

CYANOTECH CORP
Form SC 13D/A
August 09, 2016

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934
(Amendment No. 5)*

Cyanotech Corporation

(Name of Issuer)

Common Stock,
par value \$0.02 per share
(Title of Class of Securities)

232437-301 (CUSIP Number)

Scott A Shuda
Meridian OHC Partners, LP
425 Weed Street
New Canaan, CT 06840

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

August 9, 2016

(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.

* 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. 13D
232437-301

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

Meridian OHC
Partners, LP
46-3724228

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

(a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

5. WC 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	7.	SOLE VOTING POWER
		0

REPORTING PERSON WITH	8.	SHARED VOTING POWER
		677,340
	9.	SOLE DISPOSITIVE POWER
	10.	0 SHARED DISPOSITIVE POWER
		677,340

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

749,610
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
12. (11) EXCLUDES
CERTAIN
SHARES
(see instructions)
PERCENT OF
CLASS
13. REPRESENTED
BY AMOUNT IN
ROW (11)

14. 13.3%
TYPE OF
REPORTING
PERSON (see
instructions)

PN

CUSIP No. 13D
232437-301

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

2. Meridian TSV II,
LP
45-2531394
CHECK THE
APPROPRIATE
BOX IF A
MEMBER OF A
GROUP
(see instructions)

3. (a)
(b)
SEC USE ONLY

4. SOURCE OF
FUNDS (see
instructions)

5. WC
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
SHARES VOTING
BENEFICIALLY OWNED BY POWER

EACH REPORTING PERSON WITH	8.	0 SHARED VOTING POWER
	9.	25,000 SOLE DISPOSITIVE POWER
	10.	0 SHARED DISPOSITIVE POWER
		25,000

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

749,610
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
12. (11) EXCLUDES
CERTAIN
SHARES
(see instructions)
PERCENT OF
CLASS
13. REPRESENTED
BY AMOUNT IN
ROW (11)

14. 13.3%
TYPE OF
REPORTING
PERSON (see
instructions)

PN

CUSIP No. 13D
232437-301

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

2. TSV Investment
Partners, LLC
27-1033220
CHECK THE
APPROPRIATE
BOX IF A
MEMBER OF A
GROUP
(see instructions)

3. (a)
(b)
SEC USE ONLY

4. SOURCE OF
FUNDS (see
instructions)

5. WC
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
SHARES VOTING
BENEFICIALLY OWNED BY POWER

EACH REPORTING PERSON WITH	8.	0 SHARED VOTING POWER
	9.	687,125 SOLE DISPOSITIVE POWER
	10.	0 SHARED DISPOSITIVE POWER
		687,125

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

749,610
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
12. (11) EXCLUDES
CERTAIN
SHARES
(see instructions)
PERCENT OF
CLASS
13. REPRESENTED
BY AMOUNT IN
ROW (11)

14. 13.3%
TYPE OF
REPORTING
PERSON (see
instructions)

PN

CUSIP No. 13D
232437-301

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

2. BlueLine Capital
Partners II, LP
20-4921646
CHECK THE
APPROPRIATE
BOX IF A
MEMBER OF A
GROUP
(see instructions)

3. (a)
(b)
SEC USE ONLY

4. SOURCE OF
FUNDS (see
instructions)

5. WC
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
SHARES VOTING
BENEFICIALLY OWNED BY POWER

EACH REPORTING PERSON WITH	8.	0 SHARED VOTING POWER
	9.	47,270 SOLE DISPOSITIVE POWER
	10.	0 SHARED DISPOSITIVE POWER
		47,270

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

749,610
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
12. (11) EXCLUDES
CERTAIN
SHARES
(see instructions)
PERCENT OF
CLASS
13. REPRESENTED
BY AMOUNT IN
ROW (11)

14. 13.3%
TYPE OF
REPORTING
PERSON (see
instructions)

PN

CUSIP No. 13D
232437-301

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

BlueLine Partners,
LLC
20-2141854
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

2. (a)
(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS (see instructions)

5. WC
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 7. SOLE VOTING POWER

EACH REPORTING PERSON WITH	8.	0 SHARED VOTING POWER
	9.	47,270 SOLE DISPOSITIVE POWER
	10.	0 SHARED DISPOSITIVE POWER
		47,270

11. AGGREGATE
AMOUNT
BENEFICIALLY
OWNED BY EACH
REPORTING
PERSON

749,610
CHECK BOX IF
THE AGGREGATE
AMOUNT IN ROW
12. (11) EXCLUDES
CERTAIN
SHARES
(see instructions)
PERCENT OF
CLASS
13. REPRESENTED
BY AMOUNT IN
ROW (11)

14. 13.3%
TYPE OF
REPORTING
PERSON (see
instructions)

PN

Item 1. Security and Issuer.

No change.

Item 2. Identity and Background.

No change.

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

No change.

Item 4. Purpose of Transaction.

