

HANDLEMAN CO /MI/  
Form SC 13G/A  
February 14, 2011  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934  
(Amendment No. 1)\*

Handleman Company  
(Name of Issuer)

Common Shares, \$.01 par value  
(Title of Class of Securities)

410252100  
(CUSIP Number)

December 31, 2010  
(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)  
 Rule 13d-1(c)  
 Rule 13d-1(d)

\*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).

1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities only)

Black Horse Capital LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)  T  
(b)  £

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER
		0
	6.	SHARED VOTING POWER
		440,463
	7.	SOLE DISPOSITIVE POWER
		0
	8.	SHARED DISPOSITIVE POWER
		440,463

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

440,463

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  £  
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

2.1%

12. TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities only)

Black Horse Capital (QP) LP

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) T  
(b) £

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER	0
	6.	SHARED VOTING POWER	178,129
	7.	SOLE DISPOSITIVE POWER	0
	8.	SHARED DISPOSITIVE POWER	178,129

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

178,129

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES £  
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

0.9%

12. TYPE OF REPORTING PERSON

PN

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1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities only)

Black Horse Capital Master Fund Ltd.

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)  T  
(b)  £

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER
		0
	6.	SHARED VOTING POWER
		319,038
	7.	SOLE DISPOSITIVE POWER
		0
	8.	SHARED DISPOSITIVE POWER
		319,038

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

319,038

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  £  
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

1.6%

12. TYPE OF REPORTING PERSON

CO

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1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities only)

Black Horse Capital Management LLC

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a)  T  
(b)  £

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER
		0
	6.	SHARED VOTING POWER
		937,630
	7.	SOLE DISPOSITIVE POWER
		0
	8.	SHARED DISPOSITIVE POWER
		937,630

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

937,630

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES  £  
CERTAIN SHARES



11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.6%

12. TYPE OF REPORTING PERSON

OO

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1 NAME OF REPORTING PERSONS  
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (Entities only)

Dale Chappell

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

(a) T  
(b) £

3. SEC USE ONLY

4. CITIZENSHIP OR PLACE OF ORGANIZATION

United States

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	5.	SOLE VOTING POWER  0
	6.	SHARED VOTING POWER  937,630
	7.	SOLE DISPOSITIVE POWER  0
	8.	SHARED DISPOSITIVE POWER  937,630

9. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

937,630

10. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES £  
CERTAIN SHARES

11. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

4.6%

12. TYPE OF REPORTING PERSON

IN, HC

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This Amendment No. 1 is filed with respect to the shares of the common stock, having \$.01 par value (the “Common Stock”), of Handleman Company (“Issuer”), beneficially owned by the Reporting Persons (as defined below) as of December 31, 2010 and amends and supplements the Schedule 13G filed on December 28, 2009 (collectively, the “Schedule 13G”). Except as set forth herein, the Schedule 13G is unmodified.

The names of the persons filing this statement on Schedule 13G are (collectively, the “Reporting Persons”):

- Black Horse Capital LP, a Delaware limited partnership (“Domestic Fund”),
- Black Horse Capital (QP) LP, a Delaware limited partnership (“QP Fund”),
- Black Horse Capital Master Fund Ltd., a Cayman Islands exempt company (“Offshore Fund”),
- Black Horse Capital Management LLC, a Delaware limited liability company (“BH Management”), and
  - Dale Chappell, a United States citizen (“Mr. Chappell”).

Item 4 Ownership

4(a) Amount beneficially owned:

Domestic Fund individually beneficially owns 440,463 shares of Common Stock.

QP Fund individually beneficially owns 178,129 shares of Common Stock.

Offshore Fund individually beneficially owns 319,038 shares of Common Stock.

BH Management beneficially owns the shares of Common Stock owned by Domestic Fund, QP Fund and Offshore Fund.

Mr. Chappell is deemed to beneficially own the 937,630 shares of Common Stock beneficially owned by BH Management.

Collectively, the Reporting Persons beneficially own 937,630 shares of Common Stock.

4(b) Percent of Class:

Domestic Fund individually beneficially owns 440,463 shares of Common Stock representing 2.1% of the outstanding Common Stock.

QP Fund individually beneficially owns 178,129 shares of Common Stock representing 0.9% of the outstanding Common Stock.

Offshore Fund individually beneficially owns 319,038 shares of Common Stock representing 1.6% of the outstanding Common Stock.

BH Management beneficially owns 937,630 shares of Common Stock owned by Domestic Fund, QP Fund and Offshore Fund representing 4.6% of the outstanding Common Stock.

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Mr. Chappell beneficially owns the 937,630 shares of Common Stock beneficially owned by BH Management representing 4.6% of the outstanding Common Stock.

The Reporting Persons collectively beneficially own 937,630 shares of Common Stock representing 4.6% of the outstanding Common Stock.

4(c) Number of shares as to which such person has:

(i) sole power to vote or to direct the vote:

Not applicable.

(ii) shared power to vote or to direct the vote:

Domestic Fund, BH Management and Mr. Chappell have the shared power to vote or direct the vote of 440,463 shares of Common Stock owned by Domestic Fund.

QP Fund, BH Management and Mr. Chappell have the shared power to vote or direct the vote of 178,129 shares of Common Stock owned by QP Fund.

Offshore Fund, BH Management and Mr. Chappell have the shared power to vote or direct the vote of 319,038 shares of Common Stock owned by Offshore Fund.

(iii) sole power to dispose or to direct the disposition of:

Not applicable.

(iv) shared power to dispose or to direct the disposition of:

Domestic Fund, BH Management and Mr. Chappell have the shared power to dispose or to direct the disposition of the 440,463 shares of Common Stock owned by Domestic Fund.

QP Fund, BH Management and Mr. Chappell have the shared power to dispose or to direct the disposition of the 178,129 shares of Common Stock owned by QP Fund.

Offshore Fund, BH Management and Mr. Chappell have the shared power to dispose or to direct the disposition of the 319,038 shares of Common Stock owned by Offshore Fund.

Item 5. Ownership Of Five Percent Or Less Of A Class.

If this statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities, check the following [X].

Item 10 Certifications:

By signing below the undersigned certifies that, to the best of its or his knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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SIGNATURE

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete, and correct.

Dated: February 14, 2011  
By: Black Horse Capital Management LLC  
As General Partner

BLACK HORSE CAPITAL LP

By: /s/ Dale Chappell  
Dale Chappell, Managing Member

BLACK HORSE CAPITAL (QP) LP  
By: Black Horse Capital Management LLC  
As General Partner

By: /s/ Dale Chappell  
Dale Chappell, Managing Member

BLACK HORSE CAPITAL MASTER FUND LTD.

By: /s/ Dale Chappell  
Dale Chappell, Director

BLACK HORSE CAPITAL MANAGEMENT LLC

By: /s/ Dale Chappell  
Dale Chappell, Managing Member

/s/ Dale Chappell  
Dale Chappell