

KIRKLAND'S, INC
Form SC 13G/A
February 13, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13G/A

Under the Securities Exchange Act of 1934

(Amendment No. 1)*

KIRKLAND'S, INC.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

497498105
(CUSIP Number)

December 31, 2018
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- ☒ Rule 13d-1(b)
- ☐ Rule 13d-1(c)
- ☐ Rule 13d-1(d)

*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 the disclosures provided in a prior cover page.

The information required in 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).

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NAME OF REPORTING PERSONS

1. Divisar Partners QP, L.P.

CHECK THE APPROPRIATE BOX IF
A MEMBER OF A GROUP

(see instructions)

2. (a) ☐
(b) ☐

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF
ORGANIZATION

4.

Delaware

SOLE VOTING POWER

5.0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	6. 1,298,184 (See Note 2)

7.SOLE DISPOSITIVE POWER

0

SHARED DISPOSITIVE POWER

8.1,298,184 (See Note 2)

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9.

1,298,184 (See Note 2)

CHECK IF THE AGGREGATE
AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

10.

(SEE INSTRUCTIONS)

0

PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)

11.

8.7% (See Note 1)

TYPE OF REPORTING PERSON (SEE
INSTRUCTIONS)

12.

PN

- (1) Based on 14,858,235 outstanding shares of Common Stock as of November 27, 2018, as represented by the Issuer in the Form 10-Q filed with the Securities and Exchange Commission on December 6, 2018.

- (2) Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, Divisar Partners QP, L.P. expressly disclaims beneficial ownership over any of the securities reported in this statement, and the filing of this statement shall not be construed as an admission that Divisar Partners QP, L.P. is the beneficial owner of any of the securities reported herein.

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NAME OF REPORTING PERSONS

1. Divisar Capital Management LLC

CHECK THE APPROPRIATE BOX IF
A MEMBER OF A GROUP

(see instructions)

2. (a) ☐
(b) ☐

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF
ORGANIZATION

4.

Delaware

SOLE VOTING POWER

5.0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	6.1,411,688

7.SOLE DISPOSITIVE POWER

0

SHARED DISPOSITIVE POWER

8.1,411,688

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9.

1,411,688

CHECK IF THE AGGREGATE
AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

10.

(SEE INSTRUCTIONS)

0

PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)

11.

9.5% (See Note 3)

TYPE OF REPORTING PERSON (SEE
INSTRUCTIONS)

12.

IA, OO, HC

(3) See Note (1) Above

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NAME OF REPORTING PERSONS

1. Steven Baughman

CHECK THE APPROPRIATE BOX IF
A MEMBER OF A GROUP

(see instructions)

2. (a) ☐
(b) ☐

SEC USE ONLY

3.

CITIZENSHIP OR PLACE OF
ORGANIZATION

4.

United States

SOLE VOTING POWER

5.0

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	SHARED VOTING POWER
	6.1,411,688

7.SOLE DISPOSITIVE POWER

0

SHARED DISPOSITIVE POWER

1,411,688

8.

AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

9.

1,411,688

CHECK IF THE AGGREGATE
AMOUNT IN ROW (9) EXCLUDES
CERTAIN SHARES

10.

(SEE INSTRUCTIONS)

0

PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)

11.

9.5% (See Note 4)

12.

TYPE OF REPORTING PERSON (SEE
INSTRUCTIONS)

IN, HC

(4) See Note (1) Above

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AMENDMENT NO. 1 TO SCHEDULE 13G

Reference is hereby made to the statement on Schedule 13G filed with the Securities and Exchange Commission by the Reporting Persons with respect to the Common Stock of the Issuer on April 25, 2018 (the "Schedule 13G"). Terms defined in the Schedule 13G are used herein as so defined.

The following items of the Schedule 13G are amended and restated to read in their entirety as follows:

If this statement is filed pursuant to §§ 240.13d-1(b), or 240.13d-2(b) or (c), check whether the person filing is a:

Item 3.

