

MARCHEX INC  
Form SC 13G  
September 02, 2016

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**SCHEDULE 13G**

**(Rule 13d-102)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO**

**RULES 13d-1(b), (c) AND (d) AND AMENDMENTS THERETO FILED**

**PURSUANT TO RULE 13d-2(b)**

**Marchex, Inc.**

**(Name of Issuer)**

**Class B Common Stock, \$0.01 par value per share**

**(Title of Class of Securities)**

**56624R108**

**(CUSIP Number)**

**August 31, 2016**

**(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)

CUSIP No. 56624R108

13G

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Prescott Group Capital Management, L.L.C.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) " (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Oklahoma

5 SOLE VOTING POWER

NUMBER OF 4,038,353  
SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0  
7 SOLE DISPOSITIVE POWER

EACH

REPORTING 4,038,353  
PERSON WITH 8 SHARED DISPOSITIVE POWER

9 0  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10 4,038,353  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

..

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.6%\*\*

12 TYPE OF REPORTING PERSON\*

IA

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

CUSIP No. 56624R108

13G

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Prescott Group Aggressive Small Cap, L.P.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) " (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Oklahoma

5 SOLE VOTING POWER

NUMBER OF 0  
SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 4,038,353  
7 SOLE DISPOSITIVE POWER

EACH

REPORTING 0  
PERSON WITH 8 SHARED DISPOSITIVE POWER

9 4,038,353  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10 4,038,353  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

..

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.6%\*\*

12 TYPE OF REPORTING PERSON\*

PN

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

CUSIP No. 56624R108

13G

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Prescott Group Aggressive Small Cap II, L.P.  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a) " (b) "

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

State of Oklahoma

5 SOLE VOTING POWER

NUMBER OF 0  
SHARES 6 SHARED VOTING POWER

BENEFICIALLY

OWNED BY 4,038,353  
7 SOLE DISPOSITIVE POWER

EACH

REPORTING 0  
PERSON WITH 8 SHARED DISPOSITIVE POWER

9 4,038,353  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

10 4,038,353  
CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

..

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.6%\*\*

12 TYPE OF REPORTING PERSON\*

PN

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

CUSIP No. 56624R108

13G

1 NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

2 Phil Frohlich  
CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP\*

(a)  (b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

U.S. Citizen

5  SOLE VOTING POWER

NUMBER OF 4,038,353  
SHARES 6  SHARED VOTING POWER

BENEFICIALLY

OWNED BY 0  
7  SOLE DISPOSITIVE POWER

EACH

REPORTING 4,038,353  
PERSON WITH 8  SHARED DISPOSITIVE POWER

9 0  
AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

4,038,353

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES\*

..

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 9

10.6%\*\*

12 TYPE OF REPORTING PERSON\*

IN

\* SEE INSTRUCTIONS BEFORE FILLING OUT

\*\* SEE ITEM 4(b).

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**SCHEDULE 13G**

This Schedule 13G (this Schedule 13G ) is being filed on behalf of Prescott Group Capital Management, L.L.C., an Oklahoma limited liability company ( Prescott Capital ), Prescott Group Aggressive Small Cap, L.P., an Oklahoma limited partnership ( Prescott Small Cap ), Prescott Group Aggressive Small Cap II, L.P., an Oklahoma limited partnership ( Prescott Small Cap II and, together with Prescott Small Cap, the Small Cap Funds ) and Mr. Phil Frohlich the principal of Prescott Capital, relating to Class B Common Stock, \$0.01 par value per share (the Common Stock ), of Marchex, Inc., a Delaware corporation (the Issuer ).

This Schedule 13G relates to shares of Common Stock of the Issuer purchased by the Small Cap Funds through the account of Prescott Group Aggressive Small Cap Master Fund, G.P., an Oklahoma general partnership ( Prescott Master Fund ), of which the Small Cap Funds are general partners. Prescott Capital serves as the general partner of the Small Cap Funds and may direct the Small Cap Funds, the general partners of Prescott Master Fund, to direct the vote and disposition of the 4,038,353 shares of Common Stock held by the Master Fund. As the principal of Prescott Capital, Mr. Frohlich may direct the vote and disposition of the 4,038,353 shares of Common Stock held by Prescott Master Fund.

