048,898
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 2,048,898

(c) VIEX Capital has not entered into any transactions since the filing of Amendment No. 3. The transactions in the Shares on behalf of each of Series One and VSO II since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

F. Eric Singer

(a) Mr. Singer, as the managing member of VIEX GP and VIEX Capital, may be deemed the beneficial owner of the (i) 226,465 Shares owned by Series One and (ii) 1,822,433 owned by VSO II.

Percentage: Approximately 7.1%

- (b)
1. Sole power to vote or direct vote: 0
 2. Shared power to vote or direct vote: 2,048,898
 3. Sole power to dispose or direct the disposition: 0
 4. Shared power to dispose or direct the disposition: 2,048,898

(c) Mr. Singer has not entered into any transactions in the Shares since the filing of Amendment No. 3. The transactions in the Shares on behalf of each of Series One and VSO II since the filing of Amendment No. 3 are set forth in Schedule A and are incorporated herein by reference.

The filing of this Schedule 13D shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the Shares reported herein. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

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

Item 6 is hereby amended to add the following:

Item 4 is incorporated herein by reference.

On February 7, 2017, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons who will remain Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer to the extent required by applicable law. A copy of this agreement is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibits:

99.1 Cooperation Agreement dated February 6, 2017 by and among Immersion Corporation and VIEX Opportunities Fund, LP – Series One, VIEX Special Opportunities Fund II, LP, VIEX GP, LLC, VIEX Special Opportunities GP II, LLC, VIEX Capital Advisors, LLC, and Eric Singer.

99.2 Joint Filing Agreement dated February 7, 2017 by and among VIEX Opportunities Fund, LP – Series One, VIEX Special Opportunities Fund II, LP, VIEX GP, LLC, VIEX Special Opportunities GP II, LLC, VIEX Capital Advisors, LLC, and Eric Singer.

SIGNATURES

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

Dated: February 7, 2017

VIEX Opportunities Fund, LP – Series One

By: VIEX GP, LLC
General Partner

By: /s/ Eric Singer
Name: Eric Singer
Title: Managing Member

VIEX GP, LLC

By: /s/ Eric Singer
Name: Eric Singer
Title: Managing Member

VIEX Special Opportunities Fund II, LP

By: VIEX Special Opportunities GP II, LLC
General Partner

By: /s/ Eric Singer
Name: Eric Singer
Title: Managing Member

VIEX Special Opportunities GP II, LLC

By: /s/ Eric Singer
Name: Eric Singer
Title: Managing Member

VIEX Capital Advisors, LLC

By: /s/ Eric Singer
Name: Eric Singer
Title: Managing Member

SCHEDULE A

Transactions in the Shares Since the Filing of Amendment No. 3

Nature of the Transaction	Securities Purchased/(Sold)	Price Per Share(\$)	Date of Purchase / Sale
VIEX OPPORTUNITIES FUND, LP – SERIES ONE			
Sale of Common Stock	(650)	10.9009	12/29/2016
Sale of Common Stock	(7,248)	10.7428	1/03/2017
Sale of Common Stock	(9,721)	10.8425	1/04/2017
Sale of Common Stock	(12,670)	10.9306	1/05/2017
Sale of Common Stock	(550)	11.175	1/06/2017
VIEX SPECIAL OPPORTUNITIES FUND II, LP			
Sale of Common Stock	(5,250)	10.9009	12/29/2016
Sale of Common Stock	(58,583)	10.7428	1/03/2017
Sale of Common Stock	(78,574)	10.8425	1/04/2017
Sale of Common Stock	(102,412)	10.9306	1/05/2017
Sale of Common Stock	(4,450)	11.175	1/06/2017