

Perfumania Holdings, Inc.
Form SC 13D
September 05, 2017

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

Perfumania Holdings, Inc.
(Name of Issuer)

Common Stock, \$0.01 Par Value
(Title of Class of Securities)

71376c 10 0
(CUSIP Number)

Mark J. Gentile
Richards, Layton & Finger, P.A.
920 North King Street
Wilmington, Delaware 19899
(302) 651-7700
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 25th, 2017
(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 Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

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, as amended ("Act") 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).

SCHEDULE 13D

CUSIP No. 71376c 10 0

Names of Reporting Persons.

1. MJA BEAUTY, LLC

Check the Appropriate Box if a
Member of a Group (See

2. Instructions)

(a)

(b)

3. SEC Use Only

Source of Funds (See

4. Instructions)

OO

Check Box if Disclosure of

5. Legal Proceedings Is Required

Pursuant to Items 2(d) or 2(e)

Citizenship or Place of

6. Organization

United States

NUMBER OF SHARES

OWNED

BY EACH REPORTING PERSON

SOLELY

OR

JOINTLY

OWNED

BY EACH REPORTING PERSON

SOLELY

OR

JOINTLY

OWNED

BY EACH REPORTING PERSON

SOLELY

OR

JOINTLY

OWNED

BY EACH REPORTING PERSON

SOLELY

OR

JOINTLY

OWNED

BY EACH REPORTING PERSON

SOLELY

OR

JOINTLY

OWNED

Sole Voting Power

7.

0

Shared Voting Power

8,362,032

Sole Dispositive Power

9.

0

Shared Dispositive Power

8,362,032

Aggregate Amount Beneficially

Owned by Each Reporting

11. Person

8,362,032

Check Box if the Aggregate

Amount in Row (11) Excludes

12. Certain Shares (See

Instructions)

Percent of Class Represented by

13. Amount in Row (11)

53.97%

Type of Reporting Person (See

Instructions)

IA

Item 1. Security and Issuer

This Schedule 13D (the “Schedule 13D”) relates to the common stock, par value \$0.01 per share (the “Common Stock”), of Perfumania Holdings, Inc. (the “Issuer”). The Issuer’s principal executive offices are located at 35 Sawgrass Drive, Suite 2, Bellport, New York 11713.

Item 2. Identity and Background

This statement is being filed by MJA Beauty, LLC, a Delaware limited liability company (“New HoldCo”), which is a member of a group with Stephen L. Nussdorf, Glenn H. Nussdorf, Arlene Nussdorf and Lillian Ruth Nussdorf (collectively, the “Nussdorf Family”), with respect to the shares of Common Stock contributed to New HoldCo in connection with the Investment Agreement (as defined in Item 4).

New HoldCo is a holding company without operations formed for the purpose of effecting the transactions contemplated by the Investment Agreement, including facilitating the Reorganization (as defined in Item 4). The address of New HoldCo’s principal office is 35 Sawgrass Drive, Bellport, New York 11713. During the last five years, New HoldCo has not been convicted in any criminal proceeding (excluding traffic violations or similar misdemeanors) and has not been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which proceeding New HoldCo was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

The members of the Nussdorf Family have used and intend to use personal funds and the outstanding shares of Common Stock they each previously beneficially owned to make their respective investments in New HoldCo. New HoldCo anticipates using cash contributions from

the members of the Nussdorf Family and their respective affiliates and JM-Co Capital Fund, LLC, an affiliate of Rene Garcia (collectively, the “Investor Group”), to make its investment in Reorganized Perfumania (as defined in Item 4) contemplated by the Investment Agreement.

Item 4. Purpose of Transaction

Each member of the Nussdorf Family has contributed beneficial ownership of all of the outstanding shares of Common Stock previously beneficially owned by them, and JM-Co Capital Fund, LLC has contributed beneficial ownership of 619,751 shares of Common Stock previously beneficially owned by it, to New HoldCo, along with a future cash investment by the Investor Group in the aggregate amount of \$14,263,460, as an equity contribution to New HoldCo. In connection therewith, as of August 26, 2017, New HoldCo and the individual members of the Investor Group entered into an Investment Agreement (the “Investment Agreement”) with the Issuer pursuant to which New HoldCo has agreed to purchase, for the aggregate amount of \$14,263,460, all the equity of the corporation (“Reorganized Perfumania”) that is expected to be the successor to the Issuer following the proposed reorganization (the “Reorganization”) of the Issuer and its subsidiaries (collectively, the “Debtors”) pursuant to a Chapter 11 bankruptcy proceeding as contemplated in the Prepackaged Joint Chapter 11 Plan of Reorganization of Model Reorg Acquisitions, LLC and its Affiliated Debtors and Debtors in Possession (the “Plan of Reorganization”) filed by the Debtors in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on August 26, 2017. Under the Investment Agreement, this investment made by New HoldCo in Reorganized Perfumania would be funded by the Investor Group’s cash contribution and would be made at the effective time of the Plan of Reorganization. If implemented, the Plan of Reorganization and the Investment Agreement would result in New

HoldCo directly or indirectly holding all of the outstanding equity interests of the restructured Debtors (the “Reorganized Debtors”).

