

Differential Brands Group Inc.
Form SC 13D/A
February 02, 2018

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

SCHEDULE 13D

**Under the Securities Exchange Act of 1934
(Amendment No. 3)***

DIFFERENTIAL BRANDS GROUP INC.

(Name of Issuer)

Common Stock, \$0.10 par value per share

(Title of Class of Securities)

25374L108

(CUSIP Number)

Matthew D. Eby

Tengram Capital Associates, LLC

15 Riverside Avenue

Westport, CT 06880

Tel: (203) 454-69999

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

January 18, 2018

(Date of Event Which Requires Filing of this Statement)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition which 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 (the 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).

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1	Name of Reporting Persons	
	Tengram Capital Partners Gen2 Fund, L.P.	
2	Check the Appropriate Box if a Member of a Group	
	(a)	☐
	(b)	☐
3	SEC Use Only	
4	Source of Funds	
	OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	☐
6	Citizenship or Place of Organization	
	Delaware	
	7	Sole Voting Power
		0
	8	Shared Voting Power
		1,363,306 (1)
	9	Sole Dispositive Power
		0
	10	Shared Dispositive Power
		1,363,306 (1)
11	Aggregate Amount Beneficially Owned by Each Reporting Person	
	1,363,306 (1)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	☐
13	Percent of Class Represented by Amount in Row (11)	
	10.2% (2)	
14	Type of Reporting Person	
	HC; PN	

(1) Consists of 1,363,306 shares of Common Stock held directly by Tengram Capital Partners Gen2 Fund, L.P. (Tengram Fund I). Tengram Capital Associates, LLC (TCA) is the general partner of Tengram Fund I. Matthew Eby and William Sweedler are the co-managing members of TCA. Each of Matthew Eby, William Sweedler, TCA and Tengram Fund I may be deemed to share the voting and dispositive power of the above shares.

(2) Based on 13,330,849 shares of common stock, par value \$0.10 per share (Common Stock) of Differential Brands Group Inc., a Delaware corporation (the Issuer), issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017.

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1	Name of Reporting Persons Tengram Capital Associates, LLC	
2	Check the Appropriate Box if a Member of a Group (a) ☐ (b) ☐	
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 0
	8	Shared Voting Power 1,517,774 (3)
	9	Sole Dispositive Power 0
	10	Shared Dispositive Power 1,517,774 (3)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 1,517,774 (3)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ☐	
13	Percent of Class Represented by Amount in Row (11) 11.4% (4)	
14	Type of Reporting Person HC	

(3) Consists of 1,363,306 shares of Common Stock held directly by Tengram Fund I, 112,559 shares of Common Stock held directly by TCA and 41,909 shares of Common Stock held directly by RG II Blocker, LLC. TCA is the general partner of Tengram Fund I and the manager of RG II Blocker, LLC. Matthew Eby and William Sweedler are the co-managing members of TCA. Each of Matthew Eby, William Sweedler, TCA and Tengram Fund I may be deemed to share the voting and dispositive power of the above shares.

(4) Based on 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017.

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1	Name of Reporting Persons	
	TCP Denim, LLC	
2	Check the Appropriate Box if a Member of a Group	
	(a)	☐
	(b)	☐
3	SEC Use Only	
4	Source of Funds	
	OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	☐
6	Citizenship or Place of Organization	
	Delaware	
	7	Sole Voting Power
		0
Number of Shares Beneficially Owned by Each Reporting Person With	8	Shared Voting Power
		5,388,282(5)
	9	Sole Dispositive Power
		0
	10	Shared Dispositive Power
		5,388,282(5)
11	Aggregate Amount Beneficially Owned by Each Reporting Person	
	5,388,282(5)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	☐
13	Percent of Class Represented by Amount in Row (11)	
	28.8% (6)	
14	Type of Reporting Person	
	OO	

(5) Consists of 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of 10.0% Series A Convertible Preferred Stock, par value \$0.10 per share (the Series A Convertible Preferred Stock), of the Issuer purchased by TCP Denim, LLC pursuant to the Stock Purchase Agreement described in the Issuer's Registration Statement on Form S-4/A on December 7, 2015 (the Stock Purchase Agreement). TCP Denim, LLC is managed by its sole member, Tengram Capital Partners Fund II, L.P. (Tengram Fund II). Tengram Capital Associates II, LLC (TCA II) is the general partner of Tengram Fund II. Matthew Eby and William Sweedler are the co-managing members of TCA II. Each of Matthew Eby, William Sweedler, TCA II and Tengram Fund II may be deemed to share the voting and dispositive power of the above shares.

(6) Based on the sum of 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017, and 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock held by TCP Denim, LLC.

