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HANDLEMAN CO /MI/
Form SC 13D/A
October 22, 2008

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)

(Amendment No. 1)

Handleman Company

(Name of Issuer)

Common Stock, \$0.01 par value per share

(Title of Class of Securities)

410252100

(CUSIP Number)

Salvatore Muoio
S. Muoio & Co. LLC
c/o 509 Madison Avenue, Suite 406
New York, NY 10022
(212) 297-2555

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

October 22, 2008

(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 Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [X].

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

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 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).

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CUSIP No. 410252100

1. NAME OF REPORTING PERSONS
I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Salvatore Muoio

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF, WC

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

3,725,707

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

3,725,707

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,725,707

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

18.2%

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14. TYPE OF REPORTING PERSON*

IN, HC

CUSIP No. 410252100

1. NAME OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

S. Muoio & Co. LLC

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

AF, WC

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 SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON

7. SOLE VOTING POWER

0

8. SHARED VOTING POWER

3,725,707

9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

3,725,707

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

3,725,707

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES*

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

18.2%

14. TYPE OF REPORTING PERSON*

IA, OO

CUSIP No. 410252100

Item 1. Security and Issuer.

No material change from the Schedule 13D filed on September 19, 2008.

Item 2. Identity and Background.

No material change from the Schedule 13D filed on September 19, 2008.

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

Salvatore Muoio, through his position as the managing member of SMC, is deemed to be the beneficial owner of the 3,725,707 Shares held by the private investment vehicles and managed accounts over which SMC exercises investment discretion.

SMC, the investment manager and general partner of a number of private investment vehicles and managed accounts, may be deemed to beneficially own the 3,725,707 Shares held by such entities.

The funds for the purchase of the Shares beneficially owned by the Reporting Persons came from the respective funds of the private investment vehicles and managed accounts over which the Reporting Persons exercise investment discretion.

No borrowed funds were used to purchase the Shares, other than any borrowed funds used for working capital purposes (including certain leverage arrangements) in the ordinary course of business.

Item 4. Purpose of Transaction.

No material change from the Schedule 13D filed on September 19, 2008.

Item 5. Interest in Securities of the Issuer.

Salvatore Muoio

(a-e) As of the date hereof, Salvatore Muoio may be deemed to be the beneficial owner of 3,725,707 Shares or 18.2% of the Shares of the Issuer, based upon the 20,515,269 Shares outstanding as of September 5, 2008, according to the Issuer's most recent Form 10-Q.

Salvatore Muoio has the sole power to vote or direct the vote of 0 Shares

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and the shared power to vote or direct the vote of 3,725,707 Shares to which this filing relates.

Salvatore Muoio has the sole power to dispose or direct the disposition of 0 Shares and the shared power to dispose or direct the disposition of 3,725,707 Shares to which this filing relates.

The trading dates, number of shares purchased and sold and price per share for all transactions in the Shares during the past 60 days by Salvatore Muoio and/or Salvatore Muoio, through SMC and on behalf of the private investment vehicles and managed accounts over which the Reporting Persons have investment discretion, are set forth in Exhibit B and were all effected in broker transactions.

The aforementioned Shares were acquired for investment purposes. Salvatore Muoio and/or Salvatore Muoio on behalf of the private investment vehicles and managed accounts over which he and/or he through SMC has investment discretion, may acquire additional Shares, dispose of all or some of these Shares from time to time, in each case in open markets or private transactions, block sales or purchases or otherwise, or may continue to hold the Shares.

S. Muoio & Co. LLC ("SMC")

(a-e) As of the date hereof, SMC may be deemed to be the beneficial owner of 3,725,707 Shares or 18.2% of the Shares of the Issuer, based upon the Shares outstanding.

SMC has the sole power to vote or direct the vote of 0 Shares and the shared power to vote or direct the vote of 3,725,707 Shares to which this filing relates.

SMC has the sole power to dispose or direct the disposition of 0 Shares and the shared power to dispose or direct the disposition of 3,725,707 Shares to which this filing relates.

The trading dates, number of shares purchased and sold and price per share for all transactions in the Shares during the past 60 days by SMC, and/or SMC on behalf of the private investment vehicles and managed accounts over which SMC has investment discretion, are set forth in Exhibit B and were all effected in broker transactions.

The aforementioned Shares were acquired for investment purposes. SMC, and/or SMC on behalf of the private investment vehicles and managed accounts over which it has investment discretion, may acquire additional Shares, dispose of all or some of these Shares from time to time, in each case in open markets or private transactions, block sales or purchases or otherwise, or may continue to hold the Shares.

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

*The Reporting Persons do not have any contract, arrangement, understanding or relationship with any person with respect to the Shares. However, the Reporting Persons among themselves may be deemed to be a group as defined in Section 13d-3(b) and have filed this joint Schedule 13D accordingly.

Item 7. Material to be Filed as Exhibits.

A. An agreement relating to the filing of a joint statement as required by

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Rule 13d-1(f) under the Securities Exchange Act of 1934 is filed herewith as Exhibit A.

B. A description of the transactions in the Shares that were effected by the Reporting Persons during the 60 days prior to October 22, 2008 is filed herewith as Exhibit B.

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.

October 22, 2008

(Date)

/s/ Salvatore Muoio*

Salvatore Muoio

S. Muoio & Co. LLC*

By: /s/ Salvatore Muoio

Name: Salvatore Muoio
Title: Managing Member

Attention. Intentional misstatements or omissions of fact constitute federal criminal violations (see 18 U.S.C. 1001).

Exhibit A

AGREEMENT

The undersigned agree that this Schedule 13D, Amendment No. 1, dated October 22, 2008 relating to the Common Stock, \$0.01 par value per share of Handleman Company shall be filed on behalf of the undersigned.

/s/ Salvatore Muoio*

Salvatore Muoio

S. Muoio & Co. LLC*

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By: /s/ Salvatore Muoio

Name: Salvatore Muoio
Title: Managing Member

October 22, 2008

Exhibit B

Transactions in the Shares -- Salvatore Muoio and S. Muoio & Co. LLC

Date of Transaction	Number of Shares Purchase/ (SOLD)	Price Per Share
08/26/2008	343,968	\$1.65
08/27/2008	284,985	\$2.01
08/28/2008	260,105	\$1.99
08/29/2008	37,000	\$1.91
09/02/2008	35,400	\$1.99
09/04/2008	53,100	\$2.08
09/08/2008	31,500	\$2.07
09/09/2008	74,472	\$2.07
09/10/2008	7,340	\$2.10
09/11/2008	91,500	\$2.13
09/18/2008	2,500	\$1.77
10/1/2008	8,300	\$1.87
10/2/2008	188,876	\$1.84
10/3/2008	59,333	\$1.83
10/6/2008	49,270	\$1.65
10/7/2008	18,500	\$1.60
10/8/2008	43,152	\$1.57
10/9/2008	20,100	\$1.45
10/10/2008	31,000	\$1.38
10/13/2008	7,901	\$1.45
10/14/2008	2,000	\$1.54
10/20/2008	27,179	\$1.52
10/21/2008	3,300	\$1.52

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