

PICO HOLDINGS INC /NEW  
Form SC 13D  
February 09, 2015

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

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO  
§ 240.13d-2(a)

(Amendment No. )1

PICO Holdings, Inc.

(Name of Issuer)

Common Stock, par value \$0.001 per share  
(Title of Class of Securities)

693366205

(CUSIP Number)

KELLY CARDWELL  
CENTRAL SQUARE MANAGEMENT LLC  
1813 N. Mill Street, Suite F  
Naperville, IL 60563  
(630) 210-8923

STEVE WOLOSKY  
OLSHAN FROME WOLOSKY LLP  
Park Avenue Tower  
65 East 55th Street  
New York, New York 10022  
(212) 451-2300

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

February 6, 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 §§ 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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1 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. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE CAPITAL LP

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		568,275
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		568,275

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

568,275

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

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

2.5%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE CAPITAL MASTER LP

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

3 SEC USE ONLY

4 SOURCE OF FUNDS

WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

CAYMAN ISLANDS

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		582,079
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		582,079

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

582,079

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

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

2.5%

14 TYPE OF REPORTING PERSON

PN

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE GP LLC

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 ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		568,275
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		568,275

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

568,275

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

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

2.5%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE GP II LLC

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 ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		582,079
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		582,079

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

582,079

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

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

2.5%

14 TYPE OF REPORTING PERSON

OO

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

CENTRAL SQUARE MANAGEMENT LLC

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 ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

DELAWARE

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
		- 0 -
	8	SHARED VOTING POWER
		1,150,354
	9	SOLE DISPOSITIVE POWER
		- 0 -
	10	SHARED DISPOSITIVE POWER
		1,150,354

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,150,354

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

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

5.0%

14 TYPE OF REPORTING PERSON

IA

CUSIP NO. 693366205

1 NAME OF REPORTING PERSON

KELLY CARDWELL

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 ITEM 2(d) OR 2(e)

6 CITIZENSHIP OR PLACE OF ORGANIZATION

USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER
	8	-0- SHARED VOTING POWER
	9	1,150,354 SOLE DISPOSITIVE POWER
	10	-0- SHARED DISPOSITIVE POWER

1,150,354

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,150,354

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

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

5.0%

14 TYPE OF REPORTING PERSON

IN



CUSIP NO. 693366205

The following constitutes the Schedule 13D filed by the undersigned (the "Schedule 13D").

Item 1. Security and Issuer.

This statement relates to the common stock, par value \$0.001 per share (the "Shares"), of PICO Holdings, Inc., a California corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 7979 Ivanhoe Avenue, Suite 300, La Jolla, California 92037.

Item 2. Identity and Background.

(a) This statement is filed by:

- (i) Central Square Capital LP, a Delaware limited partnership ("Central Square Capital");
- (ii) Central Square Capital Master LP, a Cayman Islands limited partnership ("Central Square Master");
- (iii) Central Square GP LLC, a Delaware limited liability company ("Central Square GP"), which serves as the general partner of Central Square Capital;
- (iv) Central Square GP II LLC, a Delaware limited liability company ("Central Square GP II"), which serves as the general partner of Central Square Master;
- (v) Central Square Management LLC, a Delaware limited liability company ("Central Square Management"), which serves as the investment manager of each of Central Square Capital and Central Square Master; and
- (vi) Kelly Cardwell, who serves as the managing member of each of Central Square GP, Central Square GP II and Central Square Management.

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.

(b) The address of the principal office of each of the Reporting Persons is 1813 N. Mill Street, Suite F, Naperville, IL 60563.

(c) The principal business of each of Central Square Capital and Central Square Master is investing in securities. The principal business of Central Square GP is serving as the general partner of Central Square Capital. The principal business of Central Square GP II is serving as the general partner of Central Square Master. The principal business of Central Square Management is serving as the investment manager of each of Central Square Capital and Central Square Master. The principal occupation of Mr. Cardwell is serving as the managing member of each of Central Square GP, Central Square GP II and Central Square Management.

