

AVALON HOLDINGS CORP
Form SC 13D/A
November 21, 2017

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 27)*

AVALON HOLDINGS CORPORATION

(Name of Issuer)

Class A Common Stock, \$0.01 par value

(Title of Class of Securities)

0534P109

(CUSIP Number)

Anil Choudary Nalluri

5500 Market Street, Suite 128

Youngstown, Ohio 44512

330-783-1147

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

November 21, 2017

(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.

* 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*).

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1746 (3-06)

CUSIP No. 05343P109

13D

1. Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

Anil Choudary Nalluri

2. Check the Appropriate Box if a Member of a Group (See Instructions)

(a) (b)

3. SEC Use Only

4. Source of Funds (See Instructions)

PF

5. Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6. Citizenship or Place of Organization

United States

Number of 7. Sole Voting Power

Shares

Beneficially 719,234

8. Shared Voting Power

Owned by

Each

0

Reporting 9. Sole Dispositive Power

Person

With 719,234

10. Shared Dispositive Power

0

11. Aggregate Amount Beneficially Owned by Each Reporting Person

719,234

12. Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)

13. Percent of Class Represented by Amount in Row (11)

22.53%

14. Type of Reporting Person (See Instructions)

IN

Instructions for Cover Page

- (1) *Names and I.R.S. Identification Numbers of Reporting Persons* Furnish the full legal name of each person for whom the report is filed - i.e., each person required to sign the schedule itself - including each member of a group. Do not include the name of a person required to be identified in the report but who is not a reporting person. Reporting persons that are entities are also requested to furnish their I.R.S. identification numbers, although disclosure of such numbers is voluntary, not mandatory (see SPECIAL INSTRUCTIONS FOR COMPLYING WITH SCHEDULE 13D below).
- (2) If any of the shares beneficially owned by a reporting person are held as a member of a group and the membership is expressly affirmed, please check row 2(a). If the reporting person disclaims membership in a group or describes a relationship with other persons but does not affirm the existence of a group, please check row 2(b) [unless it is a joint filing pursuant to Rule 13d-1(k)(1) in which case it may not be necessary to check row 2(b)].
- (3) The 3rd row is for SEC internal use; please leave blank.

- (4) Classify the source of funds or other consideration used or to be used in making purchases as required to be disclosed pursuant to Item 3 of Schedule 13D and insert the appropriate symbol (or symbols if more than one is necessary) in row (4):

| <i>Category of Source</i> | <i>Symbol</i> |
|---|---------------|
| Subject Company (Company whose securities are being acquired) | SC |
| Bank | BK |
| Affiliate (of reporting person) | AF |
| Working Capital (of reporting person) | WC |
| Personal Funds (of reporting person) | PF |
| Other | OO |

- (5) If disclosure of legal proceedings or actions is required pursuant to either Items 2(d) or 2(e) of Schedule 13D, row 5 should be checked.

- (6) *Citizenship or Place of Organization* - Furnish citizenship if the named reporting person is a natural person. Otherwise, furnish place of organization. (See Item 2 of Schedule 13D.)

(7)-(11), (13) *Aggregate Amount Beneficially Owned by Each Reporting Person, etc.* Rows (7) through (11) inclusive, and (13) are to be completed in accordance with the provisions of Item 5 of Schedule 13D. All percentages are to be rounded off to nearest tenth (one place after decimal point).

(12) Check if the aggregate amount reported as beneficially owned in row (11) does not include shares which the reporting person discloses in the report but as to which beneficial ownership is disclaimed pursuant to Rule 13d-4 [17 CFR 240.13d-4] under the Securities Exchange Act of 1934.

(14) *Type of Reporting Person* Please classify each reporting person according to the following breakdown and place the appropriate symbol (or symbols, i.e., if more than one is applicable, insert all applicable symbols) on the form:

| <i>Category</i> | <i>Symbol</i> |
|---|---------------|
| Broker-Dealer | BD |
| Bank | BK |
| Insurance Company | IC |
| Investment Company | IV |
| Investment Adviser | IA |
| Employee Benefit Plan or Endowment Fund | EP |
| Parent Holding Company/Control Person | HC |
| Savings Association | SA |
| Church Plan | CP |
| Corporation | CO |
| Partnership | PN |
| Individual | IN |
| Other | OO |

Notes:

Attach as many copies of the second part of the cover page as are needed, one reporting person per page.

Filing persons may, in order to avoid unnecessary duplication, answer items on the schedules (Schedule 13D, 13G or 14D-1) by appropriate cross references to an item or items on the cover page(s). This approach may only be used where the cover page item or items provide all the disclosure required by the schedule item. Moreover, such a use of a cover page item will result in the item becoming a part of the schedule and accordingly being considered as filed for purposes of Section 18 of the Securities Exchange Act or otherwise subject to the liabilities of that section of the Act.

