

Qumu Corp
Form SC 13D/A
December 21, 2017
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

SCHEDULE 13D

THE SECURITIES EXCHANGE ACT OF 1934

(Amendment No. 4)*

Qumu Corporation
(Name of Issuer)

Common Stock, \$0.01 par value
(Title of Class of Securities)

749063103
(CUSIP Number)

Kevin A. McGovern, Esq.

c/o Harbert Discovery Fund, LP

2100 Third Avenue North

Suite 600

Birmingham, AL 35203

Telephone Number 205-987-5500

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

Notices and Communications)

December 19, 2017
(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 ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

* 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.

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Discovery Fund, LP

CHECK THE
APPROPRIATE

2. BOX IF A (a)

MEMBER OF A
GROUP

(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

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE
9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

1,200,329

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,200,329

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

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

12.8%

14. TYPE OF REPORTING PERSON

PN

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Discovery Fund GP, LLC

CHECK THE
APPROPRIATE

2. BOX IF A (a)
MEMBER OF A
GROUP (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE
9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

1,200,329

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AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

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

12.8%

14. TYPE OF REPORTING PERSON

OO

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Fund Advisors, Inc.

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 ITEMS 2(d)

OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE

9. DISPOSITIVE

POWER

0

10. SHARED DISPOSITIVE POWER

1,200,329

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,200,329

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

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

12.8%

14. TYPE OF REPORTING PERSON

IA, CO

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Harbert Management Corporation

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 ITEMS 2(d)

OR 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Alabama

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE
9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

1,200,329

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,200,329

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

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

12.8%

14. TYPE OF REPORTING PERSON

CO

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Jack Bryant

CHECK THE
APPROPRIATE

2. BOX IF A (a)

MEMBER OF A
GROUP

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

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

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE
9. DISPOSITIVE
POWER

0

10. SHARED DISPOSITIVE POWER

1,200,329

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

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CERTAIN SHARES

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12.8%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Kenan Lucas

CHECK THE
APPROPRIATE

2. BOX IF A (a)

MEMBER OF A
GROUP

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS

AF

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

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

1,200,329

SOLE
9. DISPOSITIVE
POWER

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10. SHARED DISPOSITIVE POWER

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CERTAIN SHARES

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

12.8%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 749063103

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Raymond Harbert

CHECK THE
APPROPRIATE

2. 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 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

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

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SOLE
9. DISPOSITIVE
POWER

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10. SHARED DISPOSITIVE POWER

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AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

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

12.8%

14. TYPE OF REPORTING PERSON

IN

CUSIP No. 749063103

Item 1. Security and Issuer.

The name of the issuer is Qumu Corporation, a Minnesota corporation (the "Issuer"). The address of the Issuer's principal executive offices is 510 1st Avenue North, Suite 305, Minneapolis, Minnesota 55403, United States of America. This Schedule 13D relates to the Issuer's common stock, \$0.01 par value (the "Shares").

Item 2. Identity and Background.

This Schedule 13D is being filed jointly by (i) Harbert Discovery Fund, LP, a Delaware limited partnership (the "Fund"), (ii) Harbert Discovery Fund GP, LLC, a Delaware limited liability company (the "Fund GP"), (iii) (a), Harbert Fund Advisors, Inc., an Alabama corporation ("HFA"), (iv) Harbert Management Corporation, an (f) Alabama corporation ("HMC"), (v) Jack Bryant, a United States citizen, (vi) Kenan Lucas, a United States citizen, and (vii) Raymond Harbert, a United States citizen (collectively, the "Reporting Persons").

(b) The principal business address for each of the Reporting Persons is 2100 Third Avenue North, Suite 600, Birmingham, Alabama 35203.

Jack Bryant and Kenan Lucas, are directors and co-portfolio managers of the Fund GP, which serves as general partner of the Fund. Raymond Harbert is the controlling shareholder, Chairman and Chief Executive Officer of (c) HMC, an alternative asset investment management firm that is the managing member of the Fund GP. Mr. Harbert also serves as the Chairman, Chief Executive Officer and Director of HFA, an indirect, wholly owned subsidiary of HMC, which provides the Fund with certain operational and administrative services. The principal business of the Fund is purchasing, holding and selling securities for investment purposes.

