

MAGNACHIP SEMICONDUCTOR Corp
 Form 4
 January 13, 2017

FORM 4

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

OMB APPROVAL

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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 *
 Engaged Capital LLC

2. Issuer Name and Ticker or Trading Symbol
 MAGNACHIP SEMICONDUCTOR Corp [MX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 610 NEWPORT CENTER DRIVE, SUITE 250
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/11/2017

___ Director ___ 10% Owner
 ___ Officer (give title below) ___X___ Other (specify below)
 See Footnote 1

NEWPORT BEACH, CA 92660

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___ Form filed by One Reporting Person
 ___X___ 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)	
				(A) or (D)	Price			
Common Stock, par value \$0.01 per share ⁽¹⁾	01/11/2017		S	347,850	D	\$ 6.35	3,105,124 I	By: Engaged Capital Flagship Master Fund, LP ^{(2) (6)}
Common Stock, par value \$0.01 per	01/11/2017		S	52,150	D	\$ 6.35	347,850 I	By: Managed Account of Engaged

share ⁽¹⁾

Capital,
LLC ⁽³⁾

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

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(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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
5.00% Exchangeable Senior Notes due 2021 ⁽⁴⁾ ⁽⁵⁾	\$ 8.255	01/11/2017		P	\$ 4,496,288	⁽⁴⁾ 03/01/2021	Common Stock, par value \$0.01 per share ⁽¹⁾
5.00% Exchangeable Senior Notes due 2021 ⁽⁴⁾ ⁽⁵⁾	\$ 8.255	01/11/2017		P	\$ 503,712	⁽⁴⁾ 03/01/2021	Common Stock, par value \$0.01 per share ⁽¹⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Engaged Capital LLC 610 NEWPORT CENTER DRIVE SUITE 250 NEWPORT BEACH, CA 92660				See Footnote 1
Welling Glenn W. C/O ENGAGED CAPITAL, LLC 610 NEWPORT CENTER DR. SUITE 250 NEWPORT BEACH, CA 92660				See Footnote 1

Engaged Capital Holdings, LLC 610 NEWPORT CENTER DRIVE SUITE 250 NEWPORT BEACH, CA 92660	See Footnote 1
Engaged Capital Flagship Master Fund, LP CRICKET SQUARE, HUTCHINS DRIVE P.O. BOX 2681 GRAND CAYMAN, E9 KY1-1111	See Footnote 1
Engaged Capital Flagship Fund, L.P. 610 NEWPORT CENTER DRIVE SUITE 250 NEWPORT BEACH, CA 92660	See Footnote 1
Engaged Capital Flagship Fund, Ltd. 610 NEWPORT CENTER DRIVE SUITE 250 NEWPORT BEACH, CA 92660	See Footnote 1

Signatures

Engaged Capital, LLC; By: /s/ Glenn W. Welling, Authorized Signatory	01/13/2017
__Signature of Reporting Person	Date
/s/ Glenn W. Welling	01/13/2017
__Signature of Reporting Person	Date
Engaged Capital Holdings, LLC; By: /s/ Glenn W. Welling, Authorized Signatory	01/13/2017
__Signature of Reporting Person	Date
Engaged Capital Flagship Master Fund, LP; By: Engaged Capital, LLC; By: /s/ Glenn W. Welling, Authorized Signatory	01/13/2017
__Signature of Reporting Person	Date
Engaged Capital Flagship Fund, LP; By: Engaged Capital, LLC; By: /s/ Glenn W. Welling, Authorized Signatory	01/13/2017
__Signature of Reporting Person	Date
Engaged Capital Flagship Fund, Ltd.; By: /s/ Glenn W. Welling, Director	01/13/2017
__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) This Form 4 is filed jointly by Engaged Capital Flagship Master Fund, LP ("Engaged Capital Flagship Master"), Engaged Capital Flagship Fund, LP ("Engaged Capital Fund"), Engaged Capital Flagship Fund, Ltd. ("Engaged Capital Offshore"), Engaged Capital, LLC ("Engaged Capital"), Engaged Capital Holdings, LLC ("Engaged Holdings") and Glenn W. Welling (collectively, the "Reporting Persons"). Each of the Reporting Persons may be deemed to be a member of a Section 13(d) group that no longer collectively beneficially owns more than 10% of the Issuer's outstanding shares of Common Stock. Each of the Reporting Persons disclaims beneficial ownership of the securities reported herein except to the extent of his or its pecuniary interest therein.

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Securities owned directly by Engaged Capital Flagship Master. As feeder funds of Engaged Capital Flagship Master, each of Engaged Capital Fund and Engaged Capital Offshore may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master. As the general partner and investment adviser of Engaged Capital Flagship Master, Engaged Capital may be deemed to

(2) beneficially own the securities owned directly by Engaged Capital Flagship Master. Engaged Holdings, as the managing member of Engaged Capital, may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master. Mr. Welling, as the Founder and Chief Investment Officer of Engaged Capital and sole member of Engaged Holdings, may be deemed to beneficially own the securities owned directly by Engaged Capital Flagship Master.

Securities held in an account separately managed by Engaged Capital (the "Engaged Capital Account"). Engaged Capital, as the investment adviser of the Engaged Capital Account, may be deemed to beneficially own the securities held in the Engaged Capital

(3) Account. Engaged Holdings, as the managing member of Engaged Capital, may be deemed to beneficially own the securities held in the Engaged Capital Account. Mr. Welling, as the Founder and Chief Investment Officer of Engaged Capital and sole member of Engaged Holdings, may be deemed to beneficially own the securities held in the Engaged Capital Account.

The 5.00% Exchangeable Senior Notes due 2021 (the "Convertible Notes") bear interest at a rate of 5.00% per annum, with interest payable semiannually. The principal of the Convertible Notes is convertible into shares of the Issuer's Common Stock at any time after their issuance at a conversion price of approximately \$8.2550 per share, subject to adjustment in certain circumstances in accordance with

(4) the terms of the Convertible Notes; however, the Convertible Notes are subject to a blocker provision that precludes holders from converting the Convertible Notes to the extent that the holder and its affiliates would beneficially own (as determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) in excess of 9.99% of the Issuer's shares outstanding immediately after giving effect to such conversion.

At the time the Convertible Notes were purchased (pre-market January 11, 2017), the market value of the Issuer's Common Stock was \$6.35, based off of the closing price of the Common Stock on January 10, 2017. On January 11, 2017, the Common Stock opened at

(5) \$6.55 and closed at \$6.70, with a low of \$6.40 and a high of \$6.85 during the day. As such, in accordance with Rule 16b-6(c)(2) under the Exchange Act, there are no recoverable profits in connection with the transactions reported herein.

Effective July 1, 2016, Engaged Capital Master Feeder II, LP changed its name to Engaged Capital Flagship Master Fund, LP, Engaged

(6) Capital II, LP changed its name to Engaged Capital Flagship Fund, LP and Engaged Capital II Offshore Ltd. changed its name to Engaged Capital Flagship Fund, Ltd.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.