

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. )<sup>1</sup>

Diversified Restaurant Holdings, Inc.  
(Name of Issuer)

Common Stock, par value \$0.0001 per share  
(Title of Class of Securities)

25532M105  
(CUSIP Number)

MR. DAVID L. KANEN  
KANEN WEALTH MANAGEMENT, LLC  
5850 Coral Ridge Drive , Suite 309  
Coral Springs , FL 33076  
(631) 863-3100

ANDREW M. FREEDMAN, ESQ.  
OLSHAN FROME WOLOSKY LLP  
1325 Avenue of the Americas  
New York, New York 10019  
(212) 451-2300  
(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

July 5, 2019  
(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.

---

<sup>1</sup> 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 PERSON  PHILOTIMO FUND, LP	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
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) <input type="checkbox"/>	
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  400,624
	9	SOLE DISPOSITIVE POWER  - 0 -
	10	SHARED DISPOSITIVE POWER  400,624
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  400,624	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  1.2%	
14	TYPE OF REPORTING PERSON  IA, PN	

1	NAME OF REPORTING PERSON KANEN WEALTH MANAGEMENT, LLC	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS OO; AF	
5	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 FLORIDA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER - 0 -
	8	SHARED VOTING POWER 1,821,997
	9	SOLE DISPOSITIVE POWER - 0 -
	10	SHARED DISPOSITIVE POWER 1,821,997
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 1,821,997	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 5.5%	
14	TYPE OF REPORTING PERSON IA	

1	NAME OF REPORTING PERSON  DAVID L. KANEN	
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) <input type="checkbox"/> (b) <input type="checkbox"/>	
3	SEC USE ONLY	
4	SOURCE OF FUNDS  PF	
5	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  USA	
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER  3,032
	8	SHARED VOTING POWER  1,821,997
	9	SOLE DISPOSITIVE POWER  3,032
	10	SHARED DISPOSITIVE POWER  1,821,997
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  1,825,029	
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  5.5%	
14	TYPE OF REPORTING PERSON  IN	

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, \$0.0001 par value per share (the "Shares"), of Diversified Restaurant Holdings, Inc., a Nevada corporation (the "Issuer"). The address of the principal executive offices of the Issuer is 27680 Franklin Road, Southfield, Michigan 48034.

Item 2. Identity and Background.

(a) This statement is filed by:

- (i) Philotimo Fund, LP, a Delaware limited partnership ("Philotimo"), with respect to the Shares directly and beneficially owned by it;
- (ii) Kanen Wealth Management, LLC, a Florida limited liability company ("KWM"), as the general partner of Philotimo and with respect to the Shares directly and beneficially owned by it; and
- (iii) David L. Kanen, as the managing member of KWM and with respect to the Shares directly and beneficially owned by him.

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 Philotimo, KWM and Mr. Kanen is 5850 Coral Ridge Drive, Suite 309, Coral Springs, Florida 33076.

(c) The principal business of each of KWM and Philotimo is investing in securities. The principal occupation of Mr. Kanen is serving as the managing member of KWM.

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

(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. Kanen is a citizen of the United States of America.

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

The Shares purchased by Philotimo 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 transactions. The Shares purchased by KWM were purchased with the funds for the accounts of its customers (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The Shares purchased by Mr. Kanen were purchased with personal funds (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business) in open market transactions. The aggregate purchase price of the 1,421,373 Shares beneficially owned by KWM is approximately \$2,095,710, including brokerage commissions. The aggregate purchase price of the 400,624 Shares beneficially owned by Philotimo is approximately \$280,437, including brokerage commissions. The aggregate purchase price of the 3,032 Shares beneficially owned by Mr. Kanen is approximately \$5,035, 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.

On July 15, 2019, KWM delivered a letter (the "Letter") to the Issuer's Board of Directors (the "Board") that includes an invitation to discuss an equity investment in the Issuer. The Reporting Persons believe that such an investment could be helpful to facilitate a reduction and/or refinancing of the existing term loan with a maturity date of June 29, 2020, especially given the Issuer's recent disclosure that it was seeking to explore various alternatives, including, among other things, possible equity financing. In the Letter, KWM requests that the Board carefully consider its offer, which it believes is in the best interest of all stockholders. The Letter is attached as Exhibit 99.1 hereto, which is incorporated herein by reference.

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 the Issuer, engaging in discussions with stockholders of the Issuer or other third parties about the Issuer and the Reporting Persons' investment, including potential business combinations or dispositions involving the Issuer or certain of its businesses, making recommendations or proposals to the Issuer concerning changes to the capitalization, ownership structure, board structure (including board composition), potential business combinations or dispositions involving the Issuer or certain of its businesses, or suggestions for improving the Issuer's financial and/or operational performance, 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, including swaps and other derivative instruments, 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 33,214,834 Shares outstanding as of May 7, 2019 as reported in the Issuer's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 9, 2019.

A. Philotimo

(a) As of the close of business on July 15, 2019, Philotimo beneficially owned 400,624 Shares.

Percentage: Approximately 1.2%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 400,624
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 400,624

(c) The transaction in the Shares by Philotimo during the past sixty days is set forth in Schedule A and is incorporated herein by reference

B. KWM

(a) As of the close of business on July 15, 2019, KWM directly beneficially owned 1,421,373 Shares. KWM, as the general partner of Philotimo, may be deemed the beneficial owner of the 400,624 Shares owned by Philotimo.

Percentage: Approximately 5.5%

- (b)
1. Sole power to vote or direct vote: 0
  2. Shared power to vote or direct vote: 1,821,997
  3. Sole power to dispose or direct the disposition: 0
  4. Shared power to dispose or direct the disposition: 1,821,997

(c) The transactions in the Shares by KWM during the past sixty days are set forth in Schedule A and are incorporated herein by reference. The transaction in the Shares on behalf of Philotimo during the past sixty days is set forth in Schedule A and is incorporated herein by reference.

