

Edgar Filing: DOVER MOTORSPORTS INC - Form SC 13D/A

DOVER MOTORSPORTS INC  
Form SC 13D/A  
September 17, 2008

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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SCHEDULE 13D/A  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
RULE 13d-2(a)

Amendment No. 11

Dover Motorsports, Inc.

-----  
(Name of Issuer)

Common Stock, Par Value \$0.10 per share

-----  
(Title of Class of Securities)

260174107

-----  
(CUSIP Number)

Mario Cibelli, c/o Cibelli Capital Management, L.L.C.  
52 Vanderbilt Avenue, 4th Floor, New York, NY 10017

-----  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

September 17, 2008

-----  
(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 Rule 13d-1(e), 13d-1(f) or 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 Rule 13d-7 for other parties to whom copies are to be sent.

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- (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

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Act of 1934 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. 260174107  
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- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Mario Cibelli
- 2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\* (a)   
(b)
- 3 SEC USE ONLY
- 4 SOURCE OF FUNDS\*  
  
AF, WC, PN
- 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 WITH
- 7 SOLE VOTING POWER  
  
2,834,391
- 8 SHARED VOTING POWER  
  
0
- 9 SOLE DISPOSITIVE POWER  
  
2,834,391
- 10 SHARED DISPOSITIVE POWER  
  
0
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
2,834,391
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES\*
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
  
16.69%
- 14 TYPE OF REPORTING PERSON\*

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IN

CUSIP No. 260174107  
-----

- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Cibelli Capital Management, L.L.C.
- 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; United States of America
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
- 7 SOLE VOTING POWER  
  
0
- 8 SHARED VOTING POWER  
  
2,608,980
- 9 SOLE DISPOSITIVE POWER  
  
0
- 10 SHARED DISPOSITIVE POWER  
  
2,608,980
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
2,608,980
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
  
15.36%
- 14 TYPE OF REPORTING PERSON\*

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CO

CUSIP No. 260174107  
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- 1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)  
  
Marathon Partners, L.P.
- 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  
  
New York; United States of America
- NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH
- 7 SOLE VOTING POWER  
  
0
- 8 SHARED VOTING POWER  
  
2,608,980
- 9 SOLE DISPOSITIVE POWER  
  
0
- 10 SHARED DISPOSITIVE POWER  
  
2,608,980
- 11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
  
2,608,980
- 12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES\*
- 13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
  
15.36%
- 14 TYPE OF REPORTING PERSON\*  
  
PN

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CUSIP No. 260174107  
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Item 1. Security and Issuer.

The name of the issuer is Dover Motorsports, Inc., a Delaware corporation (the "Issuer"). The address of the Issuer's offices is 1131 North DuPont Highway, Dover, Delaware, 19901. This Schedule 13D relates to the Issuer's Common Stock, \$0.10 par value (the "Shares").

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Item 2. Identity and Background.

(a-c, f) This Schedule 13D is being filed by Mario Cibelli, a United States citizen, Marathon Partners, L.P., a New York limited partnership ("MP") and Cibelli Capital Management, L.L.C., a Delaware limited liability company that is an investment management firm which serves as the general partner of MP ("CCM"), each of whose principal business address is located at c/o Cibelli Capital Management, L.L.C., 52 Vanderbilt Avenue, 4th Floor, New York, NY 10017. Mr. Cibelli is the managing member of "CCM". Mr. Cibelli is also the managing member of Cibelli Research & Management, L.L.C. ("CRM"), a Delaware limited liability company that is an investment management firm which serves as the general partner of Marathon Focus Fund, L.P., a New York limited partnership ("MFF"), and also serves as the general partner of Marathon Offshore, Ltd., a Cayman Islands limited partnership, ("MOLtd"). Mr. Cibelli also serves as portfolio manager to a number of separate managed accounts.

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

(e) None of the Reporting Persons has, 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 was or is 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.