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

(e) None of the Reporting Persons have, 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 were or are 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 funds for the purchase of the Shares by the Fund came from the working capital of the Fund, over which HFA, HMC, the Fund GP, Jack Bryant, Kenan Lucas and Raymond Harbert, through their roles described above in Item 2(c), exercise investment discretion. No borrowed funds were used to purchase the Shares, other than borrowed funds used for working capital purposes in the ordinary course of business. The total costs of the Shares directly owned by Harbert Discovery Fund, LP is approximately \$2,926,796.

Item
4. Purpose of Transaction.

The Reporting Persons purchased the securities of the Issuer reported herein based on their belief that the securities were undervalued and represented an attractive investment opportunity.

On December 19, 2017, the Reporting Persons entered into a Standstill Agreement (the "Standstill Agreement") with the Issuer whereby Kenan Lucas and Neil E. Cox were appointed to the Issuer's Board of Directors to fill vacancies created thereby. Messrs. Lucas and Cox filled vacancies created by the expansion of the Issuer's Board of Directors from seven to nine members. Under the Standstill Agreement, the Issuer has agreed to nominate seven persons for election to the Issuer's Board of Directors at the 2018 Annual Meeting of Shareholders and to cause the authorized number of directors immediately following the 2018 Annual Meeting to remain at seven at all times during the standstill period (as defined in the Standstill Agreement). The Issuer is also obligated to nominate Messrs. Lucas and Cox for election as directors at the 2018 Annual Meeting of Shareholders and to solicit proxies for the election of Messrs. Lucas and Cox in the same manner as the Issuer's other nominees.

Under the Standstill Agreement, the Reporting Persons agreed to appear in person or by proxy at the 2018 Annual Meeting of Shareholders and vote all shares of common stock of the Company beneficially owned by them in favor of the election of each of the Issuer's nominees and in accordance with the Board's recommendation on all other proposals.

Until the date on which the Reporting Persons take any action that results in the Reporting Persons having beneficial ownership in the aggregate of less than 5.0% of the then outstanding common stock of the Issuer, if either of Messrs. Lucas or Cox should resign, be removed or die, the Reporting Persons have the right to replace Messrs. Lucas and Cox with a qualified director substitute, with the qualifications and appointment of any substitute director subject to the provisions of the Standstill Agreement.

The Reporting Persons are also subject to standstill provisions under the Standstill Agreement restricting the Reporting Persons and their affiliates from directly or indirectly taking certain actions in respect of the Issuer or its common stock. Such provisions generally remain in effect for a standstill period ending 30 days prior to the deadline for the submission of shareholder nominations for the Issuer's 2019 Annual Meeting of Shareholders, subject to extension by mutual agreement of the parties. The Standstill Agreement also contains prohibitions on certain dispositions by the Reporting Persons during the standstill period.

The foregoing description is qualified in its entirety by reference to the Standstill Agreement, which is incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Issuer with the Securities and Exchange Commission on December 20, 2017.

The Reporting Persons have had conversations with the Issuer's management regarding possible ways to enhance shareholder value. Subject to its obligations under the Standstill Agreement, the Reporting Persons intend to have additional conversations with the Issuer's management and Board of Directors. These conversations have covered and are expected to continue to cover a range of issues, including those relating to the business of the Issuer; board composition; management; operations; capital allocation; asset allocation; capitalization; dividend policy; financial condition; mergers and acquisitions strategy; overall business strategy; executive compensation; and corporate governance. The Reporting Persons have also had similar conversations with other stockholders of the Issuer and other interested parties, such as industry analysts, existing or potential strategic partners or competitors, investment professionals, and other investors. Consistent with the Standstill Agreement, the Reporting Persons may at any time reconsider and change their intentions relating to the foregoing.

