

PICO HOLDINGS INC /NEW  
Form SC 13D/A  
November 23, 2015

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

PICO Holdings, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share  
(Title of Class of Securities)

693366205  
(CUSIP Number)

KELLY CARDWELL  
CENTRAL SQUARE MANAGEMENT LLC  
1813 N. Mill Street, Suite F  
Naperville, IL 60563  
(630) 210-8923

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)

November 23, 2015  
(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.

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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 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. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE CAPITAL LP

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

DELAWARE

|   |    |                          |
|---|----|--------------------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7  | SOLE VOTING POWER        |
|   |    | - 0 -                    |
|   | 8  | SHARED VOTING POWER      |
|   |    | 861,838                  |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | - 0 -                    |
|   | 10 | SHARED DISPOSITIVE POWER |
|   |    | 861,838                  |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

861,838

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

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

3.7%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE CAPITAL MASTER LP

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      |
|   |    | 487,415                  |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | - 0 -                    |
|   | 10 | SHARED DISPOSITIVE POWER |
|   |    | 487,415                  |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

487,415

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

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

2.1%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE GP LLC

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               |
|   | 9  | 861,838<br>SOLE DISPOSITIVE POWER |
|   | 10 | - 0 -<br>SHARED DISPOSITIVE POWER |

861,838

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

861,838

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

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

3.7%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE GP II LLC

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      |
|   |    | 487,415                  |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | - 0 -                    |
|   | 10 | SHARED DISPOSITIVE POWER |
|   |    | 487,415                  |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

487,415

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

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

2.1%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE MANAGEMENT LLC

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      |
|   |    | 1,349,253                |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | - 0 -                    |
|   | 10 | SHARED DISPOSITIVE POWER |
|   |    | 1,349,253                |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,349,253

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

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

5.9%

14 TYPE OF REPORTING PERSON

IA

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

KELLY CARDWELL

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        |
|   |    | -0-                      |
|   | 8  | SHARED VOTING POWER      |
|   |    | 1,349,253                |
|   | 9  | SOLE DISPOSITIVE POWER   |
|   |    | -0-                      |
|   | 10 | SHARED DISPOSITIVE POWER |
|   |    | 1,349,253                |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,349,253

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

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

5.9%

14 TYPE OF REPORTING PERSON

IN



CUSIP NO. 693366205

The following constitutes Amendment No. 3 to the Schedule 13D filed by the undersigned (“Amendment No. 3”). This Amendment No. 3 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 purchased by each of Central Square Capital and Central Square Master 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. The aggregate purchase price of the 861,838 Shares directly owned by Central Square Capital is approximately \$15,038,709, including brokerage commissions. The aggregate purchase price of the 487,415 Shares directly owned by Central Square Master is approximately \$9,550,890, including brokerage commissions.

Item 4. Purpose of Transaction.

Item 4 is hereby amended to add the following:

On November 23, 2015, Central Square Management (together with its affiliates, “Central Square”) delivered a letter to the Issuer’s Chair, Kristina Leslie, and the Issuer’s Board of Directors (the “Board”). In the letter, Central Square stated that despite its persistent efforts to engage in constructive dialogue with the Board and management team over the past year, Central Square has grown increasingly frustrated with the Board’s laissez-faire attitude toward the need for change at the Issuer. Central Square further stated in the letter that while it was hopeful following its October 29, 2015 conversation with Ms. Leslie that the Board was finally willing to work with Central Square to implement the strategies it believes would materially improve the Issuer’s performance, the Issuer’s recent announcements at its Investor Day held on November 17, 2015 made it clear that the Issuer has no intention of addressing Central Square’s concerns or suggestions in a serious manner.

In the letter, Central Square also expressed its belief that the Issuer’s announcements fall short of the change required to improve the Issuer’s performance and therefore calls on the Board to immediately seat the three highly qualified individuals previously identified by Central Square, including Anthony Bergamo, James Henderson and Daniel Silvers. Given the ongoing dissatisfaction amongst the Issuer’s shareholder base and the Board’s refusal to seriously consider Central Square’s concerns and recommendations, Central Square also calls on the Board in the letter to hold the Issuer’s 2016 annual meeting of shareholders no later than April 15, 2016. The full text of the letter is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 5. Interest in Securities of the Issuer.

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

The aggregate percentage of Shares reported owned by each person named herein is based upon 23,017,041 Shares outstanding, as of November 2, 2015, 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 9, 2015.

CUSIP NO. 693366205

A. Central Square Capital

(a) As of the close of business on November 20, 2015, Central Square Capital directly owned 861,838 Shares.