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1	Name of Reporting Persons Tengram Capital Partners Fund II, L.P.	
2	Check the Appropriate Box if a Member of a Group (a) ☐ (b) ☐	
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 0
	8	Shared Voting Power 10,476,246 (7)
	9	Sole Dispositive Power 0
	10	Shared Dispositive Power 10,476,246 (7)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 10,476,246 (7)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ☐	
13	Percent of Class Represented by Amount in Row (11) 44.0% (8)	
14	Type of Reporting Person HC; PN	

(7) Consists of: (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) a warrant owned by Tengram Fund II for the purchase of 500,000 shares of Common Stock at an exercise price of \$3.00 per share (subject to adjustment) and (iii) 4,587,964 shares of Common Stock issuable upon conversion of 4,587,964 shares of 10.0% Series A-1 Convertible Preferred Stock, par value \$0.10 per share (the Series A-1 Preferred Stock), assuming a one-to-one conversion rate (subject to adjustment). TCP Denim, LLC is managed by its sole member, Tengram Fund II. TCA II is the general partner of Tengram Fund II. Matthew Eby and William Sweedler are the co-managing members of TCA II. Each of Matthew Eby, William Sweedler, TCA II and Tengram Fund II may be deemed to share the voting and dispositive power of the above shares.

(8) Based on the sum of 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017, and (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) 500,000 shares of Common Stock issuable upon exercise of the warrant and (iii) 4,587,964 shares of Common Stock issuable upon conversion of

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Series A-1 Preferred Stock, assuming a one-to-one conversion rate (subject to adjustment).

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1	Name of Reporting Persons Tengram Capital Associates II, LLC	
2	Check the Appropriate Box if a Member of a Group (a) ☐ (b) ☐	
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 0
	8	Shared Voting Power 10,476,246 (9)
	9	Sole Dispositive Power 0
	10	Shared Dispositive Power 10,476,246 (9)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 10,476,246 (9)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ☐	
13	Percent of Class Represented by Amount in Row (11) 44.0% (10)	
14	Type of Reporting Person HC	

(9) Consists of: (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) a warrant owned by Tengram Fund II for the purchase of 500,000 shares of Common Stock at an exercise price of \$3.00 per share (subject to adjustment) and (iii) 4,587,964 shares of Common Stock issuable upon conversion of Series A-1 Preferred Stock, assuming a one-to-one conversion rate (subject to adjustment). TCP Denim, LLC is managed by its sole member, Tengram Fund II. TCA II is the general partner of Tengram Fund II. Matthew Eby and William Sweedler are the co-managing members of TCA II. Each of Matthew Eby, William Sweedler, TCA II and Tengram Fund II may be deemed to share the voting and dispositive power of the above shares.

(10) Based on the sum of approximately 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017, and (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) 500,000 shares of Common Stock issuable upon exercise of the warrant and (iii) 4,587,964 shares of Common Stock issuable

upon conversion of Series A-1 Preferred Stock, assuming a one-to-one conversion rate (subject to adjustment).

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1	Name of Reporting Persons Matthew Eby	
2	Check the Appropriate Box if a Member of a Group (a) ☐ (b) ☐	
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) ☐	
6	Citizenship or Place of Organization United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 9,058(11)
	8	Shared Voting Power 11,994,020 (12)
	9	Sole Dispositive Power 9,058 (11)
	10	Shared Dispositive Power 11,994,020 (12)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 12,003,078 (11)(12)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares ☐	
13	Percent of Class Represented by Amount in Row (11) 50.4% (13)	
14	Type of Reporting Person HC; IN	

(11) Consists of 9,058 shares of Common Stock held directly by Matthew Eby, over which Mr. Eby has sole voting and dispositive power.

(12) Consists of: (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock purchased by TCP Denim, LLC pursuant to the Stock Purchase Agreement; (ii) a warrant owned by Tengram Fund II for the purchase of 500,000 shares of Common Stock at an exercise price of \$3.00 per share (subject to adjustment); (iii) a convertible promissory note owned by Tengram Fund II with principal of \$13.0 million, which was converted on January 18, 2018 into 4,587,964 shares of Series A-1 Preferred Stock, further convertible into 4,587,964 shares of Common Stock, assuming a one-to-one conversion rate (subject to adjustment); (iv) 1,363,306 shares of Common Stock held directly by Tengram Fund I; (v) 112,559 shares of Common Stock held directly by TCA; and (vi) 41,909 shares of Common Stock held directly by RG II Blocker, LLC. TCP Denim, LLC is managed by its sole member, Tengram Fund II. TCA is the general partner of Tengram Fund I and the manager of RG II Blocker LLC, and TCA II is the general partner of Tengram Fund II. Matthew Eby and William Sweedler, as the co-managing members of TCA and TCA II, may be deemed to share the voting and dispositive power of the above 11,994,020 shares of Common Stock.

(13) Based on the sum of 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017, and (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) 500,000 shares of Common Stock issuable upon exercise of the warrant; and (iii) 4,587,964 shares of Common Stock issuable upon conversion of Series A-1 Preferred Stock, assuming a one-to-one conversion rate (subject to adjustment).