The following supplements the information provided in prior Schedule 13D filings by the Reporting entities.

It is now three months since the company's board of directors received Meridian's May 6 letter detailing a long pattern of apparent securities law and corporate governance improprieties at Cyanotech. It has been two months since the board engaged a law firm to investigate the alleged misconduct and a week since the August 2, 2016 date that the board informed Meridian it expected the investigation to be completed. Other than initiating the investigation, Meridian is aware of no action Cyanotech's board has taken over the last three months to correct the misconduct alleged in the May 6 letter.

Instead, Cyanotech's board has initiated new actions that indicate a continuing disregard for maintaining even an appearance of good governance practices. On July 15, 2016, Cyanotech's board of directors filed a proxy statement relating to the Company's annual meeting of stockholders to be held for the purpose of electing directors to serve for the next year.

Meridian does not understand how Cyanotech's board members can believe they are satisfying their fiduciary duties to the stockholders by holding a meeting for the purpose of electing directors while the board is withholding from the shareholders information in its possession on the alleged misconduct of one of the board's nominees. For whose benefit and for what purpose did the board undertake the investigation if not to inform and protect the interests of the company's stockholders?

As Meridian has previously noted, the schedule that has been established by Cyanotech's board is to conduct the stockholders' meeting on August 25, 2016 and then for the company to file an answer to the allegations contained within Meridian's derivative shareholder lawsuit on August 26, 2016. The company's answer will be accessible to the public. Cyanotech's board has thus created a situation where the company's stockholders may be able to obtain material information on the investigation – information that is known by the Company's board and highly relevant to shareholders who are being asked to exercise their voting rights at the annual meeting – but only after the deadline has passed for voting their shares.

If the company's board proceeds with this schedule, it will be hard to imagine a more blatant demonstration of its disregard for not just good governance practices at a public company but the outside Cyanotech shareholders that this board has a legal duty represent.

ACCORDINGLY, MERIDIAN BELIEVES THAT THE CYANOTECH BOARD MUST SUPPLEMENT ITS PROXY STATEMENT TO DISCLOSE THE RESULTS OF THE INTERNAL INVESTIGATION AND MUST ADJOURN THE ANNUAL MEETING UNTIL THE COMPANY'S STOCKHOLDERS HAVE BEEN GIVEN SUFFICIENT TIME TO OBTAIN AND CONSIDER THIS INFORMATION WHICH IS NECESSARY FOR THEM

TO CAST INFORMED VOTES.

Meridian is always interested in hearing from fellow stockholders and has created a special email address to help Cyanotech stockholders contact us.

Email Meridian at: moredalgae@meridianohc.com

FORWARD-LOOKING STATEMENTS

This filing contains "forward-looking statements" within the meaning of the federal securities laws. All statements other than statements of historical facts contained in this report, including statements regarding Meridian's beliefs about Cyanotech's prospects, product market position, future revenues and future stock price, are forward-looking statements. In many cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or other similar words.

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These forward-looking statements are only predictions. These statements relate to future events and involve known and unknown risks, uncertainties and other important factors that may cause Cyanotech's actual results, levels of activity, performance or achievements to materially differ from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Actual results may differ materially due to action or inaction by Cyanotech's board of directors and management, Cyanotech's inability to overcome its production problems and other risks, some of which may be unknown. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as guarantees of future events.

The forward-looking statements in this report represent the views of the Reporting Entities as of the date of this filing. Subsequent events and developments may cause those views to change.

Item 5. Interest in Securities of the Issuer.

No change.

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

Pursuant to Rule 13d-1(k) promulgated under the Act, the Reporting Entities have entered into an agreement with respect to the joint filing of this statement, and any amendment or amendments hereto. A copy of such agreement was filed as Exhibit A to the Schedule 13D filing of the Reporting entities on May 9, 2016.

Item 7. Material to Be Filed as Exhibits.

Exhibit A – Joint Filing Agreement dated May 9, 2016, signed by each of the Reporting Entities in order to confirm that this Schedule 13D is being filed on behalf of each of the Reporting Entities.(1).

(1) Incorporated by reference to Schedule 13D filed on May 9, 2016.

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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.

Meridian OHC Partners, L.P.

By: TSV Investment Partners, L.L.C.

Its: General Partner

By: /s/ Scott Shuda

Name: Scott Shuda

Title: Managing Director

Meridian TSV II, L.P.

By: TSV Investment Partners, L.L.C.

Its: General Partner

By: /s/ Scott Shuda

Name: Scott Shuda

Title: Managing Director

TSV Investment Partners, L.L.C.

By: /s/ Scott Shuda

Name: Scott Shuda

Title: Managing Director

BlueLine Capital Partners II, L.P.

By: BlueLine Partners, L.L.C.

Its: General Partner

By: /s/ Scott Shuda

Name: Scott Shuda

Title: Managing Director

BlueLine Partners, L.L.C.

By: /s/ Scott Shuda

Name: Scott Shuda

Title: Managing Director