No Reporting Person has any present plan or proposal which would relate to or would result in any of the matters set forth in subparagraphs (a)- (j) of Item 4 of Schedule 13D except as set forth herein or such as would occur upon completion of any of the actions discussed herein. Subject to its obligations under the Standstill Agreement, the Reporting Persons may in the future take one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D and may discuss such actions with the Issuer's management and the Board of Directors, other stockholders of the Issuer, and other interested parties, such as those set out above.

The Reporting Persons intend to review their investments in the Issuer on a continuing basis. Subject to its obligations under the Standstill Agreement, depending on various factors, including, without limitation, the Issuer's financial position and strategic direction, the outcome of the discussions and actions referenced above, actions taken by the Issuer's Board of Directors, price levels of the Common Stock, 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 actions with respect to its investment position in the Issuer as it deems appropriate, including, without limitation, purchasing additional Common Stock or selling some or all of its Common Stock, and/or engaging in hedging or similar transactions with respect to the Common Stock.

Item 5. Interest in Securities of the Issuer.

- (a) - As of the date hereof, (i) HFA, HMC, the Fund GP, the Fund, Jack Bryant, Kenan Lucas and Raymond
- (e) Harbert may be deemed to be the beneficial owners of 1,200,329 Shares, constituting 12.8% of the Shares, based upon *9,390,250 Shares outstanding as of the date hereof.

HFA has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

HMC has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

The Fund GP has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

The Fund has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

Jack Bryant has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

Kenan Lucas has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

Raymond Harbert has the sole power to vote or direct the vote of 0 Shares; has the shared power to vote or direct the vote of 1,200,329 Shares; has the sole power to dispose or direct the disposition of 0 Shares; and has the shared power to dispose or direct the disposition of 1,200,329 Shares.

The Reporting Persons have not transacted in the Shares since the last Schedule 13D.

*This outstanding Shares figure reflects the number of outstanding Shares at November 3, 2017, as reported in the Issuer's Form 10-Q, filed on November 13, 2017

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

Item
6.

Other than the Standstill Agreement, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between the Reporting Persons and any other person, with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Exhibit A:
Joint Filing
Agreement

Exhibit B:
Standstill
Agreement
(incorporated
by reference
to Exhibit
10.1 to the
Form 8-K
filed by the
Issuer with
the Securities
and Exchange
Commission
on December
20, 2017).

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.

December 21, 2017
(Date)

Harbert Discovery Fund, LP

By: Harbert Discovery Fund GP, LLC,
its General Partner

Harbert Management Corporation,
By:
its Managing Member

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Discovery Fund GP, LLC*

Harbert Management Corporation,
By:
its Managing Member

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Fund Advisors, Inc.*

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Management Corporation*

By: /s/ John McCullough
Executive Vice President and General Counsel

By: /s/ Jack Bryant
Jack Bryant

By: /s/ Kenan Lucas

Kenan Lucas

By: /s/ Raymond Harbert
Raymond Harbert

* This reporting person disclaims beneficial ownership of these reported securities except to the extent of its pecuniary interest therein, and this report shall not be deemed an admission that any such person is the beneficial owner of these securities for purposes of Section 16 of the U.S. Securities Exchange Act of 1934, as amended, or for any other purpose.

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

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D, Amendment 4, dated December 21, 2017, relating to the Common Stock, \$0.01 par value of Qumu Corporation shall be filed on behalf of the undersigned.

December 21, 2017
(Date)

Harbert Discovery Fund, LP

By: Harbert Discovery Fund GP, LLC,
its General Partner

Harbert Management Corporation,
By:
its Managing Member

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Discovery Fund GP, LLC

Harbert Management Corporation,
By:
its Managing Member

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Fund Advisors, Inc.

By: /s/ John McCullough
Executive Vice President and General Counsel

Harbert Management Corporation

By: /s/ John McCullough
Executive Vice President and General Counsel

By: /s/ Jack Bryant
Jack Bryant

By: /s/ Kenan Lucas
Kenan Lucas

By: /s/ Raymond Harbert
Raymond Harbert