

ASTA FUNDING INC
Form SC 13D/A
April 05, 2016

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. 3)1

Asta Funding, Inc.

(Name of Issuer)

Common Stock, \$0.01 par value
(Title of Class of Securities)

046220109

(CUSIP Number)

STEVE WOLOSKY, ESQ.
OLSHAN FROME WOLOSKY LLP
Park Avenue Tower
65 East 55th Street
New York, New York 10022
(212) 451-2300

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

April 5, 2016

(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 x.

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.

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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. 046220109

1 NAME OF REPORTING PERSON

THE MANGROVE PARTNERS MASTER FUND, LTD.

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

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		2,102,427
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		2,102,427

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

THE MANGROVE PARTNERS FUND, L.P.

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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		2,102,427
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		2,102,427

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2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

MANGROVE PARTNERS FUND (CAYMAN), LTD.

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

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		2,102,427
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		2,102,427

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2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

MANGROVE PARTNERS

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

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		2,102,427
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		2,102,427

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2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

MANGROVE CAPITAL

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

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		2,102,427
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		2,102,427

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

MPF INVESTCO 4, LLC

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		- 0 -

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

- 0 -

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

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

0%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 046220109

1 NAME OF REPORTING PERSON

NATHANIEL AUGUST

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

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	- 0 - SHARED VOTING POWER
	9	2,102,427 SOLE DISPOSITIVE POWER
	10	- 0 - SHARED DISPOSITIVE POWER
		2,102,427

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

2,102,427

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

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

17.4%

14 TYPE OF REPORTING PERSON

IN

CUSIP NO. 046220109

EXPLANATORY NOTE

This Amendment No. 3 (this “Amendment No. 3”) amends Items 4 and 7 to reflect changes to the Schedule 13D filed with the U.S. Securities and Exchange Commission (the “SEC”) on March 2, 2016, as amended by Amendment No. 1 to Schedule 13D filed with the SEC on March 17, 2016, as amended by Amendment No. 2 to Schedule 13D filed with the SEC on March 22, 2016 (as so amended, the “Schedule 13D”). Except as specifically provided herein, this Amendment No. 3 does not modify any of the information previously reported on the Schedule 13D. Capitalized terms used herein which are not defined herein have the meanings given to them in the Schedule 13D.

Item 4. Purpose of Transaction.

Item 4 of the Schedule 13D is hereby amended and supplemented by inserting the following text at the end thereof:

As a result of the Issuer’s announcement of a “Dutch Auction” tender offer of shares of its own Common Stock and the Issuer’s unfair characterizations of our Offer we intend to seek representation on the Company’s Board of Directors. Such Board representation is not a condition of the Offer. We are concerned that through its announced “Dutch Auction,” the Issuer is attempting to cement control of the Issuer in the Stern Family. To date we have not had discussions with the Issuer with respect to Board representation, but we intend to engage in such discussions soon. In the event that the Issuer refuses to voluntarily provide us with Board representation or provide us with Board representation we deem satisfactory, we reserve all rights to seek the representation we deem appropriate. We believe that the Issuer and its management have been misleading about our Offer by stating in its Schedule 14D-9 Solicitation/Recommendation Statement that our Offer is “opportunistic and would transfer current and future value of Asta to Mangrove at a price we believe does not represent the value of Asta’s assets, business and prospects” and “It is clear that the Mangrove Offer seeks to take advantage of a dip in Asta’s stock price.” We believe the following table showing the total return, including dividends, of the Issuer’s stock price prior to March 1, 2016, the day prior to the filing of our original Schedule 13D, clearly supports our view of the Issuer’s management and its long-term track record of under performance:

	1Yr Daily 3/1/2015-3/1/2016	3Yr Daily 3/1/2013-3/1/2016	5Yr Daily 3/1/2011-3/1/2016	10Yr Weekly 03/03/2006-02/26/2016
IWM Equity	-13.13%	20.30%	40.35%	61.67%
ASFI US Equity	-12.04%	-22.07%	-8.95%	-76.88%

Item 7. Material to be Filed as Exhibits.

Item 7 of this Schedule 13D is hereby amended to add the following Exhibit:

99.5 Press Release, dated April 5, 2016 (incorporated by reference to Exhibit (a)(5)(ii) to the Schedule TO-T filed on March 22, 2016 by MPF InvestCo 4 and Mangrove Master Fund).

CUSIP NO. 046220109

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: April 5, 2016

THE MANGROVE PARTNERS MASTER FUND, LTD.

By: MANGROVE PARTNERS
as Investment Manager

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

THE MANGROVE PARTNERS FUND, L.P.

By: MANGROVE CAPITAL
as General Partner

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

MANGROVE PARTNERS FUND (CAYMAN), LTD.

By: MANGROVE PARTNERS
as Investment Manager

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

MANGROVE PARTNERS

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

CUSIP NO. 046220109

MANGROVE CAPITAL

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

MPF INVESTCO 4, LLC

By: THE MANGROVE PARTNERS MASTER FUND,
LTD.
as Sole Member

By: MANGROVE PARTNERS
as Investment Manager

By: /s/ Nathaniel August
Name: Nathaniel August
Title: Director

/s/ Nathaniel August
NATHANIEL AUGUST

