

IROBOT CORP
Form SC 13D/A
December 01, 2015

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 1)*

iROBOT CORPORATION

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

462726100

(CUSIP Number)

Red Mountain Capital Partners LLC

Attn: Willem Mesdag

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

December 1, 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 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.

* 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).

1 NAME OF REPORTING PERSON

Red Mountain Capital Partners LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS*

AF (See Item 3)

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

NUMBER OF **7** SOLE VOTING POWER
SHARES

BENEFICIALLY **8** 1,782,500 shares (See Item 5)
OWNED BY SHARED VOTING POWER

EACH
REPORTING **9** None (See Item 5)
PERSON SOLE DISPOSITIVE POWER

WITH **10** 1,782,500 shares (See Item 5)
PERSON SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,782,500 shares (See Item 5)

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

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

6.1% (See Item 5)

14 TYPE OF REPORTING PERSON*

IA, OO Limited Liability Company

* See Instructions

1 NAME OF REPORTING PERSON

Red Mountain 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 (See Item 3)

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

NUMBER OF **7** SOLE VOTING POWER

SHARES

BENEFICIALLY **8** 1,782,500 shares (See Item 5)

SHARED VOTING POWER

OWNED BY

EACH

REPORTING **9** None (See Item 5)
SOLE DISPOSITIVE POWER

PERSON

WITH **10** 1,782,500 shares (See Item 5)
SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,782,500 shares (See Item 5)

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

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

6.1% (See Item 5)

14 TYPE OF REPORTING PERSON*

PN Limited Partnership

* See Instructions

1 NAME OF REPORTING PERSON

RMCP GP LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*(a) (b) **3** SEC USE ONLY**4** SOURCE OF FUNDS*

AF (See Item 3)

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

NUMBER OF **7** SOLE VOTING POWER

SHARES

BENEFICIALLY **8** 1,782,500 shares (See Item 5)
SHARED VOTING POWER

OWNED BY

EACH

REPORTING **9** None (See Item 5)
SOLE DISPOSITIVE POWER

PERSON

WITH

10 1,782,500 shares (See Item 5)
SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,782,500 shares (See Item 5)

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

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

6.1% (See Item 5)

14 TYPE OF REPORTING PERSON*

OO Limited Liability Company

* See Instructions

1 NAME OF REPORTING PERSON

Red Mountain Capital Management, Inc.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*(a) (b) **3** SEC USE ONLY**4** SOURCE OF FUNDS*

AF (See Item 3)

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

NUMBER OF **7** SOLE VOTING POWER

SHARES

BENEFICIALLY **8** 1,782,500 shares (See Item 5)
SHARED VOTING POWER

OWNED BY

EACH

REPORTING **9** None (See Item 5)
SOLE DISPOSITIVE POWER

PERSON

WITH

10 1,782,500 shares (See Item 5)
SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,782,500 shares (See Item 5)

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

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

6.1% (See Item 5)

14 TYPE OF REPORTING PERSON*

CO Corporation

* See Instructions

1 NAME OF REPORTING PERSON

Willem Mesdag

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*(a) (b) **3** SEC USE ONLY**4** SOURCE OF FUNDS*

AF (See Item 3)

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6** CITIZENSHIP OR PLACE OF ORGANIZATION

U.S. Citizen

NUMBER OF	7	SOLE VOTING POWER
SHARES		
BENEFICIALLY	8	1,782,500 shares (See Item 5) SHARED VOTING POWER
OWNED BY		
EACH		
REPORTING	9	None (See Item 5) SOLE DISPOSITIVE POWER
PERSON		
WITH	10	1,782,500 shares (See Item 5) SHARED DISPOSITIVE POWER

None (See Item 5)

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,782,500 shares (See Item 5)

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

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

6.1% (See Item 5)

14 TYPE OF REPORTING PERSON*

IN Individual

* See Instructions

This Amendment No. 1 amends and supplements the Schedule 13D filed with the Securities and Exchange Commission (the SEC) on April 8, 2015 (collectively, this Schedule 13D), by (i) Red Mountain Capital Partners LLC, a Delaware limited liability company (RMCP LLC), (ii) Red Mountain Partners, L.P., a Delaware limited partnership (RMP), (iv) RMCP GP LLC, a Delaware limited liability company (RMCP GP), (v) Red Mountain Capital Management, Inc., a Delaware corporation (RMCM), and (vi) Willem Mesdag, a natural person and U.S. citizen, with respect to the common stock, \$0.01 par value per share (Common Stock), of iRobot Corporation, a Delaware corporation (iRobot).

ITEM 2. IDENTITY AND BACKGROUND.

Item 2 of this Schedule 13D is hereby amended and restated as follows:

(a), (c), (f) This Schedule 13D is being jointly filed by (i) RMCP LLC, (ii) RMP, (iii) RMCP GP, (iv) RMCM and (v) Mr. Mesdag. RMCP LLC, RMP and RMCP GP are sometimes collectively referred to herein as Red Mountain. Red Mountain, RMCM and Mr. Mesdag are sometimes collectively referred to herein as the Reporting Persons.

RMP was formed, and its principal business is, to invest in small cap public companies. RMCP GP is the general partner of RMP and thus may be deemed to control RMP. RMCP LLC is the managing member of RMCP GP and thus may be deemed to control RMCP GP and each entity directly or indirectly controlled by RMCP GP. RMCM is the managing member of RMCP LLC and thus may be deemed to control RMCP LLC and each entity directly or indirectly controlled by RMCP LLC. Mr. Mesdag is the president, sole executive officer, sole director and sole shareholder of RMCM and thus may be deemed to control RMCM and each entity directly or indirectly controlled by RMCM (including Red Mountain). The principal business of RMCP LLC is providing investment advisory services to hedge funds and other pooled investment vehicles. The principal business of each of RMCP GP and RMCM is investing in securities. The principal occupation of Mr. Mesdag is serving as an executive officer and Managing Partner of RMCP LLC. He is a U.S. citizen.