The Plan of Reorganization provides for the cancellation of all of the issued and outstanding shares of Common Stock, including the shares of Common Stock held by New HoldCo, and all other warrants, options or other rights exercisable for shares of Common Stock for no consideration, as of the effective time of the Plan of Reorganization. However, the Plan of Reorganization would entitle each stockholder of the Issuer as of the effective time of the Plan of Reorganization (other than New HoldCo) to receive a payment of \$2.00 for each share of Common Stock held by such stockholder in exchange for the execution of a release discharging any and all claims against certain released parties, including the Debtors, the Reorganized Debtors, the members of the Investor Group and New HoldCo. Any payments made in connection with such a release under the Plan of Reorganization would be funded by New HoldCo’s equity investment under the Investment Agreement. If the Reorganization is effected, to the extent stockholders of the Issuer choose not to grant a release under the Plan of Reorganization and accept the consideration to be provided in respect thereof, New HoldCo’s investment in Reorganized Perfumania would be available for other corporate purposes. The Plan of Reorganization is subject to a number of conditions, including the Issuer’s obtainment of a sufficient asset-based revolving credit facility, the satisfaction or waiver of the conditions to the consummation of New HoldCo’s investment under the Investment Agreement, the adoption of new governing documents of the Reorganized Debtors and the obtainment of other consents, authorizations and approvals as required by applicable law. In addition, the transactions contemplated by the Investment Agreement will not occur and no investment thereunder will be made by New HoldCo or the Investor Group unless the Plan of

Reorganization is confirmed by the Bankruptcy Court pursuant to a confirmation order satisfactory in all material respects to New HoldCo and the Issuer prior to October 31, 2017. As such, there can be no assurance that there will be any restructuring of any of the Debtors or that stockholders of the Issuer will be able to receive any consideration in respect of their shares of Common Stock or any release of claims or otherwise. Moreover, in the event that the Reorganization is undertaken, stockholders of the Issuer will not be entitled to receive any consideration in connection therewith unless they provide a release in accordance with the terms of the Plan of Reorganization.

Other than as set forth above, each of the members of the Nussdorf Family and New HoldCo do not have current plans or proposals to acquire or dispose of additional securities of the Issuer, or to change the present board of directors or management of the Debtors.

The foregoing description of the Investment Agreement and of the Plan of Reorganization does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Investment Agreement and the Plan of Reorganization, which are filed herewith and incorporated herein by reference.

Item 5. Interests in Securities of the Issuer

(a) and (b) As of the date hereof, New HoldCo beneficially owns 8,362,032 shares (53.97%) of the Common Stock, for which Glenn H. Nussdorf, Stephen L. Nussdorf, Arlene Nussdorf and Lillian Ruth Nussdorf share voting and dispositive power.

Glenn H. Nussdorf and Stephen L. Nussdorf also each owns, with sole voting and dispositive power, Warrants to purchase 443,757 shares of Common Stock. Stephen L. Nussdorf also owns, with sole voting and dispositive power, options to purchase 250,000 shares of Common Stock.

Giving effect to the exercise of the options and/or Warrants held by each of Glenn H. Nussdorf and Stephen L. Nussdorf but not the exercise of the outstanding options and/or Warrants held by others, as of the date hereof, Glenn H. Nussdorf and Stephen L. Nussdorf beneficially own 8,805,789 shares (55.25%) and 9,055,789 shares (55.94%), respectively, of the Common Stock. As of the date hereof, Arlene Nussdorf and Lillian Ruth Nussdorf each beneficially own 8,362,032 shares (53.97%) of the Common Stock. The foregoing percentages are based on 15,493,763 shares of Common Stock outstanding as of June 16, 2017, as reported in the Issuer's Form 10-Q filed on June 19, 2017.

(c) On August 25, 2017, Glenn H. Nussdorf, Stephen L. Nussdorf, Arlene Nussdorf, and JM-Co Capital Fund, LLC transferred beneficial ownership of 3,536,129 shares, 2,327,375 shares, 1,745,444 shares and 619,751 shares, respectively, of Common Stock to New HoldCo. In addition, on August 25, 2017 Lillian Ruth Nussdorf transferred beneficial ownership of 133,333 shares of Common Stock, for which Lillian Ruth Nussdorf and Glenn H. Nussdorf previously shared voting and dispositive power, to New HoldCo. These transfers, along with separate cash investments by the members of the Investor Group composed of \$13,692,921.60 from the Nussdorf Family and/or their affiliates and \$570,538.40 from JM-Co Capital Fund, LLC. These investments are being made as contributions of capital to New HoldCo. New HoldCo will be owned 96% by the Nussdorf Family and/or their affiliates and 4% by JM-Co Capital Fund, LLC.

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

Item 4 above is incorporated herein by reference.

Item 7. Materials to be Filed as Exhibits

Investment Agreement, dated as of August 26, 2017, by and among MJA Beauty, LLC, the Members (as defined therein) and Perfumania Holdings, Inc. (Incorporated by reference to Exhibit 99.1 to the Amendment No. 22 to the Schedule 13D filed on behalf of Glenn H. Nussdorf, Stephen L. Nussdorf and Lillian Ruth Nussdorf on August 30, 2017)

Prepackaged Joint Chapter 11 Plan of Reorganization of Model Reorg Acquisitions, LLC and its Affiliated Debtors and Debtors in Possession filed by Perfumania Holdings, Inc. on behalf of itself and its affiliates in the United States Bankruptcy Court for the District of Delaware on August 26, 2017 (Incorporated by reference to Exhibit 99.2 to the Amendment No. 22 to the Schedule 13D filed on behalf of Glenn H. Nussdorf, Stephen L. Nussdorf and Lillian Ruth Nussdorf on August 30, 2017)

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.

Date: August 31, 2017

MJA BEAUTY, LLC

By: /s/ Michael W. Katz

Name: Michael W. Katz

Title: Manager