Reporting persons may comply with their cover page filing requirements by filing either completed copies of the blank forms available from the Commission, printed or typed facsimiles, or computer printed facsimiles, provided the documents filed have identical formats to the forms prescribed in the Commission's regulations and meet existing Securities Exchange Act rules as to such matters as clarity and size (Securities Exchange Act Rule 12b-12).

SPECIAL INSTRUCTIONS FOR COMPLYING WITH SCHEDULE 13D

Under Sections 13(d) and 23 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, the Commission is authorized to solicit the information required to be supplied by this schedule by certain security holders of certain issuers.

Disclosure of the information specified in this schedule is mandatory, except for I.R.S. identification numbers, disclosure of which is voluntary. The information will be used for the primary purpose of determining and disclosing the holdings of certain beneficial owners of certain equity securities. This statement will be made a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Because of the public nature of the information, the Commission can utilize it for a variety of purposes, including referral to other governmental authorities or securities self-regulatory organizations for investigatory purposes or in connection with litigation involving the Federal securities laws or other civil, criminal or regulatory statutes or provisions. I.R.S. identification numbers, if furnished, will assist the Commission in identifying security holders and, therefore, in promptly processing statements of beneficial ownership of securities.

Failure to disclose the information requested by this schedule, except for I.R.S. identification numbers, may result in civil or criminal action against the persons involved for violation of the Federal securities laws and rules promulgated thereunder.

General Instructions

- A. The item numbers and captions of the items shall be included but the text of the items is to be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.
- B. Information contained in exhibits to the statements may be incorporated by reference in answer or partial answer to any item or sub-item of the statement unless it would render such answer misleading, incomplete, unclear or confusing. Material incorporated by reference shall be clearly identified in the reference by page, paragraph, caption or otherwise. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement where the information is required. A copy of any information or a copy of the pertinent pages of a document containing such information which is incorporated by reference shall be submitted with this statement as an exhibit and shall be deemed to be filed with the Commission for all purposes of the Act.
- C. If the statement is filed by a general or limited partnership, syndicate, or other group, the information called for by Items 2-6, inclusive, shall be given with respect to (i) each partner of such general partnership; (ii) each partner who is denominated as a general partner or who functions as a general partner of such limited partnership; (iii) each member of such syndicate or group; and (iv) each person controlling such partner or member. If the statement is filed by a corporation or if a person referred to in (i), (ii), (iii) or (iv) of this Instruction is a corporation, the information called for by the above mentioned items shall be given with respect to (a) each executive officer and director of such corporation; (b) each person controlling such corporation; and (c) each executive officer and director of any corporation or other person ultimately in control of such corporation.

Item 1. Security and Issuer

This Statement on Schedule 13D (Schedule 13D) relates to the Class A Common Stock, \$0.01 par value (the Common Stock) of Avalon Holdings Corporation, an Ohio corporation (the Issuer), whose principal executive offices are located at One American Way, Warren, Ohio 44484.

Item 2. Identity and Background

This statement is filed by Anil Choudary Nalluri (Mr. Nalluri or the Reporting Person) on behalf of himself and his wife, Parvati Nalluri and various accounts controlled by them. Mr Nalluri 's principal business address is 5500 Market Street, Suite 128, Youngstown, Ohio 44512. Mr. Nalluri 's principal occupation is practicing in the field of child and adult psychiatry. During the past five years, Mr. Nalluri has not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and has not been a party to civil proceedings of a judicial or administrative body of competent jurisdiction, as a result of which Mr. Nalluri 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. Mr. Nalluri is a United States citizen.

Item 3. Source and Amount of Funds or Other Consideration

Mr. Nalluri's purchases of shares of Common Stock have all been made with his personal funds.

Item 4. Purpose of Transaction

The purpose of this filing is to state that Mr. Nalluri is the beneficial owner of greater than 20% of the Common Stock of the issuer.

Mr. Nalluri does not currently have any specific plans or proposals that relate to or would result in any of the actions or events specified in clauses (a) through (j) of Item 4 of Schedule 13D. Mr. Nalluri reserves the right to change plans and take any and all actions that Mr. Nalluri may deem appropriate to maximize the value of his investments, including, among other things, purchasing or otherwise acquiring additional securities of the Issuer, selling or otherwise disposing of any securities of the Issuer beneficially owned by him, in each case in the open market or in privately negotiated transactions, or formulating other plans or proposals regarding the Issuer or its securities to the extent deemed advisable by Mr. Nalluri in light of his general investment policies, market conditions, subsequent developments affecting the Issuer and the general business and future prospects of the Issuer.

Item 5. Interest in Securities of the Issuer

(a) Mr. Nalluri beneficially owns 719,234 shares of Common Stock, which is equal to approximately 22.53% of the outstanding shares, based on information from the Issuer that 3,191,100 Class A shares of Common Stock are outstanding as of March 3, 2017.

(b) Mr. Nalluri has sole voting and dispositive power for all such shares of Common Stock held record by him.