Each of J. Christopher Teets and Matthew Hepler (and each of their principal occupations) is serving as an executive officer and Partner of RMCP LLC. None of Mr. Teets or Mr. Hepler controls any Reporting Person. Information regarding Messrs. Teets and Hepler is being included in this Schedule 13D solely for purposes of complying with General Instruction C to Schedule 13D. Each of Messrs. Teets and Hepler is a U.S. citizen.

- (b)** The principal executive offices of Red Mountain and RMCM are located at, and the principal business address of each of Messrs. Mesdag, Teets and Hepler is 10100 Santa Monica Boulevard, Suite 925, Los Angeles, California 90067.
- (d)-(e)** During the last five years, none of the Reporting Persons, Mr. Teets or Mr. Hepler has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person 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.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

The first paragraph of Item 3 of this Schedule 13D is hereby amended and restated as follows:

RMP has purchased an aggregate of 1,782,500 shares of Common Stock on the open market at an aggregate purchase price (excluding trading commissions and related administrative costs) of \$58,656,436. The source of the funds used by RMP to purchase such shares was working capital of RMP.

ITEM 4. PURPOSE OF TRANSACTION.

Item 4 of this Schedule 13D is hereby amended to add the following:

On December 1, 2015, Red Mountain delivered a letter to Colin Angle, iRobot's Chairman and Chief Executive Officer, and iRobot's board of directors (the Board), a copy of which is attached as Exhibit 99.2 hereto and is incorporated by reference herein. In the letter, Red Mountain describes, among other things, iRobot's history of poor stock price performance, lack of capital allocation discipline and shareholder unfriendly corporate governance practices and outlines a value enhancement plan for iRobot that Red Mountain believes will appropriately focus the Company's business on profitable growth and create substantial long-term value for shareholders. In particular, Red Mountain believes that iRobot can substantially increase its operating margins and accelerate profitable growth by immediately implementing the following value enhancement plan:

- (1) Focus on the high-growth Home Robots business and the consumer end-market;
- (2) Explore strategic alternatives for the Defense and Security business;
- (3) Discontinue the Remote Presence business;
- (4) Allocate capital with discipline and an intense focus on risk-adjusted returns; and
- (5) Address significant lapses in corporate governance.

Red Mountain stated in the letter that it expects the Board to implement this plan immediately and to voluntarily add new independent directors to the Board to ensure that shareholder interests are represented in the boardroom. In addition, Red Mountain believes that the Board should consider all other paths to maximize shareholder value, including a sale of iRobot as an alternative to the implementation of the proposed value enhancement plan. Red Mountain also said that it looks forward to a continued constructive dialogue with the Board and management.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

Items 5(a)-(c) of this Schedule 13D are hereby amended and restated as follows:

(a)-(b) RMP beneficially owns, in the aggregate, 1,782,500 shares of Common Stock, which represent approximately 6.1% of the outstanding Common Stock.⁽¹⁾ RMP has the sole power to vote or direct the vote, and the sole power to dispose or direct the disposition, of all such 1,782,500 shares of Common Stock. Because each of RMCP GP, RMCP LLC, RMCM and Mr. Mesdag may be deemed to control RMP, each of RMCP GP, RMCP LLC, RMCM and Mr. Mesdag may be deemed to beneficially own, and to have the power to vote or direct the vote, or dispose or direct the disposition of, all of the Common Stock beneficially owned by RMP.

The filing of this Schedule 13D shall not be construed as an admission that any Reporting Person is the beneficial owner of any of the shares of Common Stock that such Reporting Person may be deemed to beneficially own. Without limiting the foregoing sentence, each of RMCM and Mr. Mesdag disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D. In addition, the filing of this Schedule 13D shall not be construed as an admission that any partner, member, director, officer or affiliate of any Reporting Person is the beneficial owner of any of the shares of Common Stock that such partner, member, director, officer or affiliate may be deemed to beneficially own. Without limiting the foregoing sentence, each of Messrs. Teets and Hepler disclaims beneficial ownership of all shares of Common Stock reported in this Schedule 13D.

⁽¹⁾ All calculations of percentage ownership in this Schedule 13D are based on the 29,069,589 shares of Common Stock outstanding as of October 26, 2015, as reported in the Quarterly Report on Form 10-Q filed by iRobot with the SEC on October 30, 2015.

- (c) The Reporting Persons have not entered into any transactions in the shares of Common Stock during the past sixty days.

ITEM 7. MATERIALS TO BE FILED AS EXHIBITS.

Item 7 is hereby amended to add the following exhibit:

Exhibit No.	Description of Exhibit
99.2	Letter to iRobot's Chairman and Chief Executive Officer and Board of Directors, dated December 1, 2015.

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.

Dated: December 1, 2015

RED MOUNTAIN CAPITAL PARTNERS LLC

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

RED MOUNTAIN PARTNERS, L.P.

By: RMCP GP LLC, its general partner

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

RMCP GP LLC

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

RED MOUNTAIN CAPITAL MANAGEMENT, INC.

/s/ Willem Mesdag
By: Willem Mesdag
Title: Authorized Signatory

WILLEM MESDAG

/s/ Willem Mesdag