

MEDIFAST INC
Form SC 13D/A
November 15, 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. 6)¹

Medifast, Inc.

(Name of Issuer)

Common Stock, \$0.001 par value per share

(Title of Class of Securities)

58470H101

(CUSIP Number)

glenn w. welling

engaged capital, llc

610 Newport Center Drive, Suite 250

Newport Beach, California 92660

(949) 734-7900

STEVE WOLOSKY

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)

November 13, 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.

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*).

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Engaged Capital Flagship Master Fund, LP	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)
		(b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	WC, OO	
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)	
6	CITIZENSHIP OR PLACE OF ORGANIZATION	
7	CAYMAN ISLANDS SOLE VOTING POWER	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH		494,119
8	SHARED VOTING POWER	
		- 0 -
9	SOLE DISPOSITIVE POWER	
		494,119
10	SHARED DISPOSITIVE POWER	

- 0 -

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

494,119

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

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

4.1%

14 TYPE OF REPORTING
PERSON

PN

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Engaged Capital Flagship Fund, LP	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)
		(b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
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 OWNED BY EACH REPORTING PERSON WITH		494,119
	8	SHARED VOTING POWER
		- 0 -
	9	SOLE DISPOSITIVE POWER
		494,119
	10	SHARED DISPOSITIVE POWER

- 0 -

11

AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

494,119

12

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

13

PERCENT OF CLASS
REPRESENTED BY
AMOUNT IN ROW (11)

4.1%

14

TYPE OF REPORTING
PERSON

PN

3

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Engaged Capital Flagship Fund, Ltd.	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)
		(b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
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	7	SOLE VOTING POWER
SHARES BENEFICIALLY		494,119
OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
		494,119
	10	SHARED DISPOSITIVE

POWER

- 0 -

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

494,119

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

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

4.1%

14 TYPE OF REPORTING
PERSON

CO

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Engaged Capital, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)
		(b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
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		539,549
OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
		539,549
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

539,549

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

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

4.5%

14 TYPE OF REPORTING
PERSON

OO

5

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Engaged Capital Holdings, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) (b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
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		539,549
OWNED BY	8	SHARED VOTING POWER
EACH REPORTING		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
		539,549
	10	SHARED DISPOSITIVE

POWER

- 0 -

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

539,549

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

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

4.5%

14 TYPE OF REPORTING
PERSON

OO

CUSIP NO. 58470H101

1	NAME OF REPORTING PERSON	
	Glenn W. Welling	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a)
		(b)
3	SEC USE ONLY	
4	SOURCE OF FUNDS	
	OO	
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
		542,219
OWNED BY EACH REPORTING PERSON WITH	8	SHARED VOTING POWER
		- 0 -
PERSON WITH	9	SOLE DISPOSITIVE POWER
		542,219
	10	SHARED DISPOSITIVE POWER

- 0 -

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON

542,219*

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

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

4.5%

14 TYPE OF REPORTING
PERSON

IN

* Includes 2,670 Shares beneficially owned directly by Mr. Welling, consisting of 625 Shares and 2,045 Shares underlying certain restricted Shares that vest within 60 days of the date hereof.

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The following constitutes Amendment No. 6 the Schedule 13D filed by the undersigned (“Amendment No. 6”). This Amendment No. 6 amends the Schedule 13D as specifically set forth herein.

Item 3. Source and Amount of Funds or Other Consideration.

Item 3 is hereby amended and restated to read as follows:

The Shares owned by Engaged Capital Flagship Master and held in the Engaged Capital Account 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 has been previously otherwise noted. The aggregate purchase price of the 494,119 Shares beneficially owned by Engaged Capital Flagship Master is approximately \$15,411,222, including brokerage commissions. The aggregate purchase price of the 45,430 Shares held in the Engaged Capital Account is approximately \$1,364,883, including brokerage commissions.

Mr. Welling, in his capacity as a director of the Issuer, has been awarded an aggregate of 5,309 restricted Shares, of which 625 Shares have fully vested and 2,045 Shares vest within 60 days of the date hereof.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

Due to the appreciation of the Issuer’s stock price since the Reporting Persons’ filing of their initial Schedule 13D on May 14, 2014, the size of the Reporting Persons’ investment in the Shares as a percentage of their portfolio has exceeded the Reporting Persons’ desired position size due to risk limits. Accordingly, the Reporting Persons have adjusted the size of their position in the Shares. The Issuer’s Shares continue to remain a significant holding in the Reporting Persons’ investment portfolio.

Item 5. Interest in Securities of the Issuer.

