

FREDERICK'S OF HOLLYWOOD GROUP INC /NY/
 Form 4
 October 01, 2013

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 *
HARBINGER GROUP INC.

2. Issuer Name and Ticker or Trading Symbol
FREDERICK'S OF HOLLYWOOD GROUP INC /NY/ [FOHL]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
450 PARK AVENUE, 30TH FLOOR
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
09/26/2013

____ 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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
| | | | | (A) or (D) | Code | V | Amount | (D) | Price |

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 | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction | 5. Number of Derivative Securities | 6. Date Exercisable and Expiration Date | 7. Title a Underlyi |
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|---------------------|
|------------------------|---------------|--------------------------------------|-------------------------------|----------------|------------------------------------|---|---------------------|

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| Security (Instr. 3) | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8) | | Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | | (Month/Day/Year) | | (Instr. 3) | |
|--|---|-------------------------|---------------------|---|--|----------------|---------------------|--------------------|----------------|---------------|
| | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | Title |
| Convertible Series B Preferred Stock | \$ 0.25 | 09/26/2013 | J ⁽³⁾ | V | 4,545 | ⁽³⁾ | | 03/15/2013 | ⁽⁴⁾ | Comm Stock |
| Common Stock Warrant - Employee Stock Option Coverage | \$ 0.67 | 09/26/2013 | J ⁽⁵⁾ | V | | | 79,500 | ⁽⁵⁾ | ⁽⁵⁾ | Comm Stock |
| Convertible Series B Preferred Stock | \$ 0.25 | 09/26/2013 | P ⁽⁸⁾⁽⁹⁾ | | 104,545 | ⁽³⁾ | | 03/15/2013 | ⁽⁴⁾ | Comm Stock |
| Common Stock Warrant - Employee Stock Option Coverage ⁽⁸⁾ ⁽⁹⁾ | \$ 0.67 | 09/26/2013 | P ⁽⁸⁾⁽⁹⁾ | | 1,818,000 | | | ⁽⁶⁾ | 02/10/2022 | Comm Stock |
| Common Stock Warrant - Series A Warrant Coverage ⁽⁸⁾ ⁽⁹⁾ | \$ 0.45 | 09/26/2013 | P ⁽⁸⁾⁽⁹⁾ | | 500,000 | | | ⁽⁶⁾ | 06/23/2015 | Comm Stock |
| Common Stock Warrant - Series A Warrant Coverage ⁽⁸⁾ ⁽⁹⁾ | \$ 0.53 | 09/26/2013 | P ⁽⁸⁾⁽⁹⁾ | | 500,000 | | | ⁽⁶⁾ | 06/23/2017 | Comm Stock |
| Common Stock Warrant - Series A | \$ 0.6 | 09/26/2013 | P ⁽⁸⁾⁽⁹⁾ | | 500,000 | | | ⁽⁶⁾ | 06/24/2019 | Comm Stock |

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the securities of the Issuer reported herein for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.

- (3) Pursuant to the terms of the Convertible Series B Preferred Stock, dividends are fixed and are payable quarterly in arrears either (i) in cash at a rate of 9% per annum, or (ii) in the Issuer's sole discretion, in additional shares of Convertible Series B Preferred Stock at a rate of 12% per annum. Prior to September 26, 2013, an aggregate amount of 4,545 shares of Convertible Series B Preferred Stock were paid by the Issuer as paid in kind dividends in accordance with the terms of the Convertible Series B Preferred Stock.

- (4) The 104,545 shares of Convertible Series B Preferred Stock may be converted into Common Stock at any time, and expire upon the earlier to occur of (i) the conversion of such securities into Common Stock pursuant to their terms or (ii) the redemption thereof by the Issuer.

- (5) According to the Issuer, as of the date hereof, employee stock options of the Issuer representing the option to purchase 79,500 shares of the Issuer's Common Stock have expired. Accordingly, warrants to purchase 79,500 shares of the Issuer's Common Stock under the Common Stock Warrant - Employee Stock Option Coverage reported on the Form 3 filed by the Reporting Persons on March 25, 2013 and voluntarily reported in Table II of this Form 4 have also expired. Neither HGI Funding nor any of the Reporting Persons received any value in connection with such expiration.

- (6) In accordance with the terms thereof, the warrants are only exercisable upon a corresponding exercise or conversion of securities representing 10,166,977 shares of Common Stock, which are not owned by the Reporting Persons.

- (7) The Common Stock Warrant - Series A Coverage expires on the earlier of (i) thirty days after the conversion of the Issuer's Convertible Series A Preferred Stock into Common Stock pursuant to its terms, or (ii) upon the redemption thereof by the Issuer.

- (8) On September 26, 2013, Five Island Asset Management LLC ("Five Island"), a wholly-owned subsidiary of HGI, sold to HGI Funding 104,545 shares of Convertible Series B Preferred Stock and 10,166,977 warrants (the "Transferred Securities") in exchange for \$10,653,100 pursuant to a transfer and sale agreement, dated as of September 26, 2013, by and between Five Island and HGI Funding (the "Transfer and Sale Agreement"). Pursuant to the terms of the Transfer and Sale Agreement, the transfer of the Transferred Securities became effective on September 27, 2013. The Transferred Securities were reported as beneficially owned by HGI and Mr. Falcone on their Form 3 filed on March 25, 2013. (Continued in footnote 9)

- (9) Other than (i) the 4,545 shares of Convertible Series B Preferred Stock that were paid by the Issuer as paid in kind dividends in accordance with the terms of the Convertible Series B Preferred Stock voluntarily reported in Table II of this Form 4 and (ii) the expiration of warrants to purchase 79,500 shares of the Issuer's Common Stock under the Common Stock Warrant - Employee Stock Option Coverage, which such warrant was originally reported on the Form 3 filed by the Reporting Persons on March 25, 2013 and is voluntarily reported in Table II of this Form 4, there has been no change in the beneficial ownership of the Issuer's securities by HGI and Mr. Falcone.

Remarks:

(+) As of the date hereof, HGI Funding has the right to appoint two persons to the board of directors of the Issuer. As a result,

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