

Perfumania Holdings, Inc.  
Form S-4  
January 23, 2012  
Table of Contents

As filed with the Securities and Exchange Commission on January 20, 2012

Registration No. 333-

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

**FORM S-4**  
**REGISTRATION STATEMENT**  
*UNDER*  
*THE SECURITIES ACT OF 1933*

**PERFUMANIA HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

Florida  
(State or other jurisdiction of

5900  
(Primary Standard Industrial

65-0977964  
(I.R.S. Employer

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(Incorporation or organization)

(Classification Code Number)

(Identification Number)

35 Sawgrass Drive, Suite 2

Bellport, NY 11713

631-866-4100

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Donna Dellomo, Chief Financial Officer

Perfumania Holdings, Inc.

35 Sawgrass Drive, Suite 2

Bellport, NY 11713

631-866-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*With copies to:*

Matthew C. Dallett

Frederick E. Purches

Thomas R. McGuigan

Edwards Wildman Palmer LLP

Chairman and Chief Executive Officer

Squire Sanders (US) LLP

111 Huntington Avenue

Parlux Fragrances, Inc.

777 S. Flagler Dr., Suite 1900 West

Boston, Massachusetts 02199-7613

5900 N. Andrews Avenue, Suite 500,

West Palm Beach, FL 33401

(617) 239-0100

Fort Lauderdale, FL 33309

(561) 650-7200

(954) 316-9008

**Approximate date of commencement of proposed sale of the securities to the public:** As soon as practicable after this registration statement becomes effective and the satisfaction or waiver of all other conditions under the merger agreement described in this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

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If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

**Large accelerated filer**  **Accelerated filer**   
**Non-accelerated filer**  **(Do not check if a smaller reporting company)** **Smaller reporting company**   
 If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common Stock, \$0.01 value per share(1)	5,919,052	N/A	\$48,078,484	\$5,510

- (1) Issuable to holders of common stock, \$.01 par value, of Parlux Fragrances, Inc. ( Parlux ) under the merger agreement dated as of December 23, 2011 by and among the registrant, Parlux, and PFI Merger Corp., a subsidiary of the registrant.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rules 457(c) and 457(f) under the Securities Act. Equals the difference between (a) the product of (i) \$5.295, the average of the high and low sales prices per share of Parlux common stock on January 17, 2012, as reported on The Nasdaq Stock Market, and (ii) the 20,769,362 shares of Parlux common stock outstanding on that date and to be cancelled in the merger and (b) \$61,895,288, the maximum amount of cash payable by the registrant in exchange for Parlux common stock under the merger agreement.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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**Table of Contents**

**The information in this joint proxy statement/prospectus is not complete and may be changed. These securities may not be sold nor may offers to buy be accepted until the registration statement filed with the Securities and Exchange Commission, of which this joint proxy statement/prospectus is a part, is declared effective. This joint proxy statement/prospectus is not an offer to sell and is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 20, 2012**

**MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT**

Perfumania Holdings, Inc. ( Perfumania ) and Parlux Fragrances, Inc. ( Parlux ) have entered into an Agreement and Plan of Merger providing for Perfumania s acquisition of Parlux, which we refer to as the merger agreement. Under the merger agreement, Parlux will become a wholly owned subsidiary of Perfumania in a transaction that we refer to as the merger. We ask for your support in voting to approve the proposals necessary to complete the merger that will be presented at the Perfumania and Parlux stockholder meetings described in the accompanying joint proxy statement/prospectus.

Under the merger agreement, Parlux stockholders may elect to receive consideration consisting of shares of Perfumania common stock or a combination of shares and cash in exchange for their shares of Parlux common stock. Subject to adjustments as described below, Parlux stockholders electing to receive only shares will receive 0.533333 shares of Perfumania common stock in exchange for each Parlux share, and Parlux stockholders electing to receive a mix of cash and stock consideration and stockholders who do not make a timely election will receive \$4.00 in cash and 0.20 shares of Perfumania common stock in exchange for each Parlux share. However, the maximum amount of cash that will be paid is \$61,895,288, and the maximum amount of Perfumania common stock that will be issued is 5,919,052 shares. Both of these amounts are subject to adjustment in certain circumstances. In addition, if Parlux stockholders elect, in the aggregate, to receive more Perfumania shares than the maximum number available, which we believe is probable, holders electing to receive all stock consideration will receive a proportionate amount of the maximum available shares plus cash for the shares elected but not issued. These potential adjustments are more fully described in the accompanying joint proxy statement/prospectus.

Based on the \$[ ] closing sale price of Perfumania common stock on the Nasdaq Stock Market on [ ], 2012, the aggregate value of the merger consideration to be delivered by Perfumania to Parlux stockholders was approximately \$[ ]. Based on that Perfumania stock price and depending on the stockholder elections described above, the merger agreement values a share of Parlux stock at between \$[ ] and \$[ ], assuming no adjustments under the merger agreement other than such elections. Parlux s closing market price on [ ], 2012 was \$[ ] per share, and there were [20,769,362] shares of Parlux common stock outstanding on that date. See The Merger Agreement Consideration to be Received in the Merger in the accompanying joint proxy statement/prospectus for more information.

Current Perfumania stockholders will continue to own their existing Perfumania shares following the merger. We anticipate that, upon completion of the merger, Parlux stockholders will own approximately 40% of the outstanding shares of common stock of the combined company and current Perfumania stockholders will own approximately 60% (assuming issuance of the maximum number of shares, which we believe is probable). Following the merger, the Nussdorf family, members of which are currently the owners of approximately 74% of Perfumania s outstanding shares and 11% of Parlux s outstanding shares (and who have agreed to vote all such shares in favor of the proposals to be presented at both the Perfumania and the Parlux stockholder meetings), are expected to continue to own a majority of Perfumania s outstanding shares.

**THE PERFUMANIA BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT PERFUMANIA STOCKHOLDERS VOTE FOR THE PROPOSALS TO INCREASE THE NUMBER OF AUTHORIZED SHARES OF PERFUMANIA S COMMON STOCK AND TO ISSUE SHARES IN CONNECTION WITH THE MERGER, WHICH ARE NECESSARY TO COMPLETE THE MERGER.**

**THE PARLUX BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT PARLUX STOCKHOLDERS VOTE FOR THE PROPOSAL TO APPROVE AND ADOPT THE MERGER AGREEMENT, WHICH IS NECESSARY TO COMPLETE THE MERGER.**

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The accompanying joint proxy statement/prospectus contains detailed information about the stockholder meetings and the merger. We encourage you to read this entire document, as well as the annexes and exhibits, carefully and in their entirety.

**Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the stockholder meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the applicable stockholder meeting. For a discussion of certain risks relating to the merger, see Risk Factors beginning on page 32.**

Michael W. Katz

President and Chief Executive Officer

Perfumania Holdings, Inc.

Frederick E. Purches

Chairman and Chief Executive Officer

Parlux Fragrances, Inc.

The accompanying joint proxy statement/prospectus is dated [ ], 2012 and, together with a proxy card for the applicable company, is first being mailed to Perfumania and Parlux stockholders on or about [ ], 2012.

