

QUALSTAR CORP
Form SC 13D/A
February 21, 2014

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 13D/A

(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. 3)

Qualstar Corporation
(Name of Issuer)

Common Stock
(Title of Class of Securities)

74758R109
(CUSIP Number)

Lloyd I. Miller, III, 222 Lakeview Avenue, Suite 160-365,
West Palm Beach, Florida, 33401 (Tel.) (561) 287-5399
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

February 14, 2014
(Date of Event which Requires Filing of this Statement)

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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.

(Continued on following pages)

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¹ 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 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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NAME OF REPORTING PERSON

1

Lloyd I. Miller, III

(a) ..

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

2

(b) ..

SEC USE ONLY

3

SOURCE OF FUNDS*

4

PF-AF-OO

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

6 CITIZENSHIP OR PLACE OF ORGANIZATION

United States

**NUMBER OF
SHARES** **7 SOLE VOTING POWER**
1,335,192

BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8
0

OWNED BY

EACH

9
1,335,192

REPORTING

PERSON

10
0

WITH

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,335,192

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

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
10.9%

14 TYPE OF REPORTING PERSON*
IN-OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

SCHEDULE 13D/A3

This constitutes Amendment No. 3 to the statement on Schedule 13D (the "Amendment No. 3") filed on behalf of Lloyd I. Miller III ("Mr. Miller" or the "Reporting Person"), dated and filed September 27, 2012 (as amended from time to time, the "Statement"), relating to the common stock (the "Common Stock"), of Qualstar Corporation (the "Company"). The Company's principal executive offices are located at 3990-B Heritage Oak Court, Simi Valley, CA 93063. This Amendment No. 3 is being filed to report that, since the filing of Amendment No. 2 to the Statement, a material change occurred in the percentage of shares of Common Stock beneficially owned by Mr. Miller. Unless specifically amended or modified hereby, the disclosure set forth in the Statement shall remain unchanged.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of the Statement is hereby amended and restated in its entirety as follows:

Mr. Miller is the managing member of Milfam LLC ("Milfam LLC"), an Ohio limited liability company established pursuant to the Operating Agreement of Milfam LLC dated as of December 10, 1996, and Milfam LLC is the advisor to Trust A-3 ("Trust A-3"), Trust A-4 and Trust C ("Trust C" and, collectively with Trust A-3 and Trust A-4, the "Trusts"). The Trusts were created pursuant to an Amended and Restated Trust Agreement, dated September 20, 1983 (the "Trust Agreement"). Pursuant to a Declaratory Judgment Order, entered on November 20, 1992 in the Court of Common Pleas, Probate Division, Hamilton County, Ohio, Trust A was split into four separate trusts, two of which are Trust A-3 and Trust A-4. The Trusts were further reformed by Order of the Delaware Chancery Court dated December 29, 2010 pursuant to which Milfam LLC was appointed advisor to the Trusts. All of the shares of Common Stock purchased by Trust A-3 were purchased with funds generated and held by Trust A-3. The aggregate purchase price for the shares of Common Stock purchased by Trust A-3 was approximately \$11,444.00. All of the shares of Common Stock purchased by Trust A-4 were purchased with funds generated and held by Trust A-4. The aggregate purchase price for the shares of Common Stock purchased by Trust A-4 was approximately \$1,031,798.00. All of the shares of Common Stock purchased by Trust C were purchased with funds generated and held by Trust C. The aggregate purchase price for the shares of Common Stock purchased by Trust C was approximately \$92,214.00.

Milfam LLC is the general partner of Milfam II L.P. ("Milfam II"), a Georgia limited partnership established pursuant to a partnership agreement for Milfam II L.P., dated December 11, 1996. All of the shares of Common Stock Mr. Miller is deemed to beneficially own as the manager of the general partner of Milfam II were purchased with money contributed to Milfam II by its partners or money generated and held by Milfam II. The aggregate purchase price for the shares of Common Stock purchased by Milfam II was approximately \$1,234,687.00.

Mr. Miller is the manager of LIMFAM LLC (f/k/a Milfam NG LLC) ("LIMFAM LLC"), a Delaware limited liability company. All of the shares of Common Stock Mr. Miller is deemed to beneficially own as the manager for LIMFAM LLC were purchased with funds generated and held by LIMFAM LLC. The aggregate purchase price for the shares of Common Stock Mr. Miller is deemed to beneficially own as manager of LIMFAM LLC was approximately \$33,936.00.

Mr. Miller is the manager of Milfam III LLC (“Milfam III”), a Delaware limited liability company established pursuant to the Limited Liability Company Agreement for Milfam III, dated October 10, 2012. All of the shares of Common Stock Mr. Miller is deemed to beneficially own as the manager for Milfam III were purchased with funds generated and held by Milfam III. The aggregate purchase price for the shares of Common Stock Mr. Miller is deemed to beneficially own as manager of Milfam III was approximately \$74,567.00.

The aggregate purchase prices set forth in this Item 3 include brokerage commissions and reflect certain cost basis adjustments.

Item 5. Interest in Securities of the Issuer

Item 5 of the Statement is hereby amended and restated in its entirety as follows:

(a) Mr. Miller may be deemed to beneficially own 1,335,192 shares of Common Stock, which is equal to approximately 10.9% of the outstanding shares, based on 12,253,117 shares of Common Stock outstanding, as reported in the Company’s Form 10-Q filed on February 13, 2014. As of the date hereof, 6,295 of the shares of Common Stock beneficially owned by Mr. Miller are owned of record by Trust A-3, 637,486 of the shares of Common Stock beneficially owned by Mr. Miller are owned of record by Trust A-4, 65,400 of the shares of Common Stock beneficially owned by Mr. Miller are owned of record by Trust C, 564,111 of such beneficially owned shares of Common Stock are owned of record by Milfam II, 41,900 of such beneficially owned shares of Common Stock are owned of record by Milfam III, and 20,000 of such beneficially owned shares of Common Stock are owned of record by LIMFAM LLC.

(b) Mr. Miller may be deemed to have sole voting and dispositive power for all such shares of Common Stock held of record by Trust A-3, Trust A-4, Trust C, Milfam II, Milfam III and LIMFAM LLC.

(c) The following table details the transactions effected by Mr. Miller in the past 60 days.

Trust A-4		
Date of Transaction	Number of Shares Purchased	Price Per Share
February 14, 2014	22,200	\$1.35
February 14, 2014	230,282	\$1.4147
February 19, 2014	25,200	\$1.35
February 20, 2014	26,700	\$1.35

(d) Persons other than Mr. Miller have the right to receive and the power to direct the receipt of dividends from, or the proceeds from the sale of, the reported securities.

(e) Not Applicable.

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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.

Dated: February 21, 2014

By: /s/ Lloyd I. Miller, III

Lloyd I. Miller, III

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