Items 5(a) – (c) and (e) are hereby amended and restated to read as follows:

(a) The aggregate percentage of Shares reported owned by each person named herein is based upon 11,933,645 Shares outstanding as of November 1, 2017, which is the total number of Shares outstanding as reported in the Issuer’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 8, 2017.

As of the close of business on November 14, 2017, Engaged Capital Flagship Master beneficially owned 494,119 Shares, constituting approximately 4.1% of the Shares outstanding. Each of Engaged Capital Fund and Engaged Capital Offshore, as feeder funds of Engaged Capital Flagship Master, may be deemed to beneficially own the 494,119 Shares owned by Engaged Capital Flagship Master, constituting approximately 4.1% of the Shares outstanding.

As of the close of business on November 14, 2017, 45,430 Shares were held in the Engaged Capital Account, constituting less than 1% of the Shares outstanding.

As of the close of business on November 14, 2017, Mr. Welling directly beneficially owned 2,670 Shares, consisting of 625 Shares and 2,045 Shares underlying certain restricted Shares that vest within 60 days of the date hereof, constituting less than 1% of the Shares outstanding.

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Engaged Capital, as the general partner and investment adviser of Engaged Capital Flagship Master and the investment adviser of the Engaged Capital Account, may be deemed to beneficially own the 539,549 Shares owned in the aggregate by Engaged Capital Flagship Master and held in the Engaged Capital Account, constituting approximately 4.5% of the Shares outstanding. Engaged Holdings, as the managing member of Engaged Capital, may be deemed to beneficially own the 539,549 Shares owned in the aggregate by Engaged Capital Flagship Master and held in the Engaged Capital Account, constituting approximately 4.5% of the Shares outstanding. Mr. Welling, as the Founder and CIO of Engaged Capital and sole member of Engaged Holdings, may be deemed to beneficially own the 539,549 Shares owned in the aggregate by Engaged Capital Flagship Master and held in the Engaged Capital Account, constituting approximately 4.5% of the Shares outstanding, which, together with the Shares he directly beneficially owns, constitutes an aggregate of 542,219 Shares, constituting approximately 4.5% of the Shares outstanding.

Each Reporting Person, as a member of a “group” with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.

(b) By virtue of their respective positions with Engaged Capital Flagship Master, each of Engaged Capital Fund, Engaged Capital Offshore, Engaged Capital, Engaged Holdings and Mr. Welling may be deemed to have sole power to vote and dispose of the Shares reported owned by Engaged Capital Flagship Master.

By virtue of their respective positions with the Engaged Capital Account, each of Engaged Capital, Engaged Holdings and Mr. Welling may be deemed to have sole power to vote and dispose of the Shares held in the Engaged Capital Account.

Mr. Welling has the sole power to vote and dispose of the Shares directly beneficially owned by him.

(c) Schedule A annexed hereto lists all transactions in securities of the Issuer by the Reporting Persons during the past 60 days.

(e) As of November 13, 2017, the Reporting Persons ceased to be the beneficial owners of more than 5% of the Shares of the Issuer.

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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: November 15, 2017

Engaged Capital Flagship Master Fund, LP

By: Engaged Capital, LLC
General Partner

By: /s/ Glenn W. Welling
Name: Glenn W. Welling
Title: Founder and Chief Investment Officer

Engaged Capital Flagship Fund, LP

By: Engaged Capital, LLC
General Partner

By: /s/ Glenn W. Welling
Name: Glenn W. Welling
Title: Founder and Chief Investment Officer

Engaged Capital Flagship
Fund, Ltd.

By: /s/ Glenn W. Welling
Name: Glenn W. Welling
Title: Director

Engaged Capital, LLC

By: /s/ Glenn W. Welling
Name: Glenn W. Welling

Title: Founder and Chief Investment Officer

Engaged Capital Holdings,
LLC

By: /s/ Glenn W. Welling
Name: Glenn W. Welling
Title: Sole Member

/s/ Glenn W. Welling
Glenn W. Welling

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SCHEDULE A

Transactions in Securities of the Issuer During the Past Sixty Days

<u>Nature of the Transaction</u>	<u>Securities</u>	<u>Price Per</u>	<u>Date of</u>
	<u>Purchased/(Sold)Share(\$)</u>	<u>Purchase / Sale</u>	

Engaged Capital Flagship Master Fund, LP

Sale of Common Stock (218,070)65.0000 11/13/2017

Engaged Capital, LLC
(Through the Engaged Capital Account)

Sale of Common Stock (31,930)65.0000 11/13/2017