

Global Ship Lease, Inc.
Form SC 13D/A
November 02, 2018

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

SCHEDULE 13D
Under the Securities Exchange Act of 1934
(Amendment No. 4)*

GLOBAL SHIP LEASE, INC.

(Name of Issuer)

Class A Common Shares, Par Value \$0.01 per share

(Title of Class of Securities)

Y27183105

(CUSIP Number)

Michael S. Gross

500 Park Avenue

New York, NY 10022

(212) 993-1675

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

October 29, 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 §§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 Rule §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).

CUSIP No. Y27183105

1 Names of Reporting Persons

Michael S. Gross

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 Box If Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)

6 Citizenship or Place of Organization

United States of America

Number of 7 Sole Voting Power

Shares

Beneficially 7,336,399

8 Shared Voting Power

Owned By

Each

0

Reporting 9 Sole Dispositive Power

Person

With 7,336,399

10 Shared Dispositive Power

0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

7,336,399

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)

15.4% (1)

14 Type of Reporting Person (See Instructions)

IN

(1) Based on 47,609,734 Class A Common Shares outstanding as of October 29, 2018, as disclosed in the Merger Agreement (as defined below), which was filed as Exhibit 2.1 to Global Ship Lease, Inc.'s (the Issuer) Form 6-K which was filed with the Securities and Exchange Commission (SEC) on October 30, 2018.

CUSIP No. Y27183105

1 Names of Reporting Persons

Marathon Founders, LLC

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)

AF

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

6 Citizenship or Place of Organization

Delaware

Number of 7 Sole Voting Power

Shares

Beneficially 2,801,357
Owned By 8 Shared Voting Power

Owned By

Each

Reporting 9 0
Sole Dispositive Power

Person

With 2,801,357
10 Shared Dispositive Power

0

11 Aggregate Amount Beneficially Owned by Each Reporting Person

2,801,357

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)

5.9% (1)

14 Type of Reporting Person (See Instructions)

OO

(1) Based on 47,609,734 Class A Common Shares outstanding as of October 29, 2018, as disclosed in the Merger Agreement (as defined below), which was filed as Exhibit 2.1 to the Issuer's Form 6-K which was filed with the SEC on October 30, 2018.

Amendment No. 4 to Schedule 13D

This Amendment No. 4 (Amendment No. 4) to Schedule 13D is being filed by the undersigned to amend the Schedule 13D which was originally filed with the Securities and Exchange Commission (SEC) on August 25, 2008, as amended by Amendment No. 1 filed on August 28, 2008, Amendment No. 2 filed on November 20, 2009 and Amendment No. 3 filed on December 1, 2009. This Amendment No. 4 amends and supplements the Schedule 13D as specifically set forth herein.

All capitalized terms contained herein but not otherwise defined shall have the meanings ascribed to such terms in the Schedule 13D, as amended. Information given in response to each item shall be deemed incorporated by reference in all other items, as applicable.

Item 1. Security and Issuer.

Item 1 of the Schedule 13D is hereby amended and restated as follows:

The class of equity security to which this statement on Schedule 13D relates is the Class A Common Shares, par value \$0.01 per share (the Class A Common Stock) of Global Ship Lease, Inc. (the Issuer), a corporation organized under the laws of the Republic of The Marshall Islands. The address of the principal executive offices of the Issuer is c/o Portland House, Stag Place, London SW1E 5RS, United Kingdom.

Item 4. Purpose of the Transaction.

Item 4 of the Schedule 13D is supplemented and superseded, as the case may be, as follows:

Voting Agreement

On October 29, 2018, the Issuer, Poseidon Containers Holdings LLC (Poseidon), K&T Marine LLC (K&T, and together with Poseidon, the Companies), GSL Sub One, LLC (the Poseidon Merger Sub), GSL Sub Two, LLC (the K&T Merger Sub) and, solely for the purposes set forth therein, KIA VIII (Newco Marine), Ltd. (KIA VIII), KEP VI (Newco Marine), Ltd. (KEP VI, and together with KIA VIII, Kelso) and the other unitholders of the Companies, entered into an Agreement and Plan of Merger (the Merger Agreement) providing for, among other things, (a) the merger of Poseidon with the Poseidon Merger Sub in exchange for securities of the Issuer, and (b) the merger of K&T with the K&T Merger Sub in exchange for securities of the Issuer, in each case, pursuant to the terms and subject to the conditions set forth in the Merger Agreement.