(d) No Reporting Person has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

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(e) No Reporting Person 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) Mr. Cardwell is a citizen of the United States of America.

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

The Shares purchased by each of Central Square Capital and Central Square Master were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market purchases, except as otherwise noted, as set forth in Schedule A, which is incorporated by reference herein. The aggregate purchase price of the 568,275 Shares directly owned by Central Square Capital is approximately \$11,615,024, including brokerage commissions. The aggregate purchase price of the 582,079 Shares directly owned by Central Square Master is approximately \$11,782,465, including brokerage commissions.

Item 4. Purpose of Transaction.

The Reporting Persons purchased the Shares based on the Reporting Persons' belief that the Shares, when purchased, were undervalued and represented an attractive investment opportunity. Depending upon overall market conditions, other investment opportunities available to the Reporting Persons, and the availability of Shares at prices that would make the purchase or sale of Shares desirable, the Reporting Persons may endeavor to increase or decrease their position in the Issuer through, among other things, the purchase or sale of Shares on the open market or in private transactions or otherwise, on such terms and at such times as the Reporting Persons may deem advisable.

No Reporting Person has any present plan or proposal which would relate to or 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 or in connection with completion of, or following, any of the actions discussed herein. The Reporting Persons intend to review their investment in the Issuer on a continuing basis. Depending on various factors including, without limitation, the Issuer's financial position and investment strategy, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the Reporting Persons may in the future take such actions with respect to their investment in the Issuer as they deem appropriate including, without limitation, engaging in communications with management and the Board of Directors of the Issuer, engaging in discussions with stockholders of the Issuer and others about the Issuer and the Reporting Persons' investment, making proposals to the Issuer concerning changes to the capitalization, ownership structure, board structure (including board composition) or operations of the Issuer, purchasing additional Shares, selling some or all of their Shares, engaging in short selling of or any hedging or similar transaction with respect to the Shares, or changing their intention with respect to any and all matters referred to in Item 4.

Item 5. Interest in Securities of the Issuer.

The aggregate percentage of Shares reported owned by each person named herein is based upon 23,004,618 Shares outstanding, as of December 22, 2014, which is the total number of Shares outstanding as reported in the Issuer's Prospectus on Form 424B3, filed with the Securities and Exchange Commission on December 24, 2014.

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A. Central Square Capital

(a) As of the close of business on February 6, 2015, Central Square Capital directly owned 568,275 Shares.

Percentage: Approximately 2.5%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 568,275
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 568,275

(c) The transactions in the Shares by Central Square Capital during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

B. Central Square Master

(a) As of the close of business on February 6, 2015, Central Square Master directly owned 582,079 Shares.

Percentage: Approximately 2.5%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 582,079
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 582,079

(c) The transactions in the Shares by Central Square Master during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

C. Central Square GP

(a) Central Square GP, as the general partner of Central Square Capital, may be deemed the beneficial owner of the 568,275 Shares owned by Central Square Capital.

Percentage: Approximately 2.5%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 568,275
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 568,275

(c) Central Square GP has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Central Square Capital during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

D. Central Square GP II

(a) Central Square GP II, as the general partner of Central Square Master, may be deemed the beneficial owner of the 582,079 Shares owned by Central Square Master.

Percentage: Approximately 2.5%

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- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 582,079
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 582,079

(c) Central Square GP II has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Central Square Master during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

E. Central Square Management

(a) Central Square Management, as the investment manager of each of Central Square Capital and Central Square Master, may be deemed the beneficial owner of the (i) 568,275 Shares owned by Central Square Capital and (ii) 582,079 Shares owned by Central Square Master.

