

KINGSWAY FINANCIAL SERVICES INC  
Form SC 13D/A  
September 13, 2016

**SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**SCHEDULE 13D**

**(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)**

**Under the Securities Exchange Act of 1934**

**(Amendment No. 2)\***

**Kingsway Financial Services Inc.**  
(Name of Issuer)

**Common Stock, no par value**  
(Title of Class of Securities)

**496904202**  
(CUSIP Number)

**D. Kyle Cerminara**

**Fundamental Global Investors, LLC**

**4201 Congress Street, Suite 140**

**Charlotte, North Carolina 28209**

**(704) 323-6851**

**With a copy to:**

**Derek D. Bork**

**Thompson Hine LLP**

**3900 Key Center**

**127 Public Square**

**Cleveland, Ohio 44114**

**(216) 566-5500**

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

**September 7, 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.

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\* 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*).

NAME OF  
REPORTING  
PERSON

**1**

**Fundamental  
Global  
Investors,  
LLC**  
CHECK  
THE  
APPROPRIATE  
BOX IF A MEMBER (a) ..  
OF A (b) ..  
GROUP

**2**

SEC USE  
ONLY

**3**

SOURCE  
OF FUNDS

**4**

**AF**  
CHECK IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED ..  
PURSUANT  
TO ITEM  
2(d) or 2(e)

**5**

CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

**6**

**North  
Carolina**

SOLE  
VOTING  
POWER

**7**

**0**  
SHARED  
VOTING  
POWER

**8**

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

**1,867,487**  
SOLE  
DISPOSITIVE  
POWER

**9**

**0**  
SHARED  
DISPOSITIVE  
POWER

**10**

**1,867,487**

**11** AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
REPORTING PERSON

**12** **1,867,487**  
CHECK IF " "  
THE  
AGGREGATE  
AMOUNT  
IN ROW  
(11)  
EXCLUDES  
CERTAIN  
SHARES

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

**14** **9.4%**  
TYPE OF  
REPORTING  
PERSON

**OO**

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NAME OF  
REPORTING  
PERSON

**1**

**Fundamental  
Global  
Partners,  
LP**

CHECK  
THE  
APPROPRIATE

**2**

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

**3**

SEC USE  
ONLY

**4**

SOURCE  
OF FUNDS

**5**

**WC**  
CHECK IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED\*\*  
PURSUANT  
TO ITEM  
2(d) or 2(e)

**6**

CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

**Delaware**

|   |   |          |
|---|---|----------|
|   | SOLE<br>VOTING<br>POWER   | <b>7</b> |
|   | <b>0</b><br>SHARED<br>VOTING<br>POWER   |          |
| NUMBER OF<br>SHARES<br>BENEFICIALLY<br>OWNED BY<br>EACH<br>REPORTING<br>PERSON WITH | <b>8</b>  |          |
|   | <b>557,808</b><br>SOLE<br>DISPOSITIVE<br>POWER  |          |
|   | <b>9</b>  |          |
|   | <b>0</b><br>SHARED<br>DISPOSITIVE<br>POWER  |          |
|   | <b>10</b>   |          |
|   | <b>557,808</b><br>AGGREGATE<br>AMOUNT<br>BENEFICIALLY<br>OWNED BY<br>REPORTING PERSON |          |
| <b>11</b>   |   |          |
|   | <b>557,808</b><br>CHECK IF<br>THE<br>AGGREGATE<br>AMOUNT<br>IN ROW<br>(11)        "   |          |
| <b>12</b>   | EXCLUDES<br>CERTAIN<br>SHARES   |          |
| <b>13</b>   | PERCENT<br>OF CLASS   |          |

REPRESENTED  
BY  
AMOUNT  
IN ROW  
(11)

**2.8%**  
TYPE OF  
REPORTING  
PERSON

**14**

**PN**



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NAME OF  
REPORTING  
PERSON