**Table of Contents**

**PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 20, 2012**

**Perfumania Holdings, Inc.**

**35 Sawgrass Drive, Suite 2**

**Bellport, New York 11713**

www.perfumaniaholdingsinc.com

Notice of Special Meeting of Stockholders

To be Held on [ ], 2012

Notice is hereby given that a Special Meeting of Stockholders of Perfumania Holdings, Inc. will be held at [ ], on [ ], 2012, at [ ] a.m. Eastern Time for the following purposes, as set forth in the accompanying Joint Proxy Statement/Prospectus:

1. To approve an amendment of Perfumania's Amended and Restated Articles of Incorporation to increase the number of authorized shares of Perfumania common stock to 35,000,000 shares;
2. To approve the issuance of shares of Perfumania common stock in connection with the proposed merger between Perfumania and Parlux Fragrances, Inc.; and
3. To transact such other business as may be in furtherance of or incidental to the foregoing.

The joint proxy statement/prospectus accompanying this Notice contains further information about the business to be transacted at the Special Meeting.

The Board of Directors is not aware of any other business to be presented for action at the Special Meeting. If any other matter properly comes before the Special Meeting, the persons named in the accompanying form of proxy intend to vote on it in accordance with the judgment of management. Any action may be taken on the foregoing proposals at the Special Meeting on the date specified above, or on any date or dates to which the Special Meeting may be adjourned.

Only holders of record of Perfumania common stock as of the close of business on [ ], 2012, the record date, are entitled to receive notice of and to vote at the Perfumania Special Meeting or any adjournments thereof.

By Order of the Board of Directors,

Michael W. Katz

*President and Chief Executive Officer*

Bellport, New York

[ ], 2012

**YOUR VOTE IS IMPORTANT**

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE PRE-PAID ENVELOPE, AS DESCRIBED IN THE INSTRUCTIONS WITH YOUR PROXY CARD.**

**Table of Contents**

PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 20, 2012

**Parlux Fragrances, Inc.**

**5900 N. Andrews Avenue, Suite 500**

**Fort Lauderdale, Florida 33309**

www.parlux.com

Notice of Special Meeting of Stockholders

To be Held on [ ], 2012

Notice is hereby given that a Special Meeting of Stockholders of Parlux Fragrances, Inc. will be held at [ ], on [ ], 2012, at [ ] a.m. Eastern Time for the following purposes as set forth in the accompanying Joint Proxy Statement/Prospectus:

1. To approve and adopt the Agreement and Plan of Merger, dated December 23, 2011 (as it may be amended from time to time), among Perfumania Holdings, Inc., Parlux, and PFI Merger Corp., a wholly owned subsidiary of Perfumania, under which Parlux will become a wholly owned subsidiary of Perfumania;
2. To approve, on an advisory and non-binding basis, certain compensation payable to certain executive officers of Parlux in connection with the merger;
3. To approve the adjournment of the special meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the first proposal described above; and
4. To transact such other business as may be in furtherance of or incidental to the foregoing.

The joint proxy statement/prospectus accompanying this Notice contains further information about the business to be transacted at the Special Meeting.

The Board of Directors is not aware of any other business to be presented for action at the Special Meeting. If any other matter properly comes before the Special Meeting, the persons named in the accompanying form of proxy will vote as recommended by the Parlux board of directors or, if no recommendation is given, in accordance with their best judgment. Any action may be taken on the foregoing proposals at the Special Meeting on the date specified above, or on any date or dates to which the Special Meeting may be adjourned.

Only holders of record of Parlux common stock as of the close of business on [ ], 2012, the record date, are entitled to receive notice of and to vote at the Parlux Special Meeting or any adjournments thereof.



By order of the Board of Directors,

Frederick E. Purches

*Chairman and Chief Executive Officer*

Fort Lauderdale, Florida

[ ], 2012

**YOUR VOTE IS IMPORTANT**

**IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING IN PERSON, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE PRE-PAID ENVELOPE, OR VOTE BY TELEPHONE OR THE INTERNET, AS DESCRIBED IN THE INSTRUCTIONS WITH YOUR PROXY CARD.**

**Table of Contents**

**PRELIMINARY SUBJECT TO COMPLETION DATED JANUARY 20, 2012**

**This joint proxy statement/prospectus contains important information about both companies and the proposed merger.**

**ADDITIONAL INFORMATION**

**Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Perfumania Stockholders to be held on [ ], 2012: The accompanying joint proxy statement/prospectus is available at [www.perfumaniaholdingsinc.com/proxy\\_materials.aspx](http://www.perfumaniaholdingsinc.com/proxy_materials.aspx).**

**Important Notice Regarding the Availability of Proxy Materials for the Special Meeting of Parlux Stockholders to Be Held on [ ], 2012: The accompanying joint proxy statement/prospectus is available at [www.parlux.com/corporate/index.html](http://www.parlux.com/corporate/index.html).**

Parlux and Perfumania each make available additional information that is not required to be included in or distributed with this joint proxy statement/prospectus on their Internet websites at [www.parlux.com](http://www.parlux.com) and [www.perfumaniaholdingsinc.com](http://www.perfumaniaholdingsinc.com), respectively. Information contained on these websites does not constitute part of this joint proxy statement/prospectus. They also provide information in periodic and other filings with the SEC. If you would like more information on Parlux or Perfumania, see *Where You Can Find More Information* beginning on page 240 of this joint proxy statement/prospectus.

Documents filed with the SEC are available to you without charge through the SEC's web site ([www.sec.gov](http://www.sec.gov)) or by requesting them in writing or by telephone from the respective company at the following addresses and telephone numbers:

Perfumania Holdings, Inc.

35 Sawgrass Drive, Suite 2

Bellport, New York 11713

Attention: Andrea Petruzzo

(631) 866-4100

Parlux Fragrances, Inc.

5900 N. Andrews Avenue, Suite 500

Fort Lauderdale, Florida 33309

Attention: Corporate Secretary

(954) 316-9008

You may also obtain documents without charge by requesting them in writing or by telephone from Georgeson Shareholder Communications Corporation, Parlux's proxy solicitor, at the following address and telephone number:

Georgeson Shareholder Communications Corporation

199 Water Street, 26<sup>th</sup> Floor

New York, New York 10038

(212) 440-9879

Stockholders requesting documents should do so no later than [ ], 2012 in order to receive timely delivery before the respective stockholder meeting.

**VOTING METHODS**

**Parlux** stockholders have four voting options. You may vote using one of the following methods:

**Telephone.** You can vote by touch-tone telephone in the United States, Canada or Puerto Rico by calling the number given on your proxy card or voting instruction form. You will then be prompted to enter the control number printed on the card or form and to follow the subsequent instructions. Telephone voting is available 24 hours a day until 11:59 p.m., Eastern time, on [ ], 2012. If you vote by telephone, you do not need to return your proxy card or voting instruction form.

## **Table of Contents**

**Internet.** You can vote over the Internet by accessing the secure web site indicated on your proxy card or voting instruction form and following the instructions on the site. Internet voting is available 24 hours a day until 11:59 p.m., Eastern time, on [ ], 2012. If you vote over the Internet, you do not need to return your proxy card or voting instruction form.

**Mail.** You can vote by mail by completing, signing, dating and mailing your proxy card or voting instruction form in the postage-paid envelope included with this joint proxy statement/prospectus.