Concurrently with the execution of the Merger Agreement and as a condition to Kelso's willingness to enter into the Merger Agreement, Kelso entered into a Voting Agreement (the Voting Agreement) with CMA CGM S.A. (CMA CGM) and Michael S. Gross (collectively, the Voting Agreement Parties). Pursuant to the Voting Agreement, Mr. Gross and CMA CGM agreed that at each meeting of stockholders of the Issuer (or in any action taken by written consent of the stockholders of the Issuer) (each such meeting or action, a Stockholders Meeting) following the closing of the transactions contemplated by the Merger Agreement (the Closing) until the Expiration Date (as defined below) (i) to appear at such Stockholders Meeting or otherwise cause the Subject Stock (as defined below) beneficially owned by him or it to be counted thereat for the purpose of establishing a quorum and (ii) to vote or cause to be voted at each such Stockholders Meeting such Subject Stock in accordance with the written instruction of Kelso. In addition, from the Closing until the Expiration Date, Mr. Gross and CMA CGM each granted Kelso and any designee of Kelso an irrevocable proxy to vote or cause to be voted (including by written consent, if applicable) the Subject Stock beneficially owned by Mr. Gross and CMA CGM that would be effective with respect to either

Mr. Gross or CMA CGM if and only if such party has not delivered to the Issuer (with a copy to Kelso) prior to the applicable Stockholders Meeting a duly executed irrevocable proxy card directing that the Subject Stock beneficially owned by such applicable party be voted in accordance with the instruction of Kelso. Mr. Gross or CMA CGM shall retain authority to vote its Subject Stock to the extent Kelso does not provide written instruction to such party with respect to voting such Subject Stock at least five business days prior to the relevant Stockholders Meeting.

The Subject Stock covered by the Voting Agreement is limited to 380,999 shares of Class A Common Stock in the case of Mr. Gross and 865,008 shares of Class A Common Stock in the case of CMA CGM. Each of Mr. Gross and CMA CGM retains all voting rights with regard to all securities of the Issuer beneficially owned by him or it other than the Subject Stock. Until the Expiration Date, Mr. Gross and CMA CGM agreed not to directly or indirectly transfer in any manner the Subject Stock (other than to certain permitted affiliates that execute a joinder to the Voting Agreement) unless at the applicable time the only voting securities held by the party (and its affiliates) seeking to effect such transfer are Subject Stock.

The Voting Agreement will terminate upon the earliest of (such earliest date, the Expiration Date): (a) the date that the Merger Agreement is validly terminated in accordance with its terms, (b) the date that is two years following the Closing; (c) at any time upon the prior written notice from Kelso to Mr. Gross and CMA CGM that Kelso is electing to terminate the Voting Agreement, (d) with respect to Mr. Gross, CMA CGM or any of their respective permitted affiliates that execute a joinder to the Voting Agreement, the date on which such person ceases to own any Subject Stock, and (e) upon notice by Mr. Gross or CMA CGM to Kelso following the occurrence of any of the following events: (i) the Issuer issues certain GSL Securities (as defined in the Voting Agreement), (ii) Kelso or any of its affiliates converts any of the Issuer's Series C Preferred Stock into GSL Securities, (iii) any of the Issuer's Series C Preferred Stock held by Kelso or any of its affiliates are transferred to a person other than a Kelso affiliate, (iv) Kelso or any of its affiliates acquires any GSL Securities, including any beneficial ownership of GSL Securities, other than pursuant to the transactions contemplated by the Merger Agreement, the Voting Agreement or the other Transaction Documents (as defined in the Voting Agreement), (v) the Issuer's 9.875% First Priority Secured Notes due 2022 are no longer outstanding, or (vi) if the Issuer agrees in writing, without the prior written consent of Mr. Gross and CMA CGM, to extend the Termination Date (as defined in the Merger Agreement) to a date that is after December 31, 2018.

