

Edgar Filing: 1347 Property Insurance Holdings, Inc. - Form SC 13D

1347 Property Insurance Holdings, Inc.
Form SC 13D
May 21, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
THE SECURITIES EXCHANGE ACT OF 1934
(Amendment No.)*

1347 Property Insurance Holdings, Inc.
(Name of Issuer)

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

68244P107
(CUSIP Number)

Kevin A. McGovern
c/o Harbert Management Corporation
2100 Third Avenue North
Suite 600
Birmingham, AL 35203
Telephone Number 205-987-5505
(Name, Address and Telephone Number of Person Authorized to Receive
Notices and Communications)

May 14, 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
ss.240.13d-1(e),
240.13d 1(f) or
240.13d-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.

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert MicroCap Partners Fund, 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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

SOLE

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

341,563

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

341,563

12.

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

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

5.4%

14. TYPE OF REPORTING PERSON

PN

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Fund Advisors, Inc.

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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

341,563

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

341,563

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

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

5.4%

14. TYPE OF REPORTING PERSON

IA, CO

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Management Corporation

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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

SOLE

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

341,563

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AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

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

5.4%

14. TYPE OF REPORTING PERSON

CO

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert MicroCap Partners Fund GP, 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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

SOLE

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

341,563

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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

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

5.4%

14. TYPE OF REPORTING PERSON

OO

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Jack Bryant

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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

341,563

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

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5.4%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Kenan Lucas

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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

341,563

9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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

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

5.4%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 68244P107

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raymond Harbert

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 ITEMS 2(d)
OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

United States of America

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8. SHARED VOTING POWER

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9. DISPOSITIVE
POWER

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AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

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

5.4%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 68244P107

Item 1. Security and Issuer.

The name of the issuer is 1347 Property Insurance Holdings, Inc., a Delaware corporation (the "Issuer"). The address of the Issuer's principal executive offices is 1511 N. Westshore Blvd., Suite 870, Tampa, Florida, 33607, United States of America. This Schedule 13D relates to the Issuer's common stock, par value \$0.001 per share (the "Shares").

Item 2. Identity and Background.

This Schedule 13D is being filed jointly by (i) Harbert MicroCap Partners Fund, LP, a Delaware limited partnership (the "Fund"), (ii) Harbert Fund Advisors, Inc., an Alabama corporation ("HFA"), (iii) Harbert (a), Management Corporation, an Alabama corporation ("HMC"), (iv) Harbert MicroCap Partners Fund GP, LLC, a (f) Delaware limited liability company (the "Fund GP"), (v) Jack Bryant, a United States citizen, (vi) Kenan Lucas, a United States citizen, and (vii) Raymond Harbert, a United States citizen (collectively, the "Reporting Persons").

(b) The principal business address for each of the Reporting Persons is 2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203.

Raymond Harbert is the controlling shareholder, Chairman and Chief Executive Officer of HMC, an alternative asset investment management firm that is the managing member of the Fund GP. Mr. Harbert also serves as the (c) Chairman of the Board of Directors and Chief Executive Officer of HFA, an indirect, wholly owned subsidiary of HMC, which provides the Fund with certain operational and administrative services. Jack Bryant and Kenan Lucas, are directors and co-portfolio managers of the Fund GP, which serves as general partner of the Fund. The principal business of the Fund is purchasing, holding and selling securities for investment purposes.

(d) None of the Reporting Persons have, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Prior to March 2009, HMC was affiliated with the Harbinger Capital Partners Funds ("Harbinger") managed by Philip Falcone. On June 27, 2012, the Securities and Exchange Commission (the "SEC") filed civil fraud charges against Mr. Falcone and Harbinger related to, among other things, their trading in the bonds of a small company known as MAAX Holdings in 2006-2008 that the SEC alleges to have been "manipulative" in violation of Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act"). The SEC also sought to hold HMC derivatively liable as a "control person" under Section 20(A) of the Exchange Act. Section 20(A) is a derivative liability provision that does not prohibit any specified conduct and cannot be independently violated by one's own conduct, but imposes joint and several liability on certain persons who control another to the extent that such "controlled person" is independently liable for its own violations of the securities laws. At the time these complaints were filed, HMC had been separated from Harbinger for over 3 years, and in order to put this legacy matter behind HMC, HMC settled this "control person" complaint against it without admitting or denying liability. In connection with the settlement, HMC agreed to pay a civil fine of \$1 million and, as is commonplace with any settlement with the SEC, consented to an injunction restraining future violations of Section 10(b) even though the SEC complaint did not allege that HMC itself violated such law. It is important to note, that the complaint does not allege any infractions of the Investment Advisers Act of 1940 by HFA. Except as set forth in

this Item 2(e) none of the Reporting Persons have, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding were or are 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 funds for the purchase of the Shares by the Fund came from the working capital of the Fund, over which HFA, HMC, the Fund GP, Jack Bryant, Kenan Lucas and Raymond Harbert, through their roles described above in Item 2(c), exercise investment discretion. No borrowed funds were used to purchase the Shares, other than borrowed funds used for working capital purposes in the ordinary course of business. The total costs (including commissions, if any) of the Shares directly owned by Harbert MicroCap Partners Fund, LP is approximately \$2,595,482.62.

Item
4. Purpose of Transaction.