**In Person.** You may come to the Parlux special meeting and cast your vote there. The board of directors of Parlux recommends that you vote by proxy even if you plan to attend the special meeting. If your shares are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, and you wish to vote in person at the special meeting, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the special meeting. For information on how to obtain directions to be able to attend the meeting and vote in person, please contact Parlux's corporate secretary at 5900 N. Andrews Avenue, Suite 500, Fort Lauderdale, Florida 33309 or by phone at (954) 316-9008.

**Perfumania** stockholders of record have two voting options. You may vote using one of the following methods:

**Mail.** You can vote by mail by completing, signing, dating and mailing your proxy card or voting instruction form in the postage-paid envelope included with this joint proxy statement/prospectus.

**In Person.** You may come to the Perfumania special meeting and cast your vote there. The board of directors of Perfumania recommends that you vote by proxy even if you plan to attend the special meeting. If your shares are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, and you wish to vote in person at the special meeting, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the special meeting. For information on how to obtain directions to be able to attend the meeting and vote in person, please contact Andrea Petruzzo of Perfumania Holdings, Inc. at 35 Sawgrass Drive, Suite 2, Bellport, New York 11713 or by phone at (631) 866-4100.

Beneficial owners of Perfumania common stock held in street name may also be able to vote by telephone or Internet if their bank or broker makes those methods available, in which case the bank or broker will enclose voting instructions with this joint proxy statement/prospectus.

**Table of Contents****TABLE OF CONTENTS**

	<b>Page</b>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE MEETINGS</u>	1
<u>SUMMARY</u>	7
<u>The Companies</u>	7
<u>The Merger</u>	7
<u>Structure of the Merger</u>	7
<u>Consideration to be Received in the Merger by Parlux Stockholders</u>	7
<u>Treatment of Parlux Options and Warrants</u>	11
<u>Additional Agreements</u>	12
<u>Financings</u>	13
<u>Reasons for the Merger; Recommendations of the Boards of Directors</u>	14
<u>Opinions of Financial Advisors</u>	15
<u>Matters to be Considered at the Meetings</u>	16
<u>Voting by Perfumania and Parlux Directors, Executive Officers and Principal Stockholders</u>	17
<u>Ownership of Perfumania Following the Merger</u>	17
<u>Directors and Executive Officers After the Merger</u>	17
<u>Interests of Certain Persons in the Merger</u>	18
<u>United States Federal Income Tax Consequences of the Merger</u>	19
<u>Regulatory Matters</u>	19
<u>Conditions to Completion of the Merger</u>	19
<u>Timing of the Merger</u>	20
<u>Restrictions on Alternative Transactions</u>	20
<u>Termination of the Merger</u>	21
<u>Comparison of Rights of Perfumania Stockholders and Parlux Stockholders</u>	22
<u>Accounting Treatment</u>	22
<u>Appraisal Rights</u>	22
<u>Litigation Related to the Merger</u>	23
<u>Nasdaq Listing of Perfumania Common Stock Issued in the Merger</u>	23
<u>SELECTED HISTORICAL FINANCIAL DATA</u>	24
<u>Perfumania</u>	25
<u>Parlux</u>	26
<u>SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA</u>	27
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	28
<u>COMPARATIVE MARKET PRICE AND DIVIDEND INFORMATION</u>	30
<u>RISK FACTORS</u>	32
<u>Risks Relating to the Merger</u>	32
<u>Risks Relating to the Combined Company After the Merger</u>	36
<u>Risks Relating to Perfumania and Parlux</u>	37
<u>CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS</u>	48
<u>THE MERGER</u>	50
<u>Background of the Merger</u>	50
<u>Perfumania Special Committee's and Board of Directors' Recommendations</u>	64
<u>Parlux Board of Directors' Recommendation</u>	66
<u>Opinions of Financial Advisors to the Parlux Independent Committee</u>	70
<u>Opinion of Peter J. Solomon Company</u>	70

**Table of Contents**

<u>Opinion of American Appraisal Associates, Inc.</u>	78
<u>Opinion of Financial Advisor to the Perfumania Special Committee</u>	86
<u>Certain Unaudited Prospective Financial Information</u>	96
<u>Interests of Certain Persons in the Merger</u>	101
<u>Ownership of Common Stock of the Combined Company After the Merger</u>	104
<u>Regulatory Approvals Required for the Merger</u>	104
<u>Restrictions on Sales of Shares of Perfumania Securities Received in the Merger</u>	105
<u>Listing of Perfumania Common Stock Issued in the Merger</u>	105
<u>Delisting of Parlux Common Stock</u>	105
<u>Accounting Treatment</u>	105
<u>Appraisal Rights</u>	105
<u>Litigation Related to the Merger</u>	108
<b><u>MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER</u></b>	109
<u>Tax Consequences of the Merger Generally</u>	110
<u>Cash Instead of a Fractional Share</u>	111
<u>Backup Withholding</u>	111
<b><u>THE MERGER AGREEMENT</u></b>	112
<u>Form and Effective Time of the Merger</u>	112
<u>Consideration to be Received in the Merger</u>	112
<u>Allocation of Merger Consideration</u>	113
<u>Treatment of Parlux Stock Options</u>	114
<u>Treatment of Warrants</u>	114
<u>Procedures for Exchange of Certificates</u>	115
<u>Representations and Warranties</u>	116
<u>Conduct of Business Pending the Merger</u>	118
<u>Conditions to Completion of the Merger</u>	121
<u>Solicitation: Restrictions on Solicitation</u>	123
<u>Termination</u>	126
<u>Effect of Termination</u>	128
<u>Termination Fee</u>	128
<u>Expenses</u>	129
<u>Employee Matters</u>	129
<u>Indemnification and Insurance</u>	130
<u>Amendment: Extension and Waiver</u>	131
<u>Governing Law</u>	131
<u>Additional Agreements</u>	131
<b><u>PERFUMANIA'S FINANCING ARRANGEMENTS</u></b>	134
<u>Overview</u>	134
<u>Bank Credit Facility</u>	134
<u>Nussdorf Trust Loans</u>	134
<u>Subordination Agreements</u>	135
<b><u>THE PARLUX SPECIAL MEETING</u></b>	136
<u>Meeting Matters</u>	136
<u>Parlux Proposal 1: Approval and Adoption of the Merger Agreement</u>	139
<u>Parlux Proposal 2: Advisory Vote on Certain Compensation Payable by Parlux to Executive Officers in Connection with the Merger</u>	139
<u>Parlux Proposal 3: Adjournment of the Parlux Special Meeting</u>	143
<u>About the Parlux Directors</u>	143