**Item 1(a) Name of Issuer.**

Marchex, Inc.

**Item 1(b) Address of Issuer s Principal Executive Offices.**

520 Pike Street, Suite 2000

Seattle, Washington 98101

**Item 2(a) Name of Person Filing.**

Prescott Group Capital Management, L.L.C. ( Prescott Capital ), Prescott Group Aggressive Small Cap, L.P. ( Prescott Small Cap ), Prescott Group Aggressive Small Cap II, L.P. ( Prescott Small Cap II and, together with Prescott Small Cap, the Small Cap Funds ) and Mr. Phil Frohlich.

**Item 2(b) Address of Principal Business Office, or, if none, Residence.**

1924 South Utica, Suite 1120

Tulsa, Oklahoma 74104-6529

**Item 2(c) Citizenship or Place of Organization.**

Prescott Capital is an Oklahoma limited liability company. The Small Cap Funds are Oklahoma limited partnerships. Mr. Phil Frohlich is the principal of Prescott Capital and is a U.S. citizen.



**Item 2(d) Title of Class of Securities.**

Class B Common Stock, \$0.01 par value per share (the Common Stock ).

**Item 2(e) CUSIP Number.**

56624R108

**Item 3 Reporting Person.**

**If this statement is filed pursuant to Rule 13d-1(b), or 13d-2(b), check whether the person filing is a:**

- (a)  Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b)  Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c)  Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d)  Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e)  An investment advisor in accordance with §240.13d-1(b)(1)(ii)(E).
- (f)  An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F).
- (g)  A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G).
- (h)  A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813).
- (i)  A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3).
- (j)  Group, in accordance with §240.13d-1(b)(1)(ii)(J).

**Item 4 Ownership.**

- (a) Prescott Capital and Mr. Phil Frohlich are the beneficial owners of 4,038,353 shares of Common Stock.
- (b) Prescott Capital and Mr. Phil Frohlich are the beneficial owners of 10.6% of the outstanding shares of Common Stock. This percentage is determined by dividing 4,038,353 by 38,083,162, the number of shares of Common Stock issued and outstanding as of August 5, 2016, as reported in the Issuer's 10-Q filed on August 9, 2016.

- (c) Prescott Capital, as the general partner of the Small Cap Funds, the general partners of Prescott Master Fund, may direct the Small Cap Funds to direct the vote and disposition of the 4,038,353 shares of Common Stock held by Prescott Master Fund. As the principal of Prescott Capital, Mr. Phil Frohlich may direct the vote and disposition of the 4,038,353 shares of Common Stock held by Prescott Master Fund.

**Item 5 Ownership of Five Percent or Less of a Class.**

Inapplicable.

**Item 6 Ownership of More Than Five Percent on Behalf of Another Person.**

Inapplicable.

**Item 7 Identification and Classification of the Subsidiary which Acquired the Security Being Reported On by the Parent Holding Company.**

Inapplicable.

**Item 8 Identification and Classification of Members of the Group.**

Inapplicable.

**Item 9 Notice of Dissolution of Group.**

Inapplicable.

**Item 10 Certification.**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and 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.

**Exhibits Exhibit 99.1**

Joint Filing Agreement dated September 2, 2016, between Prescott Capital, the Small Cap Funds and Mr. Phil Frohlich.

**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.

Date: September 2, 2016

Prescott Group Capital Management, L.L.C.

By: /s/ Phil Frohlich  
PHIL FROHLICH, Managing Member

Prescott Group Aggressive Small Cap, L.P.

By: Prescott Group Capital Management,  
L.L.C., its general partner

By: /s/ Phil Frohlich  
PHIL FROHLICH, Managing Member

Prescott Group Aggressive Small Cap II, L.P.

By: Prescott Group Capital Management,  
L.L.C., its general partner

By: /s/ Phil Frohlich  
PHIL FROHLICH, Managing Member

/s/ Phil Frohlich  
Phil Frohlich