**1**

**Fundamental  
Global  
Partners  
Master  
Fund, LP**

CHECK  
THE  
APPROPRIATE  
BOX IF A (a) ..  
**2** MEMBER (b) ..  
OF A  
GROUP

**3**

SEC USE  
ONLY

**4**

SOURCE  
OF FUNDS

**5**

**WC**  
CHECK IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED\*\*  
PURSUANT  
TO ITEM  
2(d) or 2(e)

**6**

CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

**Cayman  
Islands**

SOLE  
VOTING  
POWER

**7**

**0**  
SHARED  
VOTING  
POWER

**8**

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

**1,295,679**  
SOLE  
DISPOSITIVE  
POWER

**9**

**0**  
SHARED  
DISPOSITIVE  
POWER

**10**

**1,295,679**

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
REPORTING PERSON

**11**

**1,295,679**  
CHECK IF  
THE  
AGGREGATE  
AMOUNT  
IN ROW  
(11) ..  
EXCLUDES  
CERTAIN  
SHARES

**12**

**13**

PERCENT  
OF CLASS  
REPRESENTED  
BY  
AMOUNT  
IN ROW  
(11)

**6.5%**  
TYPE OF  
REPORTING  
PERSON

**14**

**PN**

CUSIP No. **496904202 13D** Page 5 of 11 Pages

NAME OF  
REPORTING  
PERSON

**1**

**FGI Global  
Asset  
Allocation  
Fund, Ltd.**

CHECK  
THE  
APPROPRIATE

**2**

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

**3**

SEC USE  
ONLY

**4**

SOURCE  
OF FUNDS

**5**

**WC**  
CHECK IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED\*\*  
PURSUANT  
TO ITEM  
2(d) or 2(e)

**6**

CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

**Cayman  
Islands**

SOLE  
VOTING  
POWER

**7**

**0**  
SHARED  
VOTING  
POWER

**8**

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

**5,770**  
SOLE  
DISPOSITIVE  
POWER

**9**

**0**  
SHARED  
DISPOSITIVE  
POWER

**10**

**5,770**

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
REPORTING PERSON

**11**

**5,770**  
CHECK IF  
THE  
AGGREGATE  
AMOUNT  
IN ROW  
(11) ..  
EXCLUDES  
CERTAIN  
SHARES

**12**

**13**

PERCENT  
OF CLASS  
REPRESENTED  
BY  
AMOUNT  
IN ROW  
(11)

**0.03%**  
TYPE OF  
REPORTING  
PERSON

14

**OO**

CUSIP No. **496904202 13D** Page 6 of 11 Pages

NAME OF  
REPORTING  
PERSON

**1**            **FGI Global  
Asset  
Allocation  
Master  
Fund, LP**  
CHECK  
THE  
APPROPRIATE  
BOX IF A    (a) ..  
**2**            MEMBER    (b) ..  
OF A  
GROUP

**3**            SEC USE  
ONLY

**4**            SOURCE  
OF FUNDS

**5**            **WC**  
CHECK IF  
DISCLOSURE  
OF LEGAL  
PROCEEDINGS  
IS  
REQUIRED ..  
PURSUANT  
TO ITEM  
2(d) or 2(e)

**6**            CITIZENSHIP  
OR PLACE  
OF  
ORGANIZATION

**Cayman  
Islands**

SOLE  
VOTING  
POWER

**7**

**0**  
SHARED  
VOTING  
POWER

**8**

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

**8,230**  
SOLE  
DISPOSITIVE  
POWER

**9**

**0**  
SHARED  
DISPOSITIVE  
POWER

**10**

**8,230**

AGGREGATE  
AMOUNT  
BENEFICIALLY  
OWNED BY  
REPORTING PERSON

**11**

**8,230**  
CHECK IF  
THE  
AGGREGATE  
AMOUNT  
IN ROW  
(11) ..  
EXCLUDES  
CERTAIN  
SHARES

**12**

**13**



PERCENT  
OF CLASS  
REPRESENTED  
BY  
AMOUNT  
IN ROW  
(11)

**0.04%**  
TYPE OF  
REPORTING  
PERSON

14

PN

This Amendment No. 2 to Statement of Beneficial Ownership on Schedule 13D (this “Amendment No. 2”) amends the Statement of Beneficial Ownership on Schedule 13D filed by the Reporting Persons on December 10, 2014, as amended to date (the “Schedule 13D,” and as further amended by this Amendment No. 2, this “Statement”), with respect to the Common Stock, no par value (the “Common Stock”), of Kingsway Financial Services Inc., an Ontario, Canada corporation (the “Company”). Capitalized terms used but not defined in this Amendment No. 2 shall have the meanings set forth in the Schedule 13D. Except as amended and supplemented by this Amendment No. 2, the Schedule 13D remains unchanged.