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

Not applicable

Item 7. Material to be Filed as Exhibits

Not applicable

Item 8. Submission of Shareholders Proposals for 2018 Proxy Statement

In accordance with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, I hereby submit for presentation at the 2018 Annual Meeting of Shareholders (the Meeting) of Avalon Holdings Corporation (the Company) and inclusion in the proxy materials (i.e., the notice of meeting, proxy statement and proxy card) relating to the Meeting the following proposal and supporting statement:

Election of Class A Director Anil Choudary Nalluri, M.D. ABPN:

Enclosed is my resume

RESOLVED: That the shareholders of Avalon Holdings Corporation (the Company) authorize and direct the Company's Board of Directors to retain an investment bank to solicit offers for the purchase of the Company's stock or assets, and that the Board of Directors, within 120 days from the date of the approval of this resolution is directed to present the highest cash offer to purchase the Company's stock or assets to the shareholders for their acceptance or rejection of such offer.

Supporting Statement:

According to the publicly filed documents on December 31, 1998, the Company and cash equivalent of \$22,274,000, equal to approximately \$5.85 per share.

Mr. Kringle and the board of directors have not provided and lack visibility of providing a return justifying the use of \$130 million dollars and borrowing an approximate additional \$30 million dollars at 6 percent interest. Corporate board members to whom I have spoken have stringent rates of return requirements for the approval of cash and cash investments. Judging from the results of the investment of \$130 million dollars in golf club renovations and the hotel, this investment is wasted because the corporation has been losing money every year.

I am the one and only shareholder who has attended all meetings with exception of 1 or 2. Mr. Kringle has repeatedly touted that he is making intelligent decisions contrary to that, I would say Mr. Kringle is doing the opposite evidence by the stock has plummeted from \$8 a share to \$2 per share since April 30, 1998 to present. This is a clear evidence of Mr. Kringle's incompetency to run the board. Not only Mr. Kringle but the entire board is incompetent. Mr. Kringle should be ashamed of himself and resign immediately. I also believe a new CEO should be hired. If Mr. Kringle could have made rational decisions like Amazon, Apple Computer, and Tesla Motors the stock should have sky rocketed from \$8 a share to a much greater value.

If you invest approximately \$130 million dollars in the bank your return on that savings would amount to approximately \$5 million dollars per year.

However instead of Avalon Holdings Corporation making \$5 million in interest per year, the shareholders are losing approximately \$8 million per year.

Allocation of capital by the company, the company's board of directors has been very disappointing. We believe it is essential that the board of directors focus its attention on maximizing shareholder value in order to preserve the diminished value that remains.

We believe this can be accomplished with the assistance of an investment bank retained by the company to solicit offers on behalf of the company for the purchase of the company's stock and/or assets. The highest cash offer would then be presented to the company's shareholders for their acceptance or rejection.

This proposal does not mandate the sale of the company but proposes a reasonable process to determine the true market value of the company and to give the shareholders the opportunity to determine the future course of the company. Strong support for this proposal would send a signal to the board of directors that shareholders are dissatisfied with its performance.

In my opinion the board of directors are rubberstamping Mr. Kringle's proposals. It seems to me like this is the blind leading the blind. Mr. Kringle is guarding the Avalon Holdings Corporation since its inception from 4-30-1998 to date for 17 years like a fox guarding a hen house.

We urge you to vote FOR this proposal.

The entire fire sale liquidation value of Avalon Holdings Corporation 3.8 million shares is only \$8 million dollars on the open stock market today. The stock is highly ill-liquid.

The outside Class A shareholders are losing money daily and the board of directors to include the CEO and the accountants are the only ones profiting from this venture.

The salaries and bonuses of any and all executive officers skyrocket, however, every year for doing such a terrible job. In my opinion you and your executive board do not deserve any bonuses, evidenced by the fact that in 17 years the stock value of Avalon Holdings has grossly plummeted from \$8 a share to \$2.00 trading range for the past 2-3 years. The book value of the stock price is \$10.19. How can you justify the stock being sold for 1/4-1/5 of the book value? I strongly recommend that all of your salaries must be frozen until you show profit and increase the shareholder value.

How can you justify the losses year after year for over 17 years? You have lost more money in the golf for the past 16-17 years. You never lost money in the garbage business.

You are making money in the garbage business and borrowing more money and you wasted \$130 million dollars in the golf related and hotel business.

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The above is clear indication of your lack of due diligence, dereliction of fiduciary duty, and pure incompetence. In fact it is my opinion that you and the rest of the board should reevaluate your roles, which is why I am running for the Class A director because I could certainly do no worse and undoubtedly do a better job of investing the shareholders money.

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100 F Street N.E.

Washington, DC 20549

Date: November 21, 2017

Signature /s/ Anil Choudary Nalluri

Name/Title: Anil Choudary Nalluri

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement; provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001)