

GULF ISLAND FABRICATION INC
Form SC 13D
March 22, 2018

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

GULF ISLAND FABRICATION, INC.
(Name of Issuer)

Common Stock, No Par Value
(Title of Class of Securities)

402307102
(CUSIP Number)

Garrett Lynam
Kokino LLC
201 Tresser Boulevard, 3rd Floor
Stamford, CT 06901
(203) 595-4552
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 21, 2018
(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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box

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 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

CUSIP No. 402307102

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NAMES OF REPORTING PERSONS

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

1

Piton Capital Partners LLC
47-3106673

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

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS (SEE
INSTRUCTIONS)

4

OO

CHECK BOX IF DISCLOSURE OF
LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEM 2(D) OR 2(E)

5

CITIZENSHIP OR PLACE OF
ORGANIZATION

6

Delaware

SOLE VOTING POWER

7

1,071,700 shares of Common Stock ⁽¹⁾

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

-0-

SOLE DISPOSITIVE POWER

9

1,071,700 shares of Common Stock ⁽¹⁾

SHARED DISPOSITIVE POWER

10

-0-

11 AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON

1,071,700 shares of Common Stock ⁽¹⁾

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

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

7.1% of outstanding shares of Common
Stock ⁽²⁾

14 TYPE OF REPORTING PERSON (SEE
INSTRUCTIONS)

OO

(1) See Item 2 and Item 5.

(2) This calculation is rounded to the nearest tenth and is based upon 15,043,068 shares of common stock outstanding as of March 9, 2018, as reported in the Issuer's Definitive Proxy Statement on Schedule 14A filed on March 22, 2018 (File No.: 001-34279).

Item 1. Security and Issuer.

This statement on Schedule 13D relates to shares of common stock, no par value, of Gulf Island Fabrication, Inc., a Louisiana corporation (the "Company" or the "Issuer"). The Company's principal executive offices are located at 16225 Park Ten Place, Suite 280, Houston, Texas.

Item 2. Identity and Background.

(a) This Schedule 13D is being filed on behalf of Piton Capital Partners LLC (the "Reporting Person"). Voting and dispositive power with respect to the shares of the Issuer's common stock held by the Reporting Person (the "Shares") is exercised by its investment manager, Kokino LLC, a Delaware limited liability company ("Kokino" and, together with Robert Averick and the Reporting Person, the "Kokino Investors"). The actual trading, voting, investment strategy and decision-making processes with respect to the Shares reported in this Schedule 13D as being beneficially owned by the Reporting Person (including voting and dispositive power) are directed by Robert Averick, who is an employee of Kokino and the portfolio manager of the Reporting Person's investment in the Shares. As a result, Kokino and Mr. Averick may be deemed to share voting and dispositive power with respect to all Shares held by the Reporting Person.

(b) The business address of the Reporting Person is:

c/o Kokino LLC

201 Tresser Boulevard, 3rd Floor

Stamford, Connecticut 06901

Attention: Garrett Lynam

The principal business of the Reporting Person is to act as a pooled investment vehicle for various "Family Clients" (as defined in Investment Advisers Act Rule 202(a)(11)(G)-1 (the "Family Office Rule")) of Kokino, (c) which is a single family office that provides investment management services only to Jonathan Sackler, his family and other Family Clients of Kokino, including the Reporting Person with respect to the Shares.

The Reporting Person is managed by its managing member, Piton Capital Management LLC, a Delaware limited liability company ("PCM"). PCM is in turn managed by its managing member, Kokino (which is also a Delaware limited liability company). Additionally, Kokino is the trading manager of the Reporting Person, and in that capacity Kokino acts on behalf of the Reporting Person as an agent. Robert Averick, in his capacity as an employee of Kokino, manages the Reporting Person's investment in the Shares. The business address of PCM and Mr. Averick is the same as the Reporting Person's and Kokino's. Also, Mr. Averick is a U.S. citizen.

During the five years preceding the date of this filing, none of the Kokino Investors or PCM, nor, to their knowledge, any manager or executive officer of any of the Kokino Investors or PCM or any person controlling the Kokino Investors or PCM, has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) 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.

(f) The Reporting Person is a Delaware limited liability company.

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

As of March 22, 2018, the Reporting Person had purchased an aggregate of 1,071,700 Shares over the course of various prior purchases totaling approximately \$12 million.