**Table of Contents**

<b><u>THE PERFUMANIA SPECIAL MEETING</u></b>	146
<u>Meeting Matters</u>	146
<u>Perfumania Proposal 1: Amendment of the Perfumania Charter</u>	148
<u>Perfumania Proposal 2: Issuance of Perfumania Common Stock in Connection with the Merger</u>	149
<b><u>INFORMATION ABOUT PERFUMANIA</u></b>	151
<u>Description of Business</u>	151
<u>Description of Property</u>	156
<u>Legal Proceedings</u>	156
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	157
<u>Material Contracts with Parlux</u>	168
<b><u>INFORMATION ABOUT PARLUX</u></b>	169
<u>Description of Business</u>	169
<u>Description of Property</u>	178
<u>Legal Proceedings</u>	178
<u>Management's Discussion and Analysis Of Financial Condition and Results of Operations</u>	180
<u>Certain Parlux Executive Compensation Information</u>	210
<b><u>DIRECTORS AND EXECUTIVE OFFICERS OF PERFUMANIA AFTER THE MERGER</u></b>	213
<u>About the Directors and Executive Officers</u>	213
<u>Director Independence</u>	214
<u>Indemnification of Perfumania's Directors and Officers</u>	214
<u>Executive Compensation</u>	215
<u>Certain Relationships and Related Party Transactions</u>	216
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	222
<u>Ownership of Perfumania before the Merger</u>	222
<u>Ownership of Parlux before the Merger</u>	223
<u>Pro Forma Ownership of Combined Company</u>	224
<b><u>DESCRIPTION OF CAPITAL STOCK OF PERFUMANIA</u></b>	227
<u>Common Stock</u>	227
<u>Preferred Stock</u>	227
<u>Anti-takeover Provisions</u>	227
<b><u>COMPARISON OF RIGHTS OF PERFUMANIA STOCKHOLDERS AND PARLUX STOCKHOLDERS</u></b>	228
<b><u>LEGAL MATTERS</u></b>	239
<b><u>EXPERTS</u></b>	239
<b><u>FUTURE STOCKHOLDER MEETINGS</u></b>	239
<u>Perfumania Stockholder Proposals</u>	239
<u>Parlux Stockholder Proposals</u>	240
<u>Stockholders Sharing an Address</u>	240
<b><u>WHERE YOU CAN FIND MORE INFORMATION</u></b>	240
<b><u>FINANCIAL STATEMENTS</u></b>	F-1
<b><u>UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION</u></b>	F-98
ANNEX A <u>AGREEMENT AND PLAN OF MERGER</u>	A-1
ANNEX B <u>FAIRNESS OPINIONS OF FINANCO SECURITIES LLC</u>	B-1
ANNEX C <u>FAIRNESS OPINION OF PETER J. SOLOMON COMPANY</u>	C-1
ANNEX D <u>FAIRNESS OPINION OF AMERICAN APPRAISAL ASSOCIATES, INC.</u>	D-1
ANNEX E <u>SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW.</u>	E-1

---

**Table of Contents**

**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE MEETINGS**

*The following is intended to address briefly some commonly asked questions about the merger and the stockholder meetings. It may not address all questions that may be important to you as a Perfumania or Parlux stockholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire joint proxy statement/prospectus, including the annexes. For additional information regarding Perfumania and Parlux, see *Where You Can Find More Information* beginning on page 240. All references in this joint proxy statement/prospectus to *Perfumania* refer to Perfumania Holdings, Inc., a Florida corporation; all references in this joint proxy statement/prospectus to *Parlux* refer to Parlux Fragrances, Inc., a Delaware corporation; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to *we* refer to Perfumania and Parlux; and all references to the *merger agreement* refer to the Agreement and Plan of Merger, dated December 23, 2011, among Perfumania, Parlux and PFI Merger Corp., a wholly owned subsidiary of Perfumania (which we refer to as *Merger Sub*), a copy of which is attached as Annex A to this joint proxy statement/prospectus.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

**A:** Perfumania and Parlux have entered into a merger agreement under which Parlux will be acquired by Perfumania through two merger transactions, which we refer to collectively in this joint proxy statement/prospectus as the *merger*. Perfumania and Parlux are seeking stockholder approval of several actions necessary to complete the merger, as described below. We will be unable to complete the merger unless both the Perfumania and Parlux stockholders approve these matters.

We have included in this joint proxy statement/prospectus important information about the merger, the merger agreement, the Perfumania and Parlux stockholder meetings and both companies. You should read this information carefully and in its entirety. The enclosed voting materials allow you to vote your shares without attending your company's stockholder meeting. Your vote is very important, and we encourage you to submit your proxy as soon as possible.

***Questions about the merger:***

**Q: What will happen in the merger?**

**A:** The proposed merger will combine the businesses of Perfumania and Parlux. Upon completion of the merger, Parlux will cease to exist and Perfumania will continue as a public company. Following the merger the combined company will be an independent fragrance company, owned by the stockholders of both companies, with an anticipated enterprise value of approximately \$[ ] million, based on the closing price of Perfumania common stock on [ ], 2012.

**Q: What will I receive in the merger in exchange for my shares of Parlux common stock?**

**A:** Under the merger agreement, Parlux stockholders may elect to receive consideration consisting of shares of Perfumania common stock or a combination of shares of Perfumania common stock and cash in exchange for their shares of Parlux common stock. Because there is a cap on the number of shares of Perfumania common stock that may be issued in the merger and certain Parlux stockholders have entered into agreements that obligate them to elect all stock as consideration, we believe that it is probable that all Parlux stockholders will receive some cash, as well as shares, in the merger. The determination and allocation of the merger consideration is explained in *Summary Consideration to be Received in the Merger by Parlux Stockholders* beginning on page 7, the *The Merger Agreement Consideration to be Received in the Merger* beginning on page 112 and *The Merger Agreement Allocation of Merger Consideration* beginning on page 113.

**Q: If I am a Parlux stockholder, how do I make my election?**

**A:** Parlux stockholders will receive an election form in a separate mailing. If you are a Parlux stockholder and wish to elect the type of merger consideration you prefer to receive in the merger, you should review and follow

## **Table of Contents**

carefully the instructions in or with the election form. A properly completed and signed election form must be received by the exchange agent by the election deadline, which is 5:00 p.m., Eastern time, on [ ], 2012. If either stockholder meeting is postponed or adjourned to a later date, the election deadline will also be delayed, and you will be given notice of the new deadline. If you do not submit a properly completed and signed election form by the election deadline, you will be deemed to have made an election to receive \$4.00 in cash and 0.20 shares of Perfumania common stock, subject to applicable adjustments, in exchange for each Parlux share that you hold.

### **Q: Why have Perfumania and Parlux decided to merge?**

**A:** Perfumania and Parlux believe that the merger will provide strategic and financial benefits to their stockholders, customers and employees, including:

a larger, independent, national vertically integrated manufacturer, wholesale distributor and specialty retailer of perfumes and fragrances;

a better positioned company to compete in the marketplace and drive growth;

increased operating scale;

increased licensing opportunities; and

synergies expected to result from the merger.

### **Q: What happens if I am a Parlux stockholder and I sell my shares of Parlux common stock before the Parlux special meeting or the merger?**

**A:** The record date of the Parlux special meeting, which we refer to in this joint proxy statement/prospectus as the Parlux record date, is earlier than the date of the Parlux special meeting and the date that the merger is expected to be completed. If you transfer your shares after the Parlux record date but before the Parlux special meeting, you will retain your right to vote at the Parlux special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must own your shares through completion of the merger.