Percentage: Approximately 5.0%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 1,150,354
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 1,150,354

(c) Central Square Management has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of Central Square Capital and Central Square Master during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

F. Mr. Cardwell

(a) Mr. Cardwell, as the managing member of each of Central Square GP, Central Square GP II and Central Square Management, may be deemed the beneficial owner of the (i) 568,275 Shares owned by Central Square Capital and (ii) 582,079 Shares owned by Central Square Master.

Percentage: Approximately 5.0%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 1,150,354
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 1,150,354

(c) Mr. Cardwell has not entered into any transactions in the Shares during the past 60 days. The transactions in the Shares on behalf of each of Central Square Capital and Central Square Master during the past 60 days are set forth in Schedule A and are incorporated herein by reference.

The Reporting Persons, as members of a "group" for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such Shares except to the extent of his or its pecuniary interest therein.



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(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.

On February 9, 2015, the Reporting Persons entered into a Joint Filing Agreement in which the Reporting Persons agreed to the joint filing on behalf of each of them of statements on Schedule 13D with respect to securities of the Issuer, to the extent required by applicable law. A copy of this agreement is attached 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.

99.1 Joint Filing Agreement by and among Central Square Capital LP, Central Square Capital Master LP, Central Square GP LLC, Central Square GP II LLC, Central Square Management LLC and Kelly Cardwell, dated February 9, 2015.

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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 9, 2015

Central Square Capital LP

By: Central Square GP LLC  
General Partner

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square Capital Master LP

By: Central Square GP II LLC  
General Partner

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square GP LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square GP II LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

Central Square Management LLC

By: /s/ Kelly Cardwell  
Name: Kelly Cardwell  
Title: Managing Member

/s/ Kelly Cardwell  
Kelly Cardwell





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## SCHEDULE A

## Transactions in the Shares During the Past Sixty Days

Shares of Common Stock Purchased/(Sold)	Price Per Share(\$)	Date of Purchase / Sale
CENTRAL SQUARE CAPITAL LP		
1,175	17.4929	12/10/2014
3,910	17.4332	12/12/2014
4,680	17.8790	01/06/2015
1,141	17.5450	01/07/2015
2,496	17.8008	01/08/2015
1,934	17.5932	01/09/2015
4,960	17.0865	01/14/2015
1,229	17.0000	01/14/2015
744	16.9657	01/15/2015
6,944	16.6884	01/20/2015
2,754	16.0878	01/21/2015
1,587	16.0000	01/21/2015
595	16.2213	01/22/2015
1,538	16.2487	01/23/2015
413	16.1000	01/26/2015
854	16.2625	01/27/2015
4,539	16.0190	01/28/2015
4,960	16.0000	01/28/2015
1,389	16.0338	01/29/2015
9,920	15.9983	01/30/2015
1,337	16.2321	02/06/2015

## CENTRAL SQUARE CAPTIAL MASTER LP

1,084	17.4929	12/10/2014
3,610	17.4332	12/12/2014
8,000	18.9562	12/31/2014
2,285	18.8400	12/31/2014
5,000	18.7379	01/02/2015
100	18.9400	01/02/2015
5,000	18.5512	01/05/2015
1,907	18.3436	01/05/2015
30,320	17.8790	01/06/2015
1,159	17.5450	01/07/2015



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2,537	17.8008	01/08/2015
1,966	17.5932	01/09/2015
5,040	17.0865	01/14/2015
1,249	17.0000	01/14/2015
756	16.9657	01/15/2015
7,056	16.6884	01/20/2015
2,798	16.0878	01/21/2015
1,613	16.0000	01/21/2015
605	16.2213	01/22/2015
1,562	16.2487	01/23/2015
420	16.1000	01/26/2015
867	16.2625	01/27/2015
4,612	16.0190	01/28/2015
5,040	16.0000	01/28/2015
1,411	16.0338	01/29/2015
10,080	15.9983	01/30/2015
2,234	16.1395	02/04/2015
100	16.0000	02/05/2015
3,663	16.2321	02/06/2015