

HANDLEMAN CO /MI/
Form 4
October 14, 2008

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
S. MUOIO & CO. LLC

2. Issuer Name and Ticker or Trading Symbol
HANDLEMAN CO /MI/
[HDLM.PK]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
509 MADISON AVENUE, SUITE 406

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
10/09/2008

____ Director
____ Officer (give title below)
 10% Owner
____ Other (specify below)

NEW YORK, NY 10022

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
____ Form filed by One Reporting Person
 Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (D) Price | | | |
| Common Stock | 10/09/2008 | | P | 20,100 A \$ 1.45 | 3,654,327 | I | Footnote (1) |
| Common Stock | 10/10/2008 | | P | 31,000 A \$ 1.38 | 3,685,327 | I | Footnote (1) |
| Common Stock | 10/13/2008 | | P | 7,901 A \$ 1.45 | 3,693,228 | I | Footnote (1) |
| Common Stock | 10/14/2008 | | P | 2,000 A \$ 1.5425 | 3,695,228 | I | Footnote (1) |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| S. MUOIO & CO. LLC 509 MADISON AVENUE SUITE 406 NEW YORK, NY 10022 | | X | | |
| SALVATORE MUOIO C/O S. MUOIO & CO. LLC 509 MADISON AVENUE SUITE 406 NEW YORK, NY 10022 | | X | | |

Signatures

S. Muoio & Co. LLC (+), By: /s/ Salvatore Muoio, Managing Member 10/14/2008
 __Signature of Reporting Person Date

/s/ Salvatore Muoio (+) 10/14/2008
 __Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1)

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These securities are held in the accounts of several investment partnerships and investment funds (collectively, the "Investment Vehicles") for which S. Muoio & Co. LLC ("SMC") serves as either general partner or investment manager. Salvatore Muoio is the managing member of SMC. SMC and Mr. Muoio may be deemed to beneficially own the securities held by the Investment Vehicles by virtue of SMC's position as general partner or investment manager of the Investment Vehicles and Mr. Muoio's status as the managing member of SMC.

Remarks:

+ Each of the Reporting Person and the joint filer (individually, each a "Reporting Person" and collectively, the "Reporting Persons") disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein. The Reporting Persons affirmatively disclaim being a "group" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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