## **Item 2. Identity and Background.**

This Statement is filed by (i) Fundamental Global Partners, LP, a Delaware limited partnership (“FGPP”), (ii) Fundamental Global Partners Master Fund, LP, a Cayman Islands exempted limited partnership (“FGPM”), (iii) FGI Global Asset Allocation Fund, Ltd., a Cayman Islands exempted company (“FGAA”), (iv) FGI Global Asset Allocation Master Fund, LP, a Cayman Islands exempted limited partnership (“FGGM”), (v) Fundamental Global Investors, LLC, a North Carolina limited liability company, (vi) FGI International USVI, LLC, a U.S. Virgin Islands limited liability company, (vii) FGI Funds Management, LLC, a Florida limited liability company, (viii) Mr. D. Kyle Cerminara, (ix) Mr. Lewis M. Johnson, and (x) Mr. Joseph H. Moglia.

The foregoing entities and persons are sometimes referred to herein individually as a “Reporting Person” and collectively as the “Reporting Persons.” The Reporting Persons are filing this Statement jointly. Neither the fact of this filing nor anything contained herein shall be deemed to be an admission by any of the Reporting Persons that they constitute a “group.”

The principal business of each of FGPP, FGPM, FGAA and FGGM is serving as a private investment fund. The principal business of Fundamental Global Investors, LLC is to serve as a registered investment advisor. The principal business of FGI International USVI, LLC is to provide investment advisory services, including to FGAA. The principal business of FGI Funds Management, LLC is to provide investment advisory services, including to FGPP, FGPM and FGGM, as the relying advisor to Fundamental Global Investors LLC. The principal occupation of Mr. Moglia is serving as Chairman of TD Ameritrade, Head Football Coach for Coastal Carolina University, and Chairman of Fundamental Global Investors, LLC. The principal occupation of Mr. Cerminara is serving as an investment manager and advisor, and Mr. Cerminara is also the Chief Executive Officer and Executive Chairman of the Board of Directors of Ballantyne Strong, Inc., a Delaware corporation (“BTN”). The principal occupation of Mr. Johnson is serving as an investment manager and advisor. Each of Messrs. Moglia, Cerminara and Johnson is a U.S. citizen.

The business address of each of FGPP, Fundamental Global Investors, LLC and Mr. Moglia is 4201 Congress Street, Suite 140, Charlotte, North Carolina 28209. The business address of FGPM, FGAA and FGGM is c/o Maples Corporate Services Limited, P.O. Box 309, Uglund House, Grand Cayman, KY1-1104 Cayman Islands. The business

address of FGI International USVI, LLC is One Hibiscus Alley, 5093 Dronningens Gade, Suite 1, St. Thomas, U.S. Virgin Islands 00802. The business address of FGI Funds Management, LLC is 9045 Strada Stell Court, Suite 106, Naples, Florida 34109. The business addresses for Mr. Cerminara are c/o Fundamental Global Investors, LLC, 4201 Congress Street, Suite 140, Charlotte, North Carolina 28209; c/o Ballantyne Strong, Inc., 13710 FNB Parkway, Suite 400, Omaha, Nebraska 68154; and 131 Plantation Ridge Dr., Suite 100, Mooresville, North Carolina 28117. The business addresses for Mr. Johnson are c/o CWA Asset Management Group, LLC, 9045 Strada Stell Court, Suite 106, Naples, Florida 34109 and c/o Fundamental Global Investors, LLC, 4201 Congress Street, Suite 140, Charlotte, North Carolina 28209.