### **Q: Do I have appraisal rights in the merger?**

**A:** If the merger is completed, Parlux stockholders who did not vote in favor of the merger proposal and who otherwise comply with the requirements and procedures of Section 262 of the Delaware General Corporation Law (which we refer to as the DGCL) will be entitled to exercise appraisal rights. A detailed description of the appraisal rights and procedures under the DGCL is included in The Merger Appraisal Rights beginning on page 105. The full text of Section 262 of the DGCL, as in effect as of the date of this joint proxy statement/prospectus, is attached as Annex E to this joint proxy statement/prospectus.

Perfumania stockholders do not have appraisal rights in connection with the merger.

### **Q: Are there any risks in the merger that I should consider?**

**A:** Yes. There are risks associated with all business combinations, including the proposed merger. We have described certain of these risks and other risks to Perfumania's and Parlux's businesses in more detail under Risk Factors beginning on page 32.

### **Q: Will Perfumania stockholders receive any shares as a result of the merger?**



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**A:** No. If you are a Perfumania stockholder, you will keep your existing stock certificates, which will continue to represent the number of shares of Perfumania common stock you now hold.

- 2 -

## **Table of Contents**

### **Q: When do you expect to complete the merger?**

**A:** Perfumania and Parlux expect to complete the merger during the first half of 2012, although we cannot assure completion by any particular date.

### **Q: Is receipt of the merger consideration expected to be taxable to Parlux stockholders?**

**A:** We expect that the merger will be treated as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. Therefore, we expect that Parlux stockholders will not recognize any gain or loss for federal income tax purposes with respect to the value of the shares of Perfumania common stock they receive in exchange for shares of Parlux common stock in the merger. However, to the extent Parlux stockholders receive cash in exchange for their Parlux common stock, they will recognize gain or loss for tax purposes.

You should read *Material U.S. Federal Income Tax Consequences of the Merger* beginning on page 109 for a description of the material United States federal income tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular situation. You should consult your tax advisor to determine the tax consequences of the merger to you.

### **Q: Should I send in my Parlux stock certificates now?**

**A:** No. Please do not send your stock certificates with your proxy card. Instead, before the election deadline, send your completed, signed election form, together with your Parlux common stock certificate(s) (or a properly completed notice of guaranteed delivery) to the exchange agent. The election form for your Parlux shares is being delivered to you with instructions in a separate mailing.

If you do not submit your Parlux stock certificate with the election form, you will receive instructions on how to do so after the merger is completed.

### ***Questions about voting at the stockholder meetings:***

#### **Q: What proposals are Parlux stockholders being asked to consider?**

**A:** Parlux stockholders are being asked to:

approve and adopt the merger agreement to permit the merger to occur;

if necessary, approve the adjournment of the special meeting for any purpose, including to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement; and

approve, on an advisory and non-binding basis, certain compensation payable to certain Parlux executive officers in connection with the merger.

#### **Q: What proposals are Perfumania stockholders being asked to consider?**

**A:** Perfumania stockholders are being asked to:

approve an amendment to Perfumania's articles of incorporation (which we refer to as its charter) to increase the number of shares of common stock that Perfumania is authorized to issue from 20 million to 35 million in order to provide enough shares for issuance in connection with the merger as well as for other corporate purposes; and

approve the issuance of shares of Perfumania common stock in connection with the merger.

## **Table of Contents**

### **Q: What do the Perfumania and Parlux boards of directors recommend?**

**A:** Each company's board of directors has unanimously approved the merger agreement and the other transactions it contemplates and has determined that the merger agreement and the merger are advisable and in the best interests of the Perfumania stockholders and the Parlux stockholders, as applicable. In addition, Perfumania's board of directors has unanimously approved the Perfumania charter amendment and the issuance of common stock in connection with the merger and has determined that the Perfumania charter amendment and the issuance of common stock in connection with the merger are advisable and in the best interests of Perfumania's stockholders.

**The Parlux Board of Directors unanimously recommends that Parlux stockholders vote FOR the approval and adoption of the merger agreement and FOR the other proposals at the special meeting.** See The Merger Parlux Board of Directors Recommendation beginning on page 66.

**The Perfumania Board of Directors unanimously recommends that Perfumania stockholders vote FOR the amendment to the Perfumania charter increasing the authorized shares of common stock and FOR the issuance of common stock in connection with the merger.** See The Merger Perfumania Special Committee's and Board of Directors Recommendations beginning on page 64.

### **Q: When and where will the stockholder meetings be held?**

**A:** The special meeting of Parlux stockholders will be held at [ ] on [ ], 2012 at [ ] a.m., Eastern time.

The special meeting of Perfumania stockholders will be held at [ ] on [ ], 2012 at [ ] a.m., Eastern time.

### **Q: Who is entitled to vote at the stockholder meetings?**

**A:** Holders of shares of Parlux common stock as of the close of business on [ ], 2012, the Parlux record date, are entitled to vote at the Parlux special meeting or any adjournment or postponement thereof.

Holders of shares of Perfumania common stock as of the close of business on [ ], 2012, the record date for the Perfumania special meeting are entitled to vote at the Perfumania special meeting or any adjournment or postponement thereof.

### **Q: What stockholder vote is required to approve the proposals at the Parlux special meeting?**

**A:** Approval and adoption of the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Parlux common stock entitled to vote on the proposal. Approval, on an advisory and non-binding basis, of certain compensation payable to certain Parlux executive officers in connection with the merger and approval of any proposal to adjourn the special meeting each requires the affirmative vote of holders of a majority of the shares entitled to vote on the proposal and present or represented by proxy at the Parlux special meeting.

### **Q: What stockholder vote is required to approve the proposals at the Perfumania special meeting?**

**A:** Approval of the amendment to Perfumania's charter increasing the number of shares of authorized common stock requires that the number of votes cast in favor of approval exceed the number cast in opposition. Approval of the issuance of shares of Perfumania common stock in connection with the merger requires the affirmative vote of a majority of the total votes cast on the proposal. These two standards are the same in operation. As a result of their ownership of approximately 74% of the outstanding shares of Perfumania common stock, members

of the Nussdorf family have the right, and have agreed, to vote a sufficient number of shares at the Perfumania special meeting to approve both proposals. Accordingly, the approval of both proposals at the Perfumania special meeting is assured without the vote of any other stockholder.

## **Table of Contents**

### **Q: How do Parlux stockholders vote?**

**A:** Parlux stockholders have four voting options. You may vote using one of the following methods:

**Telephone.** You can vote by touch-tone telephone in the United States, Canada or Puerto Rico by calling the number given on your proxy card or voting instruction form. You will then be prompted to enter the control number printed on the card or form and to follow the subsequent instructions. Telephone voting is available 24 hours a day until 11:59 p.m., Eastern time, on [ ], 2012. If you vote by telephone, you do not need to return your proxy card or voting instruction form.

**Internet.** You can vote over the Internet by accessing the secure web site indicated on your proxy card or voting instruction form and following the instructions on the site. Internet voting is available 24 hours a day until 11:59 p.m., Eastern time, on [ ], 2012. If you vote over the Internet, you do not need to return your proxy card or voting instruction form.

**Mail.** You can vote by mail by completing, signing, dating and mailing your proxy card or voting instruction form in the postage-paid envelope included with this joint proxy statement/prospectus.