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1	Name of Reporting Persons William Sweedler	
2	Check the Appropriate Box if a Member of a Group	
	(a)	☐
	(b)	☐
3	SEC Use Only	
4	Source of Funds OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	☐
6	Citizenship or Place of Organization United States	
Number of Shares Beneficially Owned by Each Reporting Person With	7	Sole Voting Power 9,059 (14)
	8	Shared Voting Power 11,994,020 (15)
	9	Sole Dispositive Power 9,059 (14)
	10	Shared Dispositive Power 11,994,020 (15)
11	Aggregate Amount Beneficially Owned by Each Reporting Person 12,003,079 (14)(15)	
12	Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares	☐
13	Percent of Class Represented by Amount in Row (11) 50.4% (16)	
14	Type of Reporting Person HC; IN	

(14) Consists of 9,059 shares of Common Stock held directly by William Sweedler, over which Mr. Sweedler has sole voting and dispositive power.

(15) Consists of: (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock purchased by TCP Denim, LLC pursuant to the Stock Purchase Agreement; (ii) a warrant owned by Tengram Fund II for the purchase of 500,000 shares of Common Stock at an exercise price of \$3.00 per share (subject to adjustment); (iii) a convertible promissory note owned by Tengram Fund II with principal of \$13.0 million, which was converted on January 18, 2018 into 4,587,964 shares of Series A-1 Preferred Stock, further convertible into 4,587,964 shares of Common Stock, assuming a one-to-one conversion rate (subject to adjustment); (iv) 1,363,306 shares of Common Stock held directly by Tengram Fund I; (v) 112,559 shares of Common Stock held directly by TCA; and (vi) 41,909 shares of Common Stock held directly by RG II Blocker, LLC. TCP Denim, LLC is managed by its sole member, Tengram Fund II. TCA is the general partner of Tengram Fund I and the manager of RG II Blocker, LLC, and TCA II is the general partner of Tengram Fund II. Matthew Eby and William Sweedler, as the co-managing members of TCA and TCA II, may be deemed to share the voting and dispositive power of the above 11,994,020 shares of Common Stock.

(16) Based on the sum of 13,330,849 shares of Common Stock issued and outstanding as of November 14, 2017, per the Quarterly Report on Form 10-Q filed by the Issuer with the SEC on November 14, 2017, and (i) 5,388,282 shares of Common Stock, assuming a conversion price of \$11.16 per share, issuable upon conversion of 50,000 shares of the Series A Convertible Preferred Stock held by TCP Denim, LLC; (ii) 500,000 shares of Common Stock issuable upon exercise of the warrant and (iii) 4,587,964 shares of Common Stock issuable upon conversion of Series A-1 Preferred Stock, assuming a one-to-one conversion rate (subject to adjustment).

This Amendment No. 3 (this Amendment No. 3) to Schedule 13D amends and supplements the Schedule 13D originally filed with the Securities and Exchange Commission (the SEC) on February 8, 2016, as amended on May 10, 2017 and on July 21, 2017 (as amended through the date hereof, the Schedule 13D), on behalf of the Reporting Persons with respect to the shares of common stock, par value \$0.10 per share (the Common Stock), of Differential Brands Group Inc., a Delaware corporation (the Issuer). The Schedule 13D remains in full force and effect, except as specifically amended by this Amendment No. 3.

Item 3. Source and Amount of Funds or Other Consideration

Item 3 of the Schedule 13D is hereby amended and supplemented as follows: On January 18, 2018, the outstanding principal balance of the SWIMS Convertible Note, together with any accrued and unpaid interest thereon, converted into 4,587,964 shares of Series A-1 Preferred Stock at a price per share equal to \$3.00 per share. As a result, the SWIMS Convertible Note was repaid in full.

Item 5. Interest in Securities of the Issuer

The information set forth in Item 3 to this Amendment No. 3 is incorporated by reference into this Item 5. In addition, the information set forth on each of the cover pages hereto is incorporated by reference into this Item 5.

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

The information set forth in Item 3 to this Amendment No. 3 is incorporated by reference into this Item 6.

SIGNATURES

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.

Dated: February 2, 2018

TENGRAM CAPITAL PARTNERS GEN2 FUND, L.P.

By:	/s/ William Sweedler	
	Name:	William Sweedler
	Title:	Co-Managing member of Tengram Capital Associates, LLC, as general partner of Tengram Capital Partners Gen2 Fund, L.P.

TENGRAM CAPITAL ASSOCIATES, LLC

By:	/s/ William Sweedler	
	Name:	William Sweedler
	Title:	Co-Managing Member

TCP DENIM, LLC

By:	/s/ William Sweedler	
	Name:	William Sweedler
	Title:	Co-Managing member of Tengram Capital Associates II, LLC, as general partner of Tengram Capital Partners Fund II, L.P., as sole member of TCP Denim, LLC

TENGRAM CAPITAL PARTNERS FUND II, L.P.

By:	/s/ Matthew Eby	
	Name:	Matthew Eby
	Title:	Co-Managing member of Tengram Capital Associates II, LLC, as general partner of Tengram Capital Partners Fund II, L.P.

TENGRAM CAPITAL ASSOCIATES II, LLC

By:	/s/ William Sweedler	
	Name:	William Sweedler
	Title:	Co-Managing Member

/s/ Matthew Eby
Matthew Eby

/s/ William Sweedler
William Sweedler