Percentage: Approximately 3.7%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 861,838
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 861,838

(c) The transactions in the Shares by Central Square Capital since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

B. Central Square Master

(a) As of the close of business on November 20, 2015, Central Square Master directly owned 487,415 Shares.

Percentage: Approximately 2.1%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 487,415
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 487,415

(c) The transactions in the Shares by Central Square Master since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

C. Central Square GP

(a) Central Square GP, as the general partner of Central Square Capital, may be deemed the beneficial owner of the 861,838 Shares owned by Central Square Capital.

Percentage: Approximately 3.7%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 861,838
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 861,838

(c) Central Square GP has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D. The transactions in the Shares on behalf of Central Square Capital since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

CUSIP NO. 693366205

D. Central Square GP II

(a) Central Square GP II, as the general partner of Central Square Master, may be deemed the beneficial owner of the 487,415 Shares owned by Central Square Master.

Percentage: Approximately 2.1%

- (b)
  - 1. Sole power to vote or direct vote: 0
  - 2. Shared power to vote or direct vote: 487,415
  - 3. Sole power to dispose or direct the disposition: 0
  - 4. Shared power to dispose or direct the disposition: 487,415

(c) Central Square GP II has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D. The transactions in the Shares on behalf of Central Square Master since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

E. Central Square Management

(a) Central Square Management, as the investment manager of each of Central Square Capital and Central Square Master, may be deemed the beneficial owner of the (i) 861,838 Shares owned by Central Square Capital and (ii) 487,415 Shares owned by Central Square Master.

Percentage: Approximately 5.9%

- (b)
  - 1. Sole power to vote or direct vote: 0
  - 2. Shared power to vote or direct vote: 1,349,253
  - 3. Sole power to dispose or direct the disposition: 0
  - 4. Shared power to dispose or direct the disposition: 1,349,253

(c) Central Square Management has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D. The transactions in the Shares on behalf of Central Square Capital and Central Square Master since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

F. Mr. Cardwell

(a) Mr. Cardwell, as the managing member of each of Central Square GP, Central Square GP II and Central Square Management, may be deemed the beneficial owner of the (i) 861,838 Shares owned by Central Square Capital and (ii) 487,415 Shares owned by Central Square Master.

Percentage: Approximately 5.9%

- (b)
  - 1. Sole power to vote or direct vote: 0
  - 2. Shared power to vote or direct vote: 1,349,253
  - 3. Sole power to dispose or direct the disposition: 0
  - 4. Shared power to dispose or direct the disposition: 1,349,253



CUSIP NO. 693366205

(c) Mr. Cardwell has not entered into any transactions in the Shares since the filing of Amendment No. 2 to the Schedule 13D. The transactions in the Shares on behalf of each of Central Square Capital and Central Square Master since the filing of Amendment No. 2 to the Schedule 13D are set forth in Schedule A and are incorporated herein by reference.

The Reporting Persons, as members of a “group” 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.

Item 7. Material to be Filed as Exhibits.

Item 7 is hereby amended to add the following exhibit:

99.1 Letter to the Chair of the Board of Directors and the Board of Directors, dated November 23, 2015.

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CUSIP NO. 693366205

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: November 23, 2015

Central Square Capital LP

By: Central Square GP LLC  
General Partner

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square Capital Master LP

By: Central Square GP II LLC  
General Partner

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square GP LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square GP II LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square Management LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

/s/ Kelly Cardwell  
Kelly Cardwell

CUSIP NO. 693366205

## SCHEDULE A

## Transactions in the Shares Since the Filing of Amendment No. 2 to the Schedule 13D

| Shares of Common Stock<br>Purchased/(Sold) | Price Per<br>Share(\$) | Date of<br>Purchase / Sale |
|--|------------------------|----------------------------|
| CENTRAL SQUARE CAPITAL LP                  |                        |                            |
| 1,300                                      | 10.8000                | 10/22/2015                 |
| 605  | 10.9400                | 10/23/2015                 |
| 18,000                                     | 10.3527                | 10/27/2015                 |
| 29,262                                     | 10.2002                | 10/28/2015                 |
| 17,000                                     | 9.8569                 | 10/29/2015                 |
| 19,809                                     | 9.6383                 | 10/30/2015                 |
| 5,000                                      | 9.3500                 | 11/10/2015                 |
| 17,991                                     | 9.5529                 | 11/12/2015                 |
| 3,691                                      | 9.2405                 | 11/13/2015                 |
| 3,400                                      | 9.0000                 | 11/16/2015                 |
| CENTRAL SQUARE CAPITAL MASTER LP           |                        |                            |
| (52,010)                                   | 10.5053                | 11/18/2015                 |
| (24,665)                                   | 10.5085                | 11/19/2015                 |
| (10,500)                                   | 10.6972                | 11/20/2015                 |