**In Person.** You may come to the Parlux special meeting and cast your vote there. The Parlux board of directors recommends that you vote by proxy even if you plan to attend the special meeting. If your shares are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, and you wish to vote in person at the special meeting, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the special meeting.

### **Q: How do Perfumania stockholders vote?**

**A:** Perfumania stockholders of record have two voting options. You may vote using one of the following methods:

**Mail.** You can vote by mail by completing, signing, dating and mailing your proxy card or voting instruction form in the postage-paid envelope included with this joint proxy statement/prospectus.

**In Person.** You may come to the Perfumania special meeting and cast your vote there. The board of directors of Perfumania recommends that you vote by proxy even if you plan to attend the special meeting. If your shares are held in a stock brokerage account or through a bank, broker or other nominee, or, in other words, in street name, and you wish to vote in person at the special meeting, you must bring a letter from your bank, broker or nominee identifying you as the beneficial owner of the shares and authorizing you to vote such shares at the special meeting. For directions to attend the meeting and vote in person, please contact Andrea Petruzzo of Perfumania Holdings, Inc. at 35 Sawgrass Drive, Suite 2, Bellport, New York 11713 or by phone at (631) 866-4100.

Beneficial owners of Perfumania common stock held in street name may also be able to vote by telephone or Internet if their bank or broker makes those methods available, in which case the bank or broker will enclose voting instructions with this joint proxy statement/prospectus.

### **Q: Why is it important that I vote or give voting instructions to the broker or nominee holding my shares?**

**A:** If you are a Parlux stockholder and you abstain from voting on any proposal, or if you fail to instruct your broker or other nominee how to vote (resulting in a broker non-vote), it will have the same effect as a vote against that proposal.

If you are a Perfumania stockholder and you abstain from voting or if you fail to instruct your broker or other nominee how to vote on either proposal, it will have no effect on the result.

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If you send in your signed proxy or voting instruction form but do not indicate how you want to vote on the proposal, your vote will be cast in accordance with the respective board of directors' recommendations.

- 5 -

**Table of Contents**

**Q: May I change my vote after I have delivered my proxy or voting instruction form?**

**A:** Yes. You may change your vote at any time before your proxy is voted at your stockholder meeting. If you are a stockholder of record, you may do this in one of three ways:

by sending a notice of revocation to the corporate secretary of Perfumania or Parlux, as applicable, dated as of a later date than the date of the original proxy card and received before the Perfumania or Parlux stockholder meeting, as applicable;

by sending a completed proxy card bearing a later date than your original proxy card and mailing it so that it is received before the Perfumania or Parlux stockholder meeting, as applicable; or

by attending your stockholder meeting, notifying the inspector of election that you are revoking your original proxy, and voting in person.

Your attendance at the stockholder meeting alone will not revoke any proxy.

If your shares are held in an account at a broker or other nominee, you should contact your broker or other nominee to change your vote.

**Q: Who should I call if I have questions about the proxy materials or voting procedures?**

**A:** You may have questions about the merger, or need assistance in submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card. If you are a Perfumania stockholder, you should contact Perfumania Investor Relations at (631) 866-4100 or [InvestorRelations@perfumaniaholdingsinc.com](mailto:InvestorRelations@perfumaniaholdingsinc.com). If you are a Parlux stockholder, you should contact Georgeson Shareholder Communications Corporation, the proxy solicitation agent for Parlux, at (212) 440-9879. If your shares are held in a stock brokerage account or by a bank or other nominee, you should contact your broker, bank, or other nominee for additional information.

**Q: What do I need to do now?**

**A:** After carefully reading and considering the information contained in this joint proxy statement/prospectus, including the annexes, please vote your shares as soon as possible so that your shares will be represented at your company's stockholder meeting. Please follow the instructions set forth on your proxy card or voting instruction form.

## **Table of Contents**

### **SUMMARY**

This summary highlights selected information contained in this joint proxy statement/prospectus and may not contain all the information that is important to you. We urge you to read this joint proxy statement/prospectus carefully and in its entirety, as well as the annexes. For additional important information regarding Perfumania and Parlux, see [Where You Can Find More Information](#) beginning on page 240.

#### **The Companies**

##### **Perfumania Holdings, Inc.**

Perfumania is an independent, national, vertically integrated wholesale distributor and specialty retailer of perfumes and fragrances that does business through five primary operating subsidiaries. Perfumania operates in two industry segments, wholesale distribution and specialty retail sales of designer fragrances and related products. Perfumania's common stock is traded on the Nasdaq Stock Market under the symbol **PERF**. For the fiscal year ended January 29, 2011, Perfumania had net sales of \$484.8 million and a net loss of \$3.7 million.

The principal executive office of Perfumania is located at 35 Sawgrass Drive, Suite 2, Bellport, New York 11713 and its phone number is (631) 866-4100.

As described in [The Merger Agreement](#), the merger will be accomplished by merging PFI Merger Corp., a wholly owned subsidiary of Perfumania ( **Merger Sub** ), into Parlux, then merging that company into another wholly owned subsidiary of Perfumania ( **Merger Sub I** ). Merger Sub was formed and Merger Sub I will be formed by Perfumania to accomplish the merger. Neither company has carried on any activities to date except for those incidental to its formation or undertaken in connection with the merger.

##### **Parlux Fragrances, Inc.**

Parlux is engaged in the business of creating, designing, manufacturing, distributing and selling prestige fragrances and beauty related products marketed primarily through specialty stores, national department stores and perfumeries on a worldwide basis. Parlux's common stock is traded on the Nasdaq Stock Market under the symbol **PARL**. For the fiscal year ended March 31, 2011, Parlux had net sales of \$123 million and net income of \$1.2 million.

The principal executive office of Parlux is 5900 N. Andrews Avenue, Suite 500, Fort Lauderdale, Florida 33309 and its phone number is (954) 316-9008.

#### **The Merger**

##### **Structure of the Merger**

Perfumania and Parlux have entered into a merger agreement under which Merger Sub will merge with Parlux and then Parlux will merge with Merger Sub I, which will survive as a subsidiary of Perfumania. Upon completion of the merger, Parlux common stock will be no longer be publicly traded.

##### **Consideration to be Received in the Merger by Parlux Stockholders**

Under the merger agreement, Parlux stockholders may elect to receive consideration consisting of shares of Perfumania common stock or a combination of shares of Perfumania common stock and cash in exchange for their shares of Parlux common stock. Subject to adjustments as described below, Parlux stockholders electing to receive only shares will receive 0.533333 shares of Perfumania common stock in exchange for each Parlux share, and Parlux stockholders electing to receive a mix of cash and stock consideration and stockholders who don't



**Table of Contents**

make a timely election will receive \$4.00 in cash and 0.20 shares of Perfumania common stock in exchange for each Parlux share. However, the maximum amount of cash that will be paid is \$61,895,288, and the maximum amount of Perfumania common stock that will be issued is 5,919,052 shares, subject to upward adjustment for any increase in the number of Parlux shares outstanding and to replace, on a pro rata and proportionate basis as necessary, a decrease in cash consideration in certain circumstances (the Aggregate Cap ). Both of these amounts are subject to adjustment in certain circumstances, including a downward adjustment of the maximum cash consideration for each share of Parlux stock as to which appraisal rights have been exercised and for any shortfall of Parlux cash or cash equivalents, and an upward adjustment of the Aggregate Cap for any increase in the number of Parlux shares outstanding and to replace, on a pro rata and proportionate basis as necessary, any decrease in maximum cash consideration resulting from a shortfall of Parlux cash or cash equivalents. See The Merger Agreement Consideration to be Received in the Merger on page 112.