Mr. D. Kyle Cerminara is the Chief Executive Officer, Partner and Manager of Fundamental Global Investors, LLC and the Chief Executive Officer and Executive Chairman of the Board of Directors of BTN. Mr. Lewis M. Johnson is the President, Partner and Manager of Fundamental Global Investors, LLC. Mr. Joseph H. Moglia is Chairman and Partner of Fundamental Global Investors, LLC. Messrs. Cerminara and Johnson are the Managers of FGI Funds Management, LLC.

BTN is a Delaware corporation, with its principal executive offices located at 13710 FNB Parkway, Suite 400, Omaha, Nebraska 68154. BTN and its subsidiaries engage in diverse business activities including the design, integration and installation of technology solutions for a broad range of applications; development and delivery of out-of-home messaging, advertising and communications; manufacturing of projection screens; and providing managed services including monitoring of networked equipment. BTN focuses on serving the cinema, retail, financial, and government markets.

None of the Reporting Persons or any of their partners, managers, officers or other controlling persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

None of the Reporting Persons or any of their partners, managers, officers or other controlling 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.

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

The total cost for purchasing the Common Stock reported as owned by the Reporting Persons, including brokerage commissions, was approximately as follows: FGPP, \$2,954,315; FGPM, \$7,413,510; FGAA, \$27,880; and FGGM, \$40,197. The source of these funds was working capital.

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

(a) The Reporting Persons beneficially own in the aggregate 1,867,487 shares of Common Stock, which represents approximately 9.4% of the Company's outstanding shares of Common Stock.

Each of FGPP, FGPM, FGAA, and FGGM directly holds the number and percentage of shares of Common Stock disclosed as beneficially owned by it in the applicable table set forth on the cover page to this Statement. None of the other Reporting Persons directly hold any of the shares of Common Stock disclosed in this Statement.

In addition, CWA Asset Management Group, LLC (doing business as “Capital Wealth Advisors”) holds 153,125 shares of Common Stock for the accounts of individual investors, which represents approximately 0.8% of the Company’s outstanding shares of Common Stock. CWA Asset Management Group, LLC provides wealth management, estate planning and family office services to individual investors. Fundamental Global Investors, LLC owns 50% of CWA Asset Management Group, LLC.

Each percentage ownership of shares of Common Stock set forth in this Statement is based on the 19,842,806 shares of Common Stock reported by the Company as outstanding as of August 4, 2016 in its Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission with respect to its quarterly period ended June 30, 2016.

Fundamental Global Investors, LLC may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGPP, FGPM, FGAA and FGGM. FGI International USVI, LLC, as the investment manager to FGAA, may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGAA. FGI Funds Management, LLC, as the investment manager to FGPP, FGPM and FGGM, may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGPP, FGPM and FGGM. As principals of FGI International USVI, LLC, Messrs. Cerminara and Johnson may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGAA. As principals of FGI Funds Management, LLC, Messrs. Cerminara and Johnson may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGPP, FGPM and FGGM. As principals of Fundamental Global Investors, LLC, Messrs. Moglia, Cerminara and Johnson may be deemed to beneficially own the shares of Common Stock disclosed as directly owned by FGPP, FGPM, FGAA and FGGM. Each of Messrs. Cerminara, Johnson and Moglia expressly disclaim such beneficial ownership.

