

SPECIAL DIVERSIFIED OPPORTUNITIES INC.  
Form SC 13D/A  
February 10, 2016

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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**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)**

(Amendment No. 2)

Special Diversified Opportunities Inc.

(Name of Issuer)

Common Stock, par value \$0.01 per share

(Title of Class of Securities)

84740Q101

(CUSIP Number)

Bryant R. Riley

B. RILEY & CO., LLC

11100 Santa Monica Blvd., Suite 800

Los Angeles, CA 90025

(310) 966-1444

(Name, Address and Telephone Number of Person

Authorized to Receive Notices and Communications)

February 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 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.

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1	NAME OF REPORTING PERSONS
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
2	B. Riley & Co., LLC CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
3	(a) <input type="checkbox"/>
	(b) <input checked="" type="checkbox"/>
	SEC USE ONLY
4	SOURCE OF FUNDS*
5	WC CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION
NUMBER OF	Delaware
SHARES	SOLE VOTING POWER
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7
	- 0 -
	SHARED VOTING POWER
	8
	3,504,172
	9 SOLE DISPOSITIVE POWER

- 0 -

SHARED DISPOSITIVE POWER

10

3,504,172  
AGGREGATE AMOUNT  
BENEFICIALLY OWNED BY  
EACH REPORTING PERSON

11

3,504,172  
CHECK BOX IF THE  
AGGREGATE AMOUNT IN ROW  
(11) EXCLUDES CERTAIN  
SHARES\*   
PERCENT OF CLASS  
REPRESENTED BY AMOUNT IN  
ROW (11)

12

13

16.7%  
TYPE OF REPORTING PERSON\*

14

BD

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1	NAME OF REPORTING PERSONS
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)
2	B. Riley Financial, Inc. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*
3	(a) <input type="checkbox"/>
	(b) <input checked="" type="checkbox"/>
	SEC USE ONLY
4	SOURCE OF FUNDS*
5	AF CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) <input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION
NUMBER OF	Delaware
SHARES	SOLE VOTING POWER
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7
	- 0 -
	SHARED VOTING POWER
	8
	3,504,172

SOLE DISPOSITIVE POWER

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- 0 -

SHARED DISPOSITIVE POWER

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

12

13

16.7%

TYPE OF REPORTING PERSON\*

14

HC

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The following constitutes Amendment No. 2 to the Schedule 13D filed by the undersigned (“Amendment No. 2”). This Amendment No. 2 amends the Schedule 13D as specifically set forth herein.

Item 2. Identity and Background.

Item 2 is hereby amended and restated as follows:

(a) This statement is filed by B. Riley & Co., LLC, a Delaware limited liability company (“BRC”), and B. Riley Financial, Inc., a Delaware corporation (“BRF”). Each of the foregoing is referred to as a “Reporting Person” and collectively as the “Reporting Persons.” Each of the Reporting Persons is party to that certain Joint Filing Agreement as further described in Item 6. Accordingly, the Reporting Persons are hereby filing a joint Schedule 13D.

BRF is the parent company of BRC. By virtue of this relationship, BRF may be deemed to beneficially own the Shares owned directly by BRC.

Set forth on Schedule A annexed hereto (“Schedule A”) is the name and present principal business, occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted of the executive officers and directors of BRF. To the best of the Reporting Persons’ knowledge, except as otherwise set forth herein, none of the persons listed on Schedule A beneficially owns any securities of the Issuer or is a party to any contract, agreement or understanding required to be disclosed herein

(b) The address of the principal office of BRC is 11100 Santa Monica Blvd., Suite 800, Los Angeles, CA 90025. The address of the principal office of BRF is 21860 Burbank Blvd., Suite 300 South, Woodland Hills, CA 91367.

(c) The principal business of BRC is acting as a brokerage firm. The principal business of BRF is providing collaborative financial services and solutions.

(d) No Reporting Person nor any person listed on Schedule A has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) No Reporting Person nor any person listed on Schedule A has, during the last five years, been 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.

(f) BRC and BRF are organized under the laws of the State of Delaware.

Item 5. Interest in Securities of the Issuer.