(e) ☒ Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

(g) ☒ Parent Holding Company or control person in accordance with Rule 13d-1(b)(1)(ii)(G)

Item 4. Ownership

(i) Divisar Partners QP, LP
Amount beneficially
(a) owned: 1,298,184 (see
Note 5)

Percent of class: 8.7%

(b)
(See Note 6)

Number of shares as to
(c) which the person has:

(i) Sole power
to vote or
to direct
the vote: 0

(ii) Shared
power to
vote or to
direct the
vote:
1,298,184
(see Note
5)

(iii) Sole power
to dispose
or to direct
the
disposition
of: 0

- (iv) Shared
power to
dispose or
to direct
the
disposition
of:
1,298,184
(see Note
5)
- (ii) Divisar Capital
Management LLC
Amount beneficially
(a)
owned: 1,411,688 (see
Note 5)
Percent of class: 9.5%
(b)
(See Note 6)
Number of shares as to
(c)
which the person has:
- (i) Sole power
to vote or
to direct
the vote: 0
Shared
power to
vote or to
direct the
vote:
(ii) 1,411,688
(see Note
5)
Sole power
to dispose
or to direct
the
disposition
of: 0
Shared
power to
dispose or
to direct
the
(iv) disposition
of:
1,411,688
(see Note
5)
- (iii) Steven Baughman
Amount beneficially
(a)
owned: 1,411,688 (See
Note 5)

Percent of class: 9.5%

(b)
(See Note 6)

Number of shares as to

(c)
which the person has:

(i) Sole power
to vote or
to direct
the vote: 0

(ii) Shared
power to
vote or to
direct the
vote:

1,411,688

(see Note

5)

(iii) Sole power
to dispose
or to direct
the
disposition
of: 0

(iv) Shared
power to
dispose or
to direct
the
disposition
of:

1,411,688

(see Note

5)

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Note 5:

Divisar Capital Management LLC is an investment advisor that is registered under the Investment Advisors Act of 1940. Divisar Capital Management LLC, which serves as the general partner and investment manager to each of Divisar Partners QP, L.P. and Divisar Partners, L.P., (collectively "the Funds"), may be deemed to be the beneficial owner of all shares of Common Stock held by the Funds. Mr. Steven Baughman, as Managing Member of Divisar Capital Management LLC, with the power to exercise investment and voting discretion, may be deemed to be the beneficial owner of all shares of Common Stock held by the Funds. Pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended, each of the Funds expressly disclaims beneficial ownership over any of the securities reported in this statement, and the filing of this statement shall not be construed as an admission that either of the Funds are the beneficial owner of any of the securities reported herein.

Note 6:

Based on 14,858,235 outstanding shares of Common Stock as of November 27, 2018, as represented by the Issuer in the Form 10-Q filed with the Securities and Exchange Commission on December 6, 2018.

Item
10. Certifications:

Each of the Reporting Persons makes the following certification:

By signing below each Reporting Person certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect. After reasonable inquiry and to the best of my knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Date: February 11, 2019

DIVISAR PARTNERS QP, L.P.

By: Divisar Capital Management LLC, its General Partner

By: /s/ Steven Baughman

Name: Steven Baughman

Title: Managing Member

DIVISAR CAPITAL MANAGEMENT LLC

By: /s/ Steven Baughman

Name: Steven Baughman

Title: Managing Member

STEVEN BAUGHMAN

By: /s/ Steven Baughman

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EXHIBIT A

Joint Filing Agreement Pursuant to Rule 13d-1

This agreement is made pursuant to Rule 13d-1(k)(1) under the Securities Exchange Act of 1934, as amended (the "Act") by and among the parties listed below, each referenced to herein as a "Joint Filer". The Joint Filers agree that a statement of beneficial ownership as required by Sections 13(g) or 13(d) of the Act and the rules thereunder may be filed on each of his, her or its behalf on Schedule 13G or Schedule 13D, as appropriate, and that said joint filing may thereafter be amended by further joint filings. The Joint Filers state that they each satisfy the requirements for making a joint filing under Rule 13d-1(k).

Date: February 11,
2019

**DIVISAR
PARTNERS QP,
L.P.**

By: Divisar Capital
Management LLC,
its General Partner

By: /s/ Steven
Baughman

Name: Steven
Baughman

Title: Managing
Member

**DIVISAR
CAPITAL
MANAGEMENT
LLC**

By: /s/ Steven
Baughman

Name: Steven
Baughman

Title: Managing
Member

STEVEN
BAUGHMAN

By: /s/ Steven
Baughman

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