The foregoing description of the Voting Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Voting Agreement, which is incorporated by reference as Exhibit 99.1 and is incorporated herein by reference.

Letter Agreement

On October 29, 2018, the Issuer entered into a Letter Agreement (the Letter Agreement) with KEP VI, KIA VIII, CMA CGM, Marathon Founders, LLC (Marathon Founders) and Michael S. Gross. Pursuant to the Letter Agreement, (a) for so long as CMA CGM holds at least 5% of the voting power of the Issuer, CMA CGM has the right to designate (and Kelso has the obligation to vote in favor of) an individual nominee to serve on the Board of Directors of the Issuer (and such nominee will also have a right to serve on the Audit Committee of the Board of Directors of the Issuer), (b) for so long as CMA CGM holds at least 10% of the voting power of the Issuer, CMA CGM has the right to designate (and Kelso has the obligation to vote in favor of) two individuals to serve on the Board of Directors of the Issuer and (c) CMA CGM designated Philippe Lemonnier and Alain Wils as the two individuals to serve on the Board of Directors of the Issuer.

The Letter Agreement also contains certain participation and tag-along rights. For example, each of Kelso and CMA CGM has the right to purchase a pro rata portion of any new issuance by the Issuer (other than certain exempt issuances) for so long as it holds at least 10% of the voting power of the Issuer. Additionally, each of CMA CGM, Marathon Founders and Mr. Gross have the right to transfer shares of Class A Common Stock pro rata alongside Kelso in any transfer or series of related transfers by Kelso to a third party that would result in the third party acquiring more than 30% of the voting power of the Issuer (with the exception of certain exempt transfers).

The Letter Agreement also provides that, for so long as CMA CGM holds at least 5% of the voting power of the Issuer, the Issuer may not make any material change in the nature of its business without the unanimous consent of the Board of Directors of the Issuer.

The Letter Agreement also requires that the Issuer obtain the consent of CMA CGM prior to agreeing to any amendment, waiver or termination of the Merger Agreement, provided that no such consent is required to extend the Termination Date to any date before December 31, 2018.

The foregoing description of the Letter Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Letter Agreement, which is incorporated by reference as Exhibit 99.2 and is incorporated herein by reference.

Amended and Restated Registration Rights Agreement

On October 29, 2018, the Issuer entered into an Amended and Restated Registration Rights Agreement (the Registration Rights Agreement) with KEP VI, KIA VIII, CMA CGM, Management Investor Co., Anmani Consulting Inc., Marathon Founders, Michael S. Gross and Maas Capital Investments B.V. (the Shareholders), with respect to all shares of Class A Common Stock and all of the Issuer's Series C Preferred Shares held by the Shareholders on the Closing date. The Registration Rights Agreement will become effective on the Closing date.

Pursuant to the Registration Rights Agreement, the Issuer will, on or before the date that is six months after the Closing date, file with the SEC a shelf registration statement to register the offer and resale of all Registrable Securities (as defined in the Registration Rights Agreement) and use its best efforts to cause such registration statement to be declared effective promptly after filing.

The Registration Rights Agreement provides certain piggyback and demand rights. The Registration Rights Agreement also provides that the Shareholders will not transfer any Registrable Securities between the Closing date and the date that is six months after the Closing date (with certain exceptions) and contains customary indemnification and other provisions.

The foregoing description of the Registration Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Registration Rights Agreement, which is incorporated by reference as Exhibit 99.3 and is incorporated herein by reference.

The Reporting Persons intend to review their investment in the Issuer on a continuing basis and may from time to time and at any time in the future depending on various factors, including, without limitation, the Issuer's financial position and strategic direction, actions taken by the Issuer's Board of Directors, price levels of the Issuer's securities, other investment opportunities available to the Reporting Persons, conditions in the securities market and general economic and industry conditions, take such actions with respect to the investment in the Issuer as they deem appropriate. These actions may include: (i) acquiring additional shares of Class A Common Stock and/or other equity, debt, notes, other securities, or derivative or other instruments that are based upon or relate to the value of securities of the Issuer (collectively, Securities) in the open market or otherwise; (ii) disposing of any or all of their Securities in the open market or otherwise; (iii) engaging in any hedging or similar transactions with respect to the Securities; or (iv) proposing or considering one or more of the actions described in subsections (a) through (j) of Item 4 of Schedule 13D.