If Parlux stockholders elect, in the aggregate, to receive more shares of Perfumania common stock than the Aggregate Cap, which we believe is probable, those holders electing to receive all stock consideration will be prorated downward and will receive in exchange for each share of Parlux stock (1) a number of shares of Perfumania common stock equal to the difference between (a) the Aggregate Cap and (b) the product of (i) the total number of shares as to which holders have elected mixed consideration or made no election and (ii) 0.20 (such difference, the Available Stock Election Amount ), divided by the total number of shares as to which the holders have elected all stock consideration, rounded to the nearest ten thousandth of a share, and (2) an amount of cash (without interest) equal to the product of (a) the difference between (i) the number of shares as to which holders have elected all stock consideration multiplied by 0.533333 and (ii) the Available Stock Election Amount and (b) \$12.00, divided by the total number of shares as to which the holders have elected all stock consideration. As a result, Parlux stockholders who make a valid election to receive all stock consideration would not receive merger consideration entirely in that form. See Risk Factors Parlux stockholders electing to receive only Perfumania common stock may receive cash and stock and Parlux stockholders electing to receive a mix of cash and stock may receive more stock and less cash than expected on page 32.

Perfumania will not issue any fractional shares of common stock in the merger. For each fractional share that would otherwise be issued, Perfumania will pay cash (without interest) in an amount equal to the product of (i) the applicable fraction and (ii) \$12.00. See The Merger Agreement Procedures for Exchange of Certificates on page 115.

To facilitate the merger's compliance with the continuity of interest requirement for tax-free reorganizations under the Code, and therefore to provide greater assurance that the respective tax counsel of Perfumania and Parlux will be able to deliver the tax opinion that is a condition to each party's obligation to complete the merger, the merger consideration is subject to adjustment depending on the number of stockholders (if any) who choose to exercise their appraisal rights.

***Illustrative Values of the Merger Consideration***

The following tables illustrate the consideration that would be received by holders of Parlux common stock in the merger under four different hypothetical scenarios. Each scenario assumes (i) that the value of Perfumania common stock at the closing of the merger is \$[ ], the closing price of Perfumania common stock on Nasdaq on [ ], 2012, (ii) that a certain percentage of stockholders elect to receive all stock as consideration, (iii) that no adjustment of a type described in The Merger Agreement Consideration to be Received in the Merger on page 112, other than any based upon the elections of Parlux stockholders, is made to the cash and stock components of the merger consideration, and (iv) that the aggregate number of shares of stock to be issued as merger consideration is equal to the Aggregate Cap.

**Table of Contents**

Upon execution of the merger agreement, Perfumania entered into voting agreements with certain Parlux stockholders as described in The Merger Agreement Additional Agreements on page 131. Among other things, these voting agreements require those Parlux stockholders to make an election to receive all stock consideration. If only these Parlux stockholders elect to receive all stock consideration and all other Parlux stockholders elect to receive mixed consideration (or any of these Parlux stockholders do not make a valid election and are therefore deemed to have made an election to receive mixed consideration), then (absent adjustments to the Aggregate Cap) no Parlux stockholder will receive merger consideration in an amount or form other than as elected, and the total number of shares to be issued in connection with the merger to stockholders electing all stock and stockholders electing mixed consideration will be equal to the Aggregate Cap. Therefore, if any Parlux stockholder other than those bound by the voting agreements elects to receive all stock consideration, which we believe is probable, the number of shares received by all Parlux stockholders electing all stock consideration (including those subject to the voting agreements) will be prorated downward and the consideration received by every stockholder will include some amount of cash. The amount of cash per share of Parlux common stock received by each Parlux stockholder who elected all stock will equal the product of the number of shares as to which stockholders elect all stock consideration in excess of the Aggregate Cap and \$12.00, divided by the total number of shares as to which stockholders elect all stock consideration. See also The Merger Agreement Consideration to be Received in the Merger.

Because every Parlux stockholder, regardless of which election the stockholder makes or whether the stockholder makes an election at all, will receive some portion of the merger consideration in the form of shares of Perfumania common stock, the value of the consideration received at the effective time of the merger will depend upon the market price of Perfumania common stock at that time. It is important to note, however, that fluctuations in the market price per share of Perfumania common stock will not impact the amount of cash or the number of shares of Perfumania common stock received by any stockholder.

To illustrate this, the tables below provide examples of the value of the merger consideration that may be received by a Parlux stockholder, depending on the outcome of various stockholders' elections, that were prepared based on the assumptions noted above. The tables should be read and used in conjunction with the qualifications noted in the paragraphs below the tables. You may use these tables to calculate the value of merger consideration at different values of Perfumania common stock by multiplying a testing price for a share of Perfumania common stock by the decimal representing the Perfumania common stock component of merger consideration per share of Parlux common stock shown below to give you the Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock. To compute the Illustrative value of total merger consideration per share of Parlux common stock, add the value of the stock component of the merger consideration received to the cash component of the merger consideration received.

**Example #1: All Parlux stockholders (except those bound by the voting agreements)**

**elect mixed consideration**

Cash component of merger consideration per share of Parlux common stock	Mixed Consideration		All-Stock Consideration		
	Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock	Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock
\$4.00	0.20	[ ]	[ ]	0.533333	[ ]

**Table of Contents**

**Example #2: 50% of all Parlux stockholders elect mixed consideration and 50% (including those bound by the voting agreements) elect stock consideration**

Cash component of merger consideration per share of Parlux common stock	Mixed Consideration			Illustrative value of total merger consideration per share of Parlux common stock	All-Stock Consideration		
	Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock		Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock
\$4.00	0.20	[ ]	[ ]	\$1.96	0.369979	[ ]	[ ]

**Example #3: 25% of all Parlux stockholders elect mixed consideration and 75% (including those bound by the voting agreements) elect stock consideration**

Cash component of merger consideration per share of Parlux common stock	Mixed Consideration			Cash component of merger consideration per share of Parlux common stock	All-Stock Consideration		
	Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock		Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock
\$4.00	0.20	[ ]	[ ]	\$2.64	0.313319	[ ]	[ ]

**Example #4: All Parlux stockholders (including those bound by the voting agreements) elect stock consideration**

Cash component of merger consideration per share of Parlux common stock	All-Stock Consideration			
	Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of Perfumania common stock component of merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock	Illustrative value of total merger consideration per share of Parlux common stock
\$2.98	0.284490	[ ]	[ ]	[ ]

It is important to note that, if the market value of Perfumania common stock at the closing of the merger is higher than \$12.00/share, while Parlux stockholders who have made an all stock election will receive consideration with a higher value than those who elected to receive mixed consideration, as the number of shares with respect to which stockholders have elected all stock as merger consideration increases, the portion of

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cash consideration received by holders of such shares will increase due to proration, and the number of shares of Perfumania common stock that they receive will decrease. Thus, if Perfumania common stock is valued at more than \$12.00/share at closing, the aggregate value of the consideration received by stockholders making an all stock consideration election will decrease as the number of stockholders making that election increases.