Shares reported herein as beneficially owned by the Reporting Person are held from time to time in margin accounts established with the Reporting Person's prime broker(s). Therefore, a portion of the purchase price for the Shares may be obtained through margin borrowing. Such Shares are held by the Reporting Person in one or more commingled margin account(s), which may extend margin credit to the Reporting Person from time to time subject to applicable federal margin regulations, stock exchange rules and the prime brokers' credit policies. Eligible positions held in the margin account are then pledged as collateral for the repayment of debit balances in the account. The Reporting Person used cash on hand to fund the portion of the purchase price for the Shares that were not obtained through margin borrowing.

Item 4. Purpose of Transaction.

The Reporting Person acquired the Shares because it believes the Shares are undervalued and represent an attractive investment opportunity.

The Reporting Person's representatives (which includes Robert Averick, other employees of Kokino and Kokino's advisers) intend to have discussions with the Issuer's representatives (including its board of directors and management) regarding topics including: (1) board composition, size and expenses, (2) management incentive plan, (3) possible sale of operating divisions and/or the Issuer, (4) possible expense savings opportunities, (5) risk management practices, (6) capital structure, and (7) capital allocation. The Reporting Person's representatives may also speak with the Issuer regarding the Issuer's strategy, governance, business and operations, and improving the performance of the Issuer's stock.

In addition, the Reporting Person may engage in communications regarding the items above with other shareholders of the Issuer, knowledgeable industry or market observers, industry participants, or other persons.

The Reporting Person intends to review its investment in the Issuer on an ongoing basis. The Reporting Person may take a number of actions to maximize the value of its investment, including increasing or decreasing the size of its investment in the Issuer. The actions taken by the Reporting Person to maximize the value of its investment will depend upon numerous factors, including, among other things, the price and availability of securities of the Issuer; subsequent developments affecting the Issuer; the Issuer's business and prospects; general stock market and money market and economic conditions; tax considerations; ongoing evaluation of the Issuer's business, financial condition, operations, prospects and strategic alternatives; the relative attractiveness of alternative business and investment opportunities; the attitudes and actions of the board of directors and management of the Issuer; and other factors deemed relevant.

Notwithstanding anything to the contrary herein, the Reporting Person specifically reserves the right to exercise any and all of its rights as a shareholder of the Issuer in a manner consistent with its equity interests, including, without limitation, those matters described in subparagraphs (a) through (j) of Item 4 of Schedule 13D, namely: (i) the acquisition by any person of any additional securities of the Issuer, or the disposition of securities of the Issuer; (ii) an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Issuer or any of its subsidiaries; (iii) the sale or transfer of a material amount of assets of the Issuer or any of its subsidiaries; (iv) any change in the present board of directors or management of the Issuer, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board; (v) any material change in the present capitalization or dividend policy of the Issuer; (vi) any other material change in the Issuer's business or corporate structure; (vii) changes in the Issuer's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the Issuer by any person; (viii) causing a class of securities of the Issuer to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association; (ix) a class of equity security of the Issuer becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934; or (x) any action similar to any of those enumerated above.

The foregoing list of intentions, plans, strategies, discussions, activities and potential transactions under consideration is subject to termination, evolution, modification or change at any time, without notice, and there can be no assurance that the Reporting Person will take any of the actions set forth above.

Except as provided above in this Item 4, the Reporting Person does not have any plans or proposals with respect to any extraordinary corporate transaction involving the Issuer or any sale of its assets or any change in the Issuer's board of directors, management, capitalization, dividend policy, charter or by-laws, or any other change in its business or corporate structure or with respect to the delisting or deregistration of any of its securities, including, without limitation, those matters described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

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Item 5. Interest in Securities of the Issuer.

	Shares Beneficially Owned by Reporting Person ¹	Percent of Class ²
(a) and (b) Sole Voting Power	1,071,700	7.1%
Shared Voting Power	-0-	0%
Sole Dispositive Power	1,071,700	7.1%
Shared Dispositive Power	-0-	0%
Aggregate Voting and Dispositive Power	1,071,700	7.1%

Information concerning transactions in the Shares effected by the Reporting Person during the past sixty days is set forth in Exhibit A hereto and is incorporated herein by reference. All of the transactions in Shares listed hereto were effected in the open market through various brokerage entities.

Except as described in this Schedule 13D (including Item 2(a) and the footnotes to Items 5(a) and 5(b)), to the knowledge of the Reporting Person, only the Reporting Person has the right to receive or the power to direct the receipt of dividends from, or proceeds from the sale of, the Shares reported on this Schedule 13D.

(e) Not applicable.