C. Mr. Kanen

- (a) As of the close of business on July 15, 2019, Mr. Kanen directly beneficially owned 3,035 Shares. Mr. Kanen, as the managing member of KWM, may be deemed the beneficial owner of the (i) 1,421,373 Shares owned by KWM and (ii) 400,624 Shares owned by Philotimo.

Percentage: Approximately 5.5%

- (b) 1. Sole power to vote or direct vote: 3,035  
2. Shared power to vote or direct vote: 1,821,997  
3. Sole power to dispose or direct the disposition: 3,035  
4. Shared power to dispose or direct the disposition: 1,821,997
- (c) Mr. Kanen has not entered into any transactions in the Shares during the past sixty days. The transaction in the Shares on behalf of Philotimo during the past sixty days is set forth in Schedule A and is incorporated herein by reference. The transactions in the Shares on behalf of KWM during the past sixty days are set forth in Schedule A and are incorporated herein by reference.

KWM, in its role as investment manager to several customer accounts (collectively, the “Accounts”) to which it furnishes investment advice, and Mr. Kanen, as the managing member of KWM, may each be deemed to beneficially own shares of the Issuer’s Shares held in the Accounts.

Each Reporting Person, as a member of a “group” with the other Reporting Persons 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.

- (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 July 15, 2019, 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 the securities of the Issuer to the extent required by applicable law. The Joint Filing Agreement is attached hereto as Exhibit 99.2 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 Letter to the Board, dated July 15, 2019.

99.2 Joint Filing Agreement by and between Kanen Wealth Management, LLC, Philotimo Fund, LP and David L. Kanen, dated July 15, 2019.

SIGNATURES

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

Dated: July 15, 2019

KANEN WEALTH MANAGEMENT, LLC

By: /s/ David L. Kanen  
Name: David L. Kanen  
Title: Managing Member

PHILOTIMO FUND, LP

By: Kanen Wealth Management, LLC  
its general partner

By: /s/ David L. Kanen  
Name: David L. Kanen  
Title: Managing Member

/s/ David L. Kanen  
DAVID L. KANEN

## SCHEDULE A

**Transactions in the Shares During the Past Sixty Days**

<u>Nature of the Transaction</u>	<u>Securities Purchased/(Sold)</u>	<u>Price Per Share(\$)</u>	<u>Date of Purchase / Sale</u>
<b><u>PHILOTIMO FUND, LP</u></b>			
Purchase of Common Stock	400,000	0.7800	07/01/2019
<b><u>KANEN WEALTH MANAGEMENT, LLC</u></b>			
Purchase of Common Stock	122,911	0.7674	07/02/2019
Purchase of Common Stock	200,000	0.7394	07/03/2019
Purchase of Common Stock	115,414	0.7099	07/05/2019
Purchase of Common Stock	100	0.7000	07/08/2019
Purchase of Common Stock	150,000	0.7245	07/09/2019
Purchase of Common Stock	84,304	0.6999	07/10/2019

---

# KWMM

---

**KANEN WEALTH MANAGEMENT, LLC**

**Kanen Wealth Management, LLC**

**Philotimo Fund, L.P.**

**5850 Coral Ridge Drive**

**Suite 309**

**Coral Springs, FL 33076**

**P: (631) 863-3100 F: (631) 863-3103**

**W: KanenWealthManagement.com**

July 15, 2019

Mr. T. Michael Ainsley and The Members of the Board of Directors of Diversified Restaurant Holdings, Inc.  
27680 Franklin Road  
Southfield, Michigan 48034

Dear Mr. Ainsley and Members of the Board,

Kanen Wealth Management, LLC, ("KWM" or "we") has been a significant investor in Diversified Restaurant Holdings, Inc. ("SAUC" or the "Company") and is the manager of funds that, together with affiliates, collectively beneficially own approximately 5.5% of the outstanding shares of common stock of the Company.

We would like to express our intention to engage with the Board of Directors of the Company (the "Board") and management in the spirit of mutual respect and congeniality. The purpose of this letter is not to be critical of anything the Company has done to date. To the contrary, our reason for writing is to express that we are an ally of SAUC and hope to assist the Company to reduce and refinance its existing debt, which will result in a favorable outcome for all stockholders. Accordingly, we hereby extend an offer to purchase equity in the Company at favorable terms, which will ultimately allow the Company to refinance the existing term loan with a maturity date of June 29, 2020.

We would like to point out that absent assistance from KWM, or another like-minded investor, the risk to stockholders goes up each day. We wish to remain supportive and involved with the Company, with both our time and our capital, because we believe that an excellent outcome is possible.

As fiduciaries, we urge you to carefully consider our offer, which we firmly believe is in the best interest of all stockholders and we look forward to the Company acting decisively to engage in frank and sincere discussions as the current state of affairs mandates.

Sincerely,

Dave Kanen  
President, Portfolio Manager  
Kanen Wealth Management, LLC  
Philotimo Fund, L.P.  
P: (631) 863-3100  
E: dkanen@kanenadvisory.com

Exhibit 99.2

**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, \$0.0001 par value, of Diversified Restaurant Holdings, Inc., a Nevada corporation. This Joint Filing Agreement shall be filed as an Exhibit to such Statement.

Dated: July 15, 2019

KANEN WEALTH MANAGEMENT, LLC

By: /s/ David L. Kanen  
Name: David L. Kanen  
Title: Managing Member

PHILOTIMO FUND, LP

By: Kanen Wealth Management, LLC  
its general partner

By: /s/ David L. Kanen  
Name: David L. Kanen  
Title: Managing Member

/s/ David L. Kanen  
DAVID L. KANEN