

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>DG Capital Management, LLC</u> (Last) (First) (Middle) <u>460 PARK AVENUE</u> <u>13TH FLOOR</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>10/01/2014</u>	3. Issuer Name and Ticker or Trading Symbol <u>HC2 Holdings, Inc. [HCHC]</u> 4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year) <u>05/29/2014</u>
			6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock, par value \$0.001 per share</u>	<u>1,192,335</u>	<u>I</u>	<u>See Footnote⁽¹⁾</u>

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<u>Series A Convertible Participating Preferred Stock</u>	<u>(2)</u>	<u>(2)</u>	<u>Common Stock</u>	<u>(2)</u>	<u>(2)</u>	<u>I</u>	<u>See Footnote⁽¹⁾</u>

1. Name and Address of Reporting Person* <u>DG Capital Management, LLC</u> (Last) (First) (Middle) <u>460 PARK AVENUE</u> <u>13TH FLOOR</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip)
1. Name and Address of Reporting Person* <u>Gertzulin Doy</u> (Last) (First) (Middle) <u>460 PARK AVENUE</u> <u>13TH FLOOR</u> (Street) <u>NEW YORK NY 10022</u> (City) (State) (Zip)

Explanation of Responses:

1. Shares reported herein are held for the account of private investment funds for which DG Capital Management, LLC serves as investment adviser. Mr. Gertzulin serves as the Managing Member of DG Capital Management, LLC. Each of the Reporting Persons disclaims beneficial ownership of the shares reported herein except to the extent of its or his pecuniary interest therein, and the filing of this Form 3 shall not be construed as an admission that either of the Reporting Persons is the beneficial owner of any such shares for purposes of Section 16(a) of the Securities Exchange Act of 1934 or for any other purpose.

2. The Series A Convertible Participating Preferred Stock was convertible as of the date of issuance and has no expiration date. As of the May 29, 2014, the Reporting Persons may be deemed to have beneficially owned 5,000 shares of the Issuer's Series A Convertible Participating Preferred Stock, each of which was convertible as of such date into shares of the Issuer's common stock at rate of \$1,000 divided by \$4.25, subject to adjustment upon the occurrence of certain events.

Remarks:

/s/ DG CAPITAL 10/01/2014

MANAGEMENT, LLC - Dov
Gertzulin, Managing Member

/s/ Dov Gertzulin

10/01/2014

** Signature of Reporting Person

Date

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

* If the form is filed by more than one reporting person, see Instruction 5 (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).

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

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 Number.