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

As of the date hereof, Mr. Cibelli may be deemed to beneficially own 2,834,391 Shares, and MP and CCM may be deemed to beneficially own 2,608,908 Shares. The Shares are held by MP, MFF, MOLtd, and the separate managed accounts for which Mr. Cibelli serves as portfolio manger through his position in CCM and/or CRM (together, the "Clients"). The funds for the purchase of the Shares by the Clients came from the Clients' respective funds. Mr. Cibelli is also the beneficial owner of the Shares held in his personal accounts and in the accounts of his family members as follows: Mario Cibelli C/F S. Cibelli UTMA: 1,600 Shares; Mario Cibelli C/F G. Cibelli UTMA: 1,000 Shares; Mario Cibelli C/F L. Cibelli UTMA: 1,000 Shares; Mario Cibelli C/F C. Cibelli UTMA: 700 Shares; Mario Cibelli Simple IRA: 2,000; The total cost for the Shares held by Mr. Cibelli is \$40,851.76.

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes in the ordinary course of business.

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### Item 4. Purpose of Transaction.

On September 17, 2008, the Reporting Persons sent a letter to the Issuer's Board of Directors (attached hereto as Exhibit 99.2) reiterating their belief that the Issuer should divest their underperforming Midwest assets.

The Reporting Persons intend to review their investments in the Issuer on a continuing basis and may engage in further discussions with management, the Board, other stockholders of the Issuer and other relevant parties concerning the business, operations, management, strategy and future plans of the Issuer.

Depending on various factors including, without limitation, the Issuer's financial position and strategic direction, the outcome of any discussions referenced above, actions taken by the Board, price levels of the Shares, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investments in the Issuer as they deem appropriate including, without limitation, purchasing additional Shares or selling some or all of the Shares held by the Reporting Persons and/or otherwise changing their intention with respect to any and all matters referred to in Item 4 of Schedule 13D.

Except as expressly set forth above, the Reporting Persons have no present plans, proposals, commitments, arrangements or understandings with respect to any of the matters set forth in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

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### Item 5. Interest in Securities of the Issuer.

As of the date hereof, Mr. Cibelli may be deemed to be the beneficial owner of 2,834,391 Shares, constituting 16.69% of the Shares of the Issuer, and MP and CCM may be deemed to be the beneficial owner of 2,608,980 Shares, constituting 15.36% of the Shares of the Issuer, in each case based upon the 16,980,551 Common Shares outstanding as of July 31, 2008, according to the Issuer's most recently filed Form 10-Q.

Mr. Cibelli has the sole power to vote or direct the vote and to dispose or direct the disposition of 2,834,391 Shares and the shared power to vote or direct the vote and dispose or direct the disposition of 0 Shares to which this filing relates. MP and CCM each have the sole power to vote or direct the vote and dispose or direct the disposition of 0 Shares and the shared power to vote or direct the vote and dispose or direct the disposition of 2,608,980 Shares to which this filing relates.

The trading dates, number of shares purchased and sold and price per share for all transactions in the Shares during the past 60 days by Mr. Cibelli through his position in, CCM, and CRM on behalf of the Clients are set forth in Schedule A and were all effected in broker transactions.

The 2,834,391 Shares were acquired for investment purposes. Mr. Cibelli and/or Mr. Cibelli on behalf of the Clients and MP and CCM may acquire additional Shares, dispose of all or some of these Shares from time to time, in each case in open markets or private transactions, block sales or purchases or otherwise, or may continue to hold the Shares.

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### Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the Shares.

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Item 7. Material to be Filed as Exhibits.

A description of the transactions in the Shares that were effected by the Reporting Persons during the 60 days prior to September 17, 2008 is filed herewith as Exhibit 99.1. The letter sent to the Issuer's Board of Directors by the Reporting Persons is filed as Exhibit 99.2. A joint filing agreement is filed as Exhibit 99.3.

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.

September 17, 2008

-----  
(Date)

/s/ Mario Cibelli\*

-----  
Mario Cibelli

MARATHON PARTNERS, L.P.  
By its General Partner  
Cibelli Capital Management, L.L.C.

/s/ Mario Cibelli\*

-----  
By: Mario Cibelli  
Title: Managing Member

CIBELLI CAPITAL MANAGEMENT, L.L.C.

/s/ Mario Cibelli\*

-----  
By: Mario Cibelli  
Title: Managing Member

\* The Reporting Persons disclaim beneficial ownership except to the extent of their pecuniary interest therein.

