

AMERICAN APPAREL, INC
Form 4
June 27, 2013

FORM 4

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

OMB APPROVAL

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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 *
Charney Dov

(Last) (First) (Middle)

747 WAREHOUSE STREET

(Street)

LOS ANGELES, CA 90021

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

AMERICAN APPAREL, INC [APP]

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

06/25/2013

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$0.0001 par value	06/25/2013		A		2,500,000 (1)	A	\$ 0 (1)
					48,305,866	D	

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

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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)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying Security (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date		
Option (right to buy)	(2) (3) (4)	06/25/2013		D ⁽⁵⁾	V	(A)	(D)	(4)	(4)	Common Stock
Option (right to buy)	(2) (3) (4)	06/25/2013		D ⁽⁵⁾				(4)	(4)	Common Stock
Option (right to buy)	(2) (3) (4)	06/25/2013		D ⁽⁵⁾				(4)	(4)	Common Stock
Option (right to buy)	(6) (7)	06/25/2013		A ⁽⁵⁾		20,415,800		(6)(7)	(6)(7)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Charney Dov 747 WAREHOUSE STREET LOS ANGELES, CA 90021	X	X	Chief Executive Officer	

Signatures

/s/ Dov Charney 06/27/2013

**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) These shares were awarded in connection with the achievement of certain performance goals in accordance with the terms set forth in the reporting person's employment agreement dated March 22, 2012 with the Issuer.

(2) Pursuant to a Purchase Agreement dated as of April 27, 2011 (the "Purchase Agreement") between the Issuer and the reporting person, the reporting person received the right to receive (i) up to approximately 12,659,994 shares of common stock of the Issuer (the "Initial Anti-Dilution Shares") as anti-dilution protection with respect to the issuance of shares of common stock to certain other investors in the Issuer and (ii) up to an additional 25,319,988 shares of common stock as anti-dilution protection with respect to the issuance of shares of common stock to certain other investors in the Issuer in proportion to the exercise by such investors of their right to purchase certain shares of common stock of the Issuer.

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(3) On July 7, 2011 and July 12, 2011, the reporting person received a right to purchase an additional 6,150,889 and 1,604,917 shares of common stock of the Issuer (these shares together with the "Initial Anti-Dilution Shares are collectively referred to herein as the "Anti-Dilution Shares"), respectively, as a result of such investors exercising their right to purchase certain shares of common stock of the Issuer. The remaining right to purchase an additional 17,564,182 shares of common stock issuable as anti-dilution protection with respect to the issuance of shares of common stock to certain other investors expired on October 23, 2011 without the reporting person having the right to such shares.

(4) The Anti-Dilution Shares were issuable in three equal installments, one per measurement period set forth below, subject to meeting the applicable average volume weighted closing price for 60 consecutive trading days, calculated as set forth in the Purchase Agreement ("VWAP") as follows: (i) for the measurement period from April 16, 2012 to and including April 15, 2013, if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$3.25 per share; (ii) for the measurement period from but not including April 16, 2013 to and including April 15, 2014 if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$4.25 per share; and (iii) for the measurement period from but not including April 16, 2014 to and including April 15, 2015, if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$5.25 per share.

(5) On June 25, 2013, the stockholders of the Issuer approved an amendment to the Purchase Agreement resulting in an amendment to the terms of the Anti-Dilution Shares, resulting in the deemed cancellation of the "old" options to purchase the Anti-Dilution Shares and the grant of a replacement option to purchase the aggregate number of Anti-Dilution Shares.

(6) The amendment to the Purchase Agreement (i) extends by one year the measurement periods for the Anti-Dilution Shares and (ii) reduces the length of the corresponding stock price target periods from 60 days to 30 days.

(7) The amendment gives effect to the extensions of the measurement periods on a retroactive basis so that the reporting person has the right to receive the Anti-Dilution Shares as follows: (i) for the first measurement period from April 16, 2012 to and including April 15, 2014, if the VWAP of the common stock during a period of 30 consecutive trading days exceeds \$3.25 per share; (ii) for the measurement period from but not including April 16, 2014 to and including April 15, 2015, if the VWAP of the common stock during a period of 30 consecutive trading days exceeds \$4.25 per share; and (iii) for the measurement period from but not including April 16, 2015 to and including April 15, 2016, if the VWAP of the common stock during a period of 30 consecutive trading days exceeds \$5.25 per share.

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

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