Except as set forth herein, the Reporting Persons do not have present plans or proposals at this time that relate to or would result in any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

Item 5 of the Schedule 13D is hereby amended and restated as follows:

(a) and (b) Items 7 through 11 and 13 of each of the cover pages of this Schedule 13D are incorporated herein by reference. Such information is based on 47,609,734 shares of Class A Common Stock outstanding as of October 29, 2018, as disclosed in the Merger Agreement, which was filed as Exhibit 2.1 to the Issuer's Form 6-K which was filed with the SEC on October 30, 2018.

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Michael S. Gross directly holds 4,535,042 shares of Class A Common Stock. Marathon Founders directly holds 2,801,357 shares of Class A Common Stock. As the Managing Member of Marathon Founders, Mr. Gross may be deemed to exercise voting and investment power over all securities of the Issuer held by Marathon Founders and thus may be deemed to beneficially own such securities.

In addition, Marathon Founders directly holds 3,416,355 Class B Common Shares of the Issuer (Class B Common Stock). The outstanding shares of Class B Common Stock will convert to shares of Class A Common Stock on a one-for-one basis on the first day of the calendar quarter at least 30 days after the end of a subordination period, which will be deemed to end immediately preceding the occurrence of a change of control (as defined in the Issuer s Amended and Restated Articles of Incorporation). The shares of Class B Common Stock have one vote and vote as a single class with the shares of Class A Common Stock.

(c) The Reporting Persons have not effected any transactions in shares of Class A Common Stock during the past 60 days.

(d) Not applicable.

(e) Not applicable.

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

Item 6 of the Schedule 13D is supplemented and superseded, as the case may be, as follows:

The disclosure in Item 4 is incorporated by reference herein.

The Voting Agreement is incorporated by reference as Exhibit 99.1 to this Amendment No. 4 and is incorporated by reference herein.

The Letter Agreement is incorporated by reference as Exhibit 99.2 to this Amendment No. 4 and is incorporated by reference herein.

The Registration Rights Agreement is incorporated by reference as Exhibit 99.3 to this Amendment No. 4 and is incorporated by reference herein.

Item 7. Material to be Filed as Exhibits.

- 99.1 Voting Agreement, dated as of October 29, 2018, by and among KIA VIII (Newco Marine), Ltd., KEP VI (Newco Marine), Ltd., CMA CGM S.A. and Michael S. Gross (incorporated by reference to Exhibit 99.2 to the Schedule 13D amendment filed by CMA CGM S.A. with the SEC on November 2, 2018).
- 99.2 Letter Agreement, dated as of October 29, 2018, by and among KIA VIII (Newco Marine), Ltd., KEP VI (Newco Marine), Ltd., Global Ship Lease, Inc., CMA CGM S.A., Marathon Founders, LLC and Michael S. Gross (incorporated by reference to Exhibit 10.5 to the Issuer s Form 6-K filed with the SEC on October 30, 2018).
- 99.3 Amended and Restated Registration Rights Agreement, dated as of October 29, 2018, by and among Global Ship Lease, Inc., KEP VI (Newco Marine), Ltd., KIA VIII (Newco Marine), Ltd., CMA CGM S.A., Management Investor Co, Anmani Consulting Inc., Marathon Founders, LLC, Michael S. Gross and Maas Capital Investments B.V. (incorporated by reference to Exhibit 10.1 to the Issuer s Form 6-K filed with the SEC on October 30, 2018).

SIGNATURES

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

Date: November 2, 2018

By: /s/ Michael S. Gross
Name: Michael S. Gross

MARATHON FOUNDERS, LLC

By: /s/ Michael S. Gross
Name: Michael S. Gross
Title: Managing Member