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

Exhibit 99.1

Transactions in the Shares

TRANSACTIONS EFFECTED DURING THE PAST SIXTY DAYS OR  
SINCE THE MOST RECENT FILING ON SCHEDULE 13D

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Date of Transaction	Number of Shares Purchased/ (SOLD)	Price Per Share
7/25/08	2,900	4.4000
7/25/08	2,600	4.4000
7/25/08	94,500	4.4000
8/05/08	360	4.3900
8/05/08	6,400	4.3900
8/05/08	500	4.3900
8/07/08	900	4.5500
8/07/08	30,224	4.5500
8/07/08	900	4.5500

Exhibit 99.2

Via Fed-Ex and Facsimile

September 17, 2008

Board of Directors  
 Dover Motorsports, Inc.  
 1311 N. DuPont Highway  
 Dover, Delaware 19903

Dear Board Members,

We continue to be very concerned with the direction of Dover Motorsports. Thus far, the board of directors and management team has not shown a desire to deal with the troubled Midwest assets in a sensible manner. It is clear the Midwest tracks are acting as an anchor on Dover Motorsports' share price and thus its ability to negotiate an attractive offer for the company - despite the scarcity of Sprint Cup racing facilities available for potential purchase. The board of directors' continued acceptance of the Midwest losses is out of step with prevailing economic conditions. Continuing to fund the sizable losses of a business unit that has no hope of a turnaround strikes us as either lackadaisical or arrogant given the current environment. How much weaker will market conditions need to be in order for directors to stop plowing the Monster Mile's free cash flow into the Midwest money pit? The challenges of the current economy and lending environment should not be taken lightly by board members.

Dover Motorsports should attempt to sell the Midwest race tracks to local buyers and other potentially interested parties immediately. In the absence of successful transactions, it is clear that the board of directors should close the facilities and divest the remaining assets. An unemotional assessment of the tracks and associated cash losses would clearly lead to the conclusion that our advice is the best course of action for shareholders. Selling the Midwest assets for proceeds equal to Dover Motorsports' long-term obligations would leave the Company in a position to fund an annual dividend of approximately \$0.40 to \$0.50 per share a year, or about 7x the current rate. It is likely investors would value Dover Motorsports at \$7 1/2 to \$8 1/2 per share under this scenario. Of course, a natural effect of such a rationalization would be a much improved negotiating position with the likely acquirers of the Company in regards to



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price and timing. Given that the solution is within management's grasp, I cannot see why they would fail to take matters into their own hands and strengthen their negotiating position within the industry. As we have pointed out in the past, Dover Motorsports' lack of scale and terrible track record of value creation over the years makes it clear that participating in industry consolidation as a seller is the very best option available to the owners of the business.

The amount of value imbedded in the Company's shares is so great that engaging in anything remotely shareholder friendly will most likely uncork a rush of appreciation. I continue to recommend taking Chairman Henry Tippie's advice in dealing with these matters. When speaking to students at the Tippie College of Business, Mr. Tippie made the following comment:

"We're in a much faster-moving society today. If you go back to the '30s, '40s or even the 1950s, change was fairly slow in coming. Today, change is much more rapid and you must change with the times. If you don't change, you're going to get 'left at the gate,' so to speak"

If we presented our recommendations of divesting the Midwest assets to the students of the Tippie College of Business, we are confident they would easily understand that this is the best and most prudent course of action to create value for the shareholders of the Company. If business students can figure out the right path, why is it taking so long for directors to do so?

Please do not hesitate to contact us if we can be of any assistance.

Sincerely,

Mario D. Cibelli  
Managing Member

Exhibit 99.3

Joint Filing Agreement

In accordance with Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing on behalf of each of them of a Statement on Schedule 13D (including any amendments thereto) with respect to the common shares of Dover Motorsports, Inc., a Delaware corporation. The undersigned further consent and agree to the inclusion of this Agreement as an Exhibit to such Schedule 13D.

IN WITNESS WHEREOF, the undersigned have executed this agreement as of this 17th day of September 2008.

/s/ Mario Cibelli\*

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Mario Cibelli

MARATHON PARTNERS, L.P.  
By its General Partner  
Cibelli Capital Management, L.L.C.

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/s/ Mario Cibelli\*

-----  
By: Mario Cibelli  
Title: Managing Member

CIBELLI CAPITAL MANAGEMENT, L.L.C.

/s/ Mario Cibelli\*

-----  
By: Mario Cibelli  
Title: Managing Member

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