The Reporting Persons have acquired the Shares for investment purposes, and such purchases have been made in the Reporting Persons' ordinary course of business.

In pursuing such investment purposes, the Reporting Persons may further purchase, hold, vote, trade, dispose or otherwise deal in the Shares at times, and in such manner, as they deem advisable to benefit from changes in market prices of such Shares, changes in the Issuer's operations, business strategy or prospects, or from sale or merger of the Issuer. To evaluate such alternatives, the Reporting Persons will routinely monitor the Issuer's operations, prospects, business development, management, competitive and strategic matters, capital structure, and prevailing market conditions, as well as alternative investment opportunities, liquidity requirements of the Reporting Persons and other investment considerations. Consistent with its investment research methods and evaluation criteria, the Reporting Persons may discuss such matters with management or directors of the Issuer, other shareholders, industry analysts, existing or potential strategic partners or competitors, investment and financing professionals, sources of credit and other investors. Such factors and discussions may materially affect, and result in, the Reporting Persons' modifying their ownership of Shares, exchanging information with the Issuer pursuant to appropriate confidentiality or similar agreements, proposing changes in the Issuer's operations, governance or capitalization, or in proposing one or more of the other actions described in subsections (a) through (j) of Item 4 of Schedule 13D, although the Reporting Persons do not currently have any plans or proposals that relate to or would result in such actions.

The Reporting Persons reserve the right to formulate plans and/or make proposals, and take such actions with respect to their investment in the Issuer, including any or all of the actions set forth in paragraphs (a) through (j) of Item 4 of the instructions to Schedule 13D, or acquire additional Shares or dispose of all the Shares beneficially owned by them, in the public market or privately negotiated transactions. The Reporting Persons may at any time reconsider and change their plans or proposals relating to the foregoing.

Item 5. Interest in Securities of the Issuer.

As of the date hereof, (i) the Fund, HFA, HMC, the Fund GP, Jack Bryant, Kenan Lucas and Raymond Harbert may be deemed to be the beneficial owners of 341,563 Shares, constituting 5.4% of the Shares, based upon 6,358,125* Shares outstanding as of the date hereof.

The Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

HFA has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

HMC has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

(a) - The Fund GP has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and
(e) has the shared power to dispose or direct the disposition of 341,563 Shares.

Jack Bryant has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

Kenan Lucas has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

Raymond Harbert has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 341,563 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 341,563 Shares.

The transactions by the Reporting Persons in the securities of the Issuer during the past sixty days are set forth in Exhibit B. All such transactions were carried out in open market transactions.

*This outstanding Shares figure reflects the number of outstanding Shares at May 14, 2015, as reported in the Issuer's Form 10-Q, filed on May 14, 2015.

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 A:

Joint Filing
Agreement

Exhibit B:
Schedule of
Transactions
in Shares

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

May 21, 2015
(Date)

Harbert MicroCap Partners Fund, LP

By: Harbert MicroCap Fund GP, LLC,
its General Partner

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert Fund Advisors, Inc.*

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert Management Corporation*

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert MicroCap Partners Fund GP, LLC*

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

/s/ Jack Bryant*
Jack Bryant

/s/ Kenan Lucas*
Kenan Lucas

/s/ Raymond Harbert*

Raymond Harbert

* This reporting person disclaims beneficial ownership of these reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that any such person is the beneficial owner of these securities for purposes of Section 16 of the U.S. Securities Exchange Act of 1934, as amended, or for any other purpose.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D, dated May 21, 2015, relating to the Common Stock, par value \$0.001 per share of 1347 Property Insurance Holdings, Inc. shall be filed on behalf of the undersigned.

May 21, 2015
(Date)

Harbert MicroCap Partners Fund, LP

By: Harbert MicroCap Fund GP, LLC,
its General Partner

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert Fund Advisors, Inc.

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert Management Corporation

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

Harbert MicroCap Partners Fund GP, LLC

By: Harbert Management Corporation,
its Managing Member

By: /s/ John McCullough
John McCullough, Senior Vice President and General Counsel

/s/ Jack Bryant
Jack Bryant

/s/ Kenan Lucas

Kenan Lucas

/s/ Raymond Harbert
Raymond Harbert

Exhibit B

Schedule of Transactions in Shares

<u>Date of Transaction</u>	<u>Title of Class</u>	<u>Number of Shares</u> <u>Acquired</u>	<u>Number of Shares</u> <u>Disposed</u>	<u>Price Per</u> <u>Share</u>
3/27/2015	Common Stock, par value \$0.001	5,000		7.6500
4/20/2015	Common Stock, par value \$0.001	7,492		7.2767
5/1/2015	Common Stock, par value \$0.001	1,700		7.2724
5/4/2015	Common Stock, par value \$0.001	8,000		7.2502
5/5/2015	Common Stock, par value \$0.001	5,791		7.3293
5/6/2015	Common Stock, par value \$0.001	5,910		7.3088
5/7/2015	Common Stock, par value \$0.001	6,941		7.3924
5/8/2015	Common Stock, par value \$0.001	6,000		7.4422
5/11/2015	Common Stock, par value \$0.001	6,000		7.4973
5/12/2015	Common Stock, par value \$0.001	2,000		7.4773
5/13/2015	Common Stock, par value \$0.001	6,000		7.4932
5/14/2015	Common Stock, par value \$0.001	25,000		7.5878

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