

HANDLEMAN CO /MI/  
Form SC 13G  
February 12, 2010

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

HANDLEMAN COMPANY  
(Name of  
Issuer)

Common Stock  
(Title of Class of Securities)

410252100  
(CUSIP  
Number)

December 31, 2009  
(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 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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CUSIP No.: 410252100

1. Name of Reporting Persons

S.S. or I.R.S. Identification No. of above person

Aegis Financial Corporation  
54-1712996

2. Check the Appropriate Box if a Member of Group\*

- (a)
- (b)

3. SEC Use Only

4. Citizenship or Place of Organization

Delaware

5. Sole Voting Power

202,020

Number of shares  
beneficially owned  
by each reporting  
person with:

6. Shared Voting Power

0

7. Sole Dispositive Power

202,020

8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

202,020

10. Check if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

1.0%

12. Type of Reporting Person

IA

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CUSIP No.: 410252100

1. Name of Reporting Persons

S.S. or I.R.S. Identification No. of above person

Scott L. Barbee

N/A

2. Check the Appropriate Box if a Member of Group\*

(a)

(b)

3. SEC Use Only

4. Citizenship or Place of Organization

United States

5. Sole Voting Power

202,020

Number of shares  
beneficially owned  
by each reporting  
person with:

6. Shared Voting Power

0

7. Sole Dispositive Power

202,020

8. Shared Dispositive Power

0

9. Aggregate Amount Beneficially Owned by Each Reporting Person

202,020

10. Check box if the Aggregate Amount in Row (9) Excludes Certain Shares

11. Percent of Class Represented by Amount in Row (9)

1.0%

12. Type of Reporting Person  
IN

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CUSIP No.: 410252100

Schedule 13G Additional Information

Item 1.

- (a) Name of Issuer  
Handleman Company
- (b) Address of Issuer's Principal Executive Offices  
500 Kirts Blvd.  
Troy, Michigan 48084

Item 2.

- (a) Name of Persons Filing
  - (i) Aegis Financial Corporation ("AFC")
  - (ii) Scott L. Barbee ("BARBEE")
- (b) Address of Principal Business Office for Each of the Above  
1100 North Glebe Road  
Suite 1040  
Arlington, VA 22201
- (c) Citizenship
  - (i) AFC: Delaware
  - (ii) BARBEE: United States
- (d) Title of Class of Securities  
Common Stock
- (e) CUSIP Number  
410252100

Item 3. If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b) or (c). The person filing is a:

- (a) .. Broker or Dealer registered under section 15 of the Act;
- (b) .. Bank as defined in section 3(a)(6) of the Act;
- (c) .. Insurance Company as defined in section 3(a)(6) of the Act;
- (d) .. Investment Company registered under section 8 of the Investment Company Act;
- (e) x Investment Adviser in accordance with Rule 13d-1(b)(1)(ii)(E);

- (f) .. Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 or Endowment Fund;
  - (g) .. Parent Holding Company, in accordance with 240.13d-1(b)(ii)(G);
  - (h) .. Savings associations as defined in Section 3(b) of the Federal Deposit Insurance Act;
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- (i) .. Church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act;
- (j) .. Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership.

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned
    - (i) AFC: 202,020
    - (ii) BARBEE: 202,020
  - (b) Percent of class
    - (i) AFC: 1.0%
    - (ii) BARBEE: 1.0%
  - (c) Number of shares as to which the person has:
    - (1) Sole power to vote or to direct the vote
      - (i) AFC: 202,020
      - (ii) BARBEE: 202,020
    - (2) Shared power to vote or to direct the vote
      - (i) AFC: 0
      - (ii) BARBEE: 0
    - (3) Sole power to dispose or to direct the disposition of
      - (i) AFC: 202,020
      - (ii) BARBEE: 202,020
    - (4) Shared power to dispose or to direct the disposition of
      - (i) AFC: 0
      - (ii) BARBEE: 0
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- Item 5. Ownership of Five Percent or Less of a Class  
Not applicable.
- Item 6. Ownership of More than Five Percent on Behalf of Another Person  
Not applicable.
- Item 7. Identification and Classification of the Subsidiary which Acquired the Security Being Reported on by the Parent Holding Company  
Not applicable.
- Item 8. Identification and Classification of Members of the Group  
Not applicable.
- Item 9. Notice of Dissolution of Group  
Not applicable.
- Item 10. Certification
- By signing below, the undersigned certify that, to the best of their knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and 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.
- In accordance with Rule 13d-4 of the Securities Exchange Act of 1934, each of the persons filing this statement expressly disclaim the beneficial ownership of the securities covered by this statement and the filing of this report shall not be construed as an admission by such persons that they are the beneficial owners of such securities.
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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.

Aegis Financial Corporation

Date: February 12, 2010

By: /s/ Scott L. Barbee  
Name: Scott L. Barbee  
Title: Managing Director

Scott L. Barbee

Date: February 12, 2010

By: /s/ Scott L. Barbee  
Name: Scott L. Barbee