Item 5 is hereby amended and restated to read as follows:

- (a) The aggregate percentage of Shares reported owned by each person named herein is based upon 21,027,640 Shares outstanding as of October 31, 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 13, 2015.



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As of the close of business on the date hereof, BRC owned directly 3,504,172 Shares, constituting approximately 16.7% of the Shares outstanding. BRF, as the parent company of BRC, may be deemed to beneficially own the 3,504,172 Shares directly owned by BRC. BRF does not directly own any securities of the Issuer.

The filing of this Schedule 13D shall not be construed as an admission that the Reporting Persons are, for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, the beneficial owners of any of the securities reported herein. Each of the Reporting Persons specifically disclaims beneficial ownership of the securities reported herein that are not directly owned by such Reporting Person.

(b) Each of BRC and BRF may be deemed to have shared power to vote or direct the vote of, and to dispose or direct the disposition of, the Shares owned directly by BRC.

(c) There have been no transactions in the Shares by the Reporting Persons since the filing of Amendment No. 1 to the Schedule 13D.

(d) No person other than the Reporting Persons is known to have the right to receive, or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares.

(e) Not applicable.

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

Item 6 is hereby amended to add the following:

On February 9, 2016, each of the Reporting Persons entered into a Joint Filing Agreement (the "Joint Filing Agreement") in which the parties agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

Other than as described herein, 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.

Item 7 is hereby amended to add the following:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Joint Filing Agreement by and among B. Riley & Co., LLC and B. Riley Financial, Inc., dated February 9, 2016.

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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: February  
10, 2016

B. RILEY & CO.,  
LLC

By: /s/ Bryant  
R. Riley  
Name: Bryant R.  
Riley  
Title: Chairman

B. RILEY  
FINANCIAL,  
INC.

/s/ Bryant  
R. Riley  
Bryant R.  
Riley  
Chairman



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Name and Position	Present Principal Occupation	Business Address
Bryant R. Riley, Chairman and Chief Executive Officer	Portfolio Manager of BRC Partners Opportunity Fund, LP, Chief Executive Officer of B. Riley Capital Management, LLC, Chairman of B. Riley & Co., LLC and Chief Executive Officer of B. Riley Financial, Inc.	11100 Santa Monica Blvd. Suite 800 Los Angeles, CA 90025
Andrew Gumaer, Chief Executive Officer of Great American Group, LLC and Director	Chief Executive Officer of Great American Group, LLC, a subsidiary of B. Riley Financial, Inc.	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367
Thomas J. Kelleher, President and Director	President of B. Riley Financial, Inc. and Chief Executive Officer of B. Riley & Co., LLC	11100 Santa Monica Blvd. Suite 800 Los Angeles, CA 90025
Robert D'Agostino, Director	President of Q-mation, Inc., a supplier of software solutions	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367
Mikel Williams, Director	Director of B. Riley Financial, Inc.	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367
Richard L. Todaro, Director	President of Todaro Capital, an investment management company	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367
Kenneth M. Young, Director	President and Chief Executive Officer of Lightbridge Communications Corporation, a telecom services company	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367

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Phillip J. Ahn, Chief Financial Officer and Chief Operating Officer	Chief Financial Officer and Chief Operating Officer of B. Riley Financial, Inc.	21860 Burbank Blvd., Suite 300 South Woodland Hills, CA 91367
Alan N. Forman, Executive Vice President, General Counsel and Secretary	Executive Vice President, General Counsel and Secretary of B. Riley Financial, Inc.	590 Madison Avenue, 29th Floor New York, NY 10022

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**Exhibit 99.1**

**JOINT FILING AGREEMENT**

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 a Statement on Schedule 13D (including additional amendments thereto) with respect to the shares of Common Stock, par value \$0.01, of Special Diversified Opportunities, Inc. This Joint Filing Agreement shall be filed as an Exhibit to such Statement.

Dated: February  
9, 2016

B. RILEY & CO., LLC

By: /s/ Bryant R. Riley  
Name: Bryant R. Riley  
Title: Chairman

B. RILEY FINANCIAL, INC.

By: /s/ Bryant R. Riley  
Name: Bryant R. Riley  
Title: Chief Executive Officer