¹ The Reporting Person is a pooled investment vehicle formed for the benefit of a single family and certain "key employees" (as defined in the Family Office Rule) of Kokino. The Reporting Person is managed by its managing member, PCM. PCM is in turn managed by its managing member, Kokino. Additionally, Kokino is the trading manager of the Reporting Person, and in that capacity Kokino acts on behalf of the Reporting Person as an agent. Robert Averick, in his capacity as an employee of Kokino, manages the Reporting Person's investment in the Shares. PCM and Kokino are each a "family office" (as defined in the Family Office Rule) of the same family, and any voting power or investment power PCM, Kokino or Mr. Averick may hold over the Shares is ultimately attributed to the Reporting Person reporting on this Schedule 13D.

² This calculation is rounded to the nearest tenth and is based upon 15,043,068 shares of common stock outstanding as of March 9, 2018, as reported in the Issuer's Definitive Proxy Statement on Schedule 14A filed on March 22, 2018 (File No.: 001-34279).

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

The Reporting Person holds a portion of its assets, which may include some of the Issuer's securities, in prime brokerage accounts at one or more institutions, which accounts provide the Reporting Person with access to margin or other financing. The customer and related agreements governing such accounts generally provide the broker counterparty with security, collateral or similar rights of possession, sale or offset with respect to such account assets in the event of a customer default. Such agreements generally also provide the counterparty with rights to lend assets held in such account, in some cases without advance or other notification to the customer. To the extent the Issuer's securities owned by the Reporting Person are held from time to time in such prime broker accounts, they may be subject to such counterparty rights.

Other than as set forth in this Schedule 13D, there are no contracts, arrangements, understandings or relationships between the Reporting Person (including PCM, Kokino and Mr. Averick) and any other person with respect to the securities of the Issuer.

Item 7. Material to be Filed as Exhibits.

Exhibit A: Transactions in the Shares During the Last 60 Days

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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.

Dated: March 22, 2018

Piton Capital Partners LLC

By: Piton Capital Management
LLC, its managing member

By: Kokino LLC, its managing
member

By: /s/ Douglas Kline
Name: Douglas Kline
Title: Chief Operating Officer

EXHIBIT A

Transactions in the Shares During the Last 60 Days

The following table sets forth all transactions in the Shares effected in the past sixty days by the Reporting Person. All such transactions were effected in the open market through various brokerage entities, and the reported price per share excludes brokerage commissions. The Reporting Person undertakes to provide upon request by the SEC staff full information regarding the number of Shares purchased or sold at each separate price.

<u>Trade Date</u>	<u>Shares Purchased</u> <u>(Sold)</u>	<u>Weighted Average Price Per Share</u> <u>(\$)</u>	<u>Max Price Per Share</u> <u>(\$)</u>	<u>Min Price Per Share</u> <u>(\$)</u>
1/19/2018	2,169	13.2396	13.2500	13.1500
1/22/2018	1,512	13.2331	13.2500	13.1750
1/29/2018	1,856	13.2500	13.2500	13.2500
1/30/2018	5,301	13.2214	13.2500	13.1500
1/31/2018	10,143	13.1059	13.2500	12.9000
2/1/2018	2,201	12.9455	12.9500	12.9000
2/2/2018	12,339	12.9486	12.9500	12.9000
2/5/2018	6,960	12.8516	12.9500	12.7500
2/6/2018	4,400	12.3986	12.4000	12.3500
2/9/2018	20,600	12.3779	12.4000	12.3500
2/13/2018	7,900	11.9730	12.0500	11.9000
2/14/2018	2,802	11.9384	12.0000	11.9000
2/15/2018	1,511	11.9897	12.0000	11.9500
2/16/2018	3,837	12.0000	12.0000	12.0000
2/20/2018	12,150	11.8697	12.0000	11.6000
2/21/2018	7,000	11.6021	11.7000	11.5500
2/22/2018	2,500	11.5565	11.6000	11.5500
2/23/2018	7,387	11.4353	11.5000	11.3500
2/26/2018	3,413	11.3059	11.4000	11.2750
2/27/2018	26,500	9.3375	10.0000	8.7250
3/1/2018	13,000	8.2143	8.4000	8.1500
3/2/2018	4,000	8.2409	8.2500	8.1500
3/5/2018	3,200	8.1923	8.2500	8.1500
3/6/2018	10,360	8.1175	8.1500	8.0000
3/7/2018	7,150	8.1297	8.1500	8.1000
3/8/2018	4,700	8.0910	8.1000	8.0750
3/9/2018	5,390	8.0040	8.1000	7.9000
3/13/2018	2,200	8.1500	8.1500	8.1500
3/15/2018	5,200	7.8471	7.8500	7.8000
3/16/2018	4,800	7.8000	7.8000	7.8000
3/19/2018	2,000	7.7815	8.2500	7.7000
3/20/2018	9,700	8.2778	8.4000	8.1500