(b) Each of FGPP, FGPM, FGAA, and FGGM beneficially owns, and has the shared power to direct the voting and disposition of, the shares of Common Stock disclosed as beneficially owned by it in the applicable table set forth on the cover page to this Statement. Fundamental Global Investors, LLC has the shared power to direct the voting and disposition of the shares of Common Stock held by FGPP, FGPM, FGAA and FGGM. FGI International USVI, LLC, as the investment manager of FGAA, has the shared power to direct the voting and disposition of the shares of Common Stock held by FGAA. FGI Funds Management, LLC, as the investment manager of FGPP, FGPM and FGGM, has the shared power to direct the voting and disposition of the shares of Common Stock held by FGPP, FGPM and FGGM. Messrs. Cerminara and Johnson, as principals of FGI International USVI, LLC, may be deemed to have the shared power to direct the voting and disposition of the shares of Common Stock held by FGAA. Messrs. Cerminara and Johnson, as principals of FGI Funds Management, LLC, may be deemed to have the shared power to direct the voting and disposition of the shares of Common Stock held by FGPP, FGPM and FGGM. Messrs. Moglia, Cerminara and Johnson, as principals of Fundamental Global Investors, LLC, may be deemed to have the shared power to direct the voting and disposition of the shares of Common Stock held by FGPP, FGPM, FGAA and FGGM.

(c) The transactions effected by each of the Reporting Persons in the Common Stock during the past 60 days are set forth on Schedule A to this Statement. Each of these transactions was effected through the open market.

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

Pursuant to Rule 13d-1(k) promulgated under the Securities Exchange Act of 1934, as amended, the Reporting Persons have entered into an agreement with respect to the joint filing of this Amendment No. 2, which agreement is set forth on the signature page to this Statement.

**SIGNATURE**

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this Statement is true, complete and correct.

In accordance with Rule 13d-1(k)(1)(iii) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of this Statement on Schedule 13D with respect to the Common Stock of the Company.

Dated: September 13, 2016

FUNDAMENTAL GLOBAL INVESTORS, LLC

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Chief Executive Officer, Partner and Manager

FUNDAMENTAL GLOBAL PARTNERS, LP,  
by Fundamental Global Partners GP, LLC, its general partner

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Partner and Manager

FUNDAMENTAL GLOBAL PARTNERS MASTER FUND, LP,  
by FG Partners GP, LLC, its general partner

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Manager

FGI GLOBAL ASSET ALLOCATION FUND, LTD.

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Director

FGI GLOBAL ASSET ALLOCATION MASTER FUND, LP,  
by FGI Global Asset Allocation GP, LLC, its general partner

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Manager

FGI INTERNATIONAL USVI, LLC

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Manager



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FGI FUNDS MANAGEMENT, LLC

/s/ D. Kyle Cerminara  
D. Kyle Cerminara  
Manager

/s/ D. Kyle Cerminara  
D. Kyle Cerminara

/s/ Lewis M. Johnson  
Lewis M. Johnson

/s/ Joseph H. Moglia  
Joseph H. Moglia

**Schedule A**

Transactions by Fundamental Global Partners, LP and Fundamental Global Partners Master Fund, LP  
in the Common Stock in the past 60 days:

**Fundamental Global Partners, LP:**

| <u>Transaction Date</u> | <u>Number of Shares<br/>Bought/(Sold)</u> | <u>Average Price<br/>Per Share (\$)</u> |
|-------------------------|---|---|
| 8/22/2016               | 3,000                                     | \$5.5426                                |
| 8/23/2016               | 3,000                                     | \$5.5713                                |
| 8/24/2016               | 3,000                                     | \$5.6576                                |
| 8/25/2016               | 3,000                                     | \$5.6898                                |
| 8/30/2016               | 6,000                                     | \$5.6276                                |
| 9/02/2016               | 3,000                                     | \$5.6946                                |
| 9/07/2016               | 9,000                                     | \$5.8185                                |

(Continued on the next page.)

Fundamental Global Partners Master Fund, LP:

| <u>Transaction Date</u> | <u>Number of Shares<br/>Bought/(Sold)</u> | <u>Average Price<br/>Per Share (\$)</u> |
|-------------------------|---|---|
| 8/22/2016               | 7,000                                     | \$5.5426                                |
| 8/23/2016               | 7,000                                     | \$5.5713                                |
| 8/24/2016               | 7,000                                     | \$5.6576                                |
| 8/25/2016               | 7,000                                     | \$5.6898                                |
| 8/30/2016               | 14,000                                    | \$5.6276                                |
| 9/02/2016               | 7,000                                     | \$5.6946                                |
| 9/07/2016               | 21,000                                    | \$5.8185                                |