You are cautioned not to rely unduly on these examples, which are provided for illustrative purposes only and should not be seen as a prediction of the value of the merger consideration that any particular Parlux stockholder will receive. Stockholders' elections in the aggregate will affect the form and amount of merger consideration to be received by any individual stockholder, and the aggregate result of these elections cannot be predicted.

- 10 -

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## **Table of Contents**

Additionally, the market price of Perfumania common stock will probably be different on the date Parlux common stockholders receive shares of Perfumania common stock than it was on the date the merger agreement was signed, the date of this joint proxy statement/prospectus, or the date of the stockholder meetings. Changes in the price of Perfumania common stock before completion of the merger will affect the value that Parlux common stockholders will receive in the merger, so the actual value of the consideration delivered in the merger will probably differ from the amounts set forth in the tables above. For a more complete description of risks related to fluctuations in the value of Perfumania common stock, please refer to **Risk Factors** beginning on page 32.

### **Treatment of Parlux Options and Warrants**

#### ***Employee Options and Warrants***

At the effective time of the merger, each outstanding and unexercised option to purchase Parlux common stock under Parlux's equity-based compensation plan will be assumed by Perfumania and converted into an option to purchase a number of shares of Perfumania common stock equal to the product of (i) the number of shares of Parlux common stock subject to the option and (ii) the equity award exchange ratio of 0.533333, rounded down to the nearest whole share. The per share exercise price for the Perfumania common stock issuable upon the exercise of each assumed stock option will be equal to (i) the per share exercise price of Parlux common stock at which the option was exercisable immediately before the effective time of the merger divided by (ii) the equity award exchange ratio of 0.533333, rounded up to the nearest whole cent. Except as set forth above, each assumed stock option will be subject to the same terms and conditions as were applicable to the corresponding option to purchase Parlux common stock immediately before the effective time of the merger; provided, that the vesting schedule of each assumed option will be accelerated by one year, and if the holder's employment is terminated within one year of the effective time of the merger without cause or good reason, the option will vest in full and the exercisability of the option will continue for 90 days following termination. The equity award exchange ratio for options is the same exchange rate applicable to an election to receive all stock consideration, 0.533333.

#### ***Gopman Warrant***

Glenn Gopman, a director of Parlux, currently holds warrants to purchase 10,000 shares of Parlux common stock, which we refer to as the Gopman warrant. Upon completion of the merger, the outstanding Gopman warrant will be automatically converted into a warrant to purchase a number of shares of Perfumania common stock equal to the product of (i) the number of shares of Parlux common stock then subject to the Gopman warrant and (ii) the equity award exchange ratio of 0.533333, rounded down to the nearest whole share. The per share exercise price of the Gopman warrant will be equal to (i) the per share exercise price of Parlux common stock at which the Gopman warrant was exercisable immediately before the effective time of the merger, divided by (ii) the equity award exchange ratio, rounded up to the nearest whole cent. Except as set forth above, the Gopman warrant will be subject to the same terms and conditions as were applicable to the Gopman warrant before the effective time of the merger. Perfumania has agreed to include the shares issued upon exercise of the Gopman warrant in the resale registration statement it files after the completion of the merger, as described under **Licensor Warrants** below.

#### ***Licensor Warrants***

Rene Garcia and certain family trusts and affiliated companies of Rene Garcia, which we refer to as the Garcia Group, collectively are the beneficial owner of 19.2% of the shares of Parlux common stock and the beneficial owner of 8.4% of the shares of Perfumania common stock, and Artistic Brands Development LLC (formerly known as Iconic Fragrances, LLC) (Artistic Brands), whom we refer to collectively as the licensors, currently hold, in conjunction with certain other parties, warrants to purchase an aggregate of 6,000,000 shares of Parlux common stock, which we refer to as the licensor warrants. Concurrently with the signing of the merger agreement, Parlux, the licensors and other holders of the licensor warrants entered into an amendment to the

## **Table of Contents**

licensor warrants to govern the treatment of the licensor warrants upon completion of the merger. The warrant amendment will be effective only if the merger is consummated. Under the warrant amendment, upon completion of the merger, each outstanding licensor warrant will be automatically converted into a warrant to purchase the number of shares of Perfumania common stock equal to the product of (i) the number of shares of Parlux common stock subject to the licensor warrant and (ii) the equity award exchange ratio, rounded down to the nearest whole share. The per share exercise price of each licensor warrant will be equal to \$8.00. The warrant amendment also provides that after the completion of the merger, Perfumania will register the shares issuable upon exercise of the licensor warrants for resale under the Securities Act of 1933, as amended, which we refer to in this joint proxy statement/prospectus as the Securities Act. All of the warrants related to Artistic Brands vest at the effective time of the merger.

See The Merger Agreement Treatment of Parlux Stock Options and Treatment of Warrants on page 114.

## **Additional Agreements**

### ***Voting Agreements***

Simultaneously with the execution of the merger agreement, Perfumania entered into voting agreements with Glenn Nussdorf and the Garcia Group, who hold an aggregate of approximately 24.6% of Parlux's outstanding common shares pursuant to which they agreed that they will vote their shares of Parlux common stock (i) in favor of approval and adoption of the merger agreement, and (ii) against any proposal made in opposition to or competition with the merger agreement or that may impede, interfere with, delay or otherwise adversely affect the consummation of the merger. Those stockholders also agreed to elect to receive all stock consideration for all their shares of Parlux common stock.

In addition, simultaneously with the execution of the merger agreement, the directors and certain of the officers of Parlux holding approximately 5.6% of the outstanding shares of Parlux common stock, including its Chairman and Chief Executive Officer, each entered into a voting agreement with Perfumania pursuant to which each officer and director agreed that he or she will vote his or her shares of Parlux common stock (i) in favor of approval and adoption of the merger agreement and (ii) against any proposal made in opposition to or competition with the merger agreement or that would impede, interfere with, delay or otherwise adversely affect the consummation of the merger.

Also simultaneously with the execution of the Merger Agreement, Parlux entered into a voting agreement with The Nussdorfs, who hold approximately 74% of Perfumania's outstanding common shares pursuant to which they agreed to vote their shares of Perfumania common stock (i) in favor of the increase in authorized shares of Perfumania and the issuance of shares pursuant to the merger agreement and (ii) against any proposal that is in opposition to or competition with the merger agreement or that would impede, interfere with, delay or otherwise adversely affect the consummation of the merger.

Each of the voting agreements described above expires upon the earliest of consummation of the merger, termination of the merger agreement or, in the case of the voting agreements regarding Parlux shares, a change of recommendation by the Parlux board of directors.

### ***Licensor Agreements***

In connection with the merger agreement, Parlux, Artistic Brands and Rene Garcia entered into an amendment to their Letter Agreement dated April 3, 2009 providing that the merger will not be a Fundamental Transaction under the terms of the letter agreement, which would have required the payment by Parlux of certain additional sums to Artistic Brands at the effective time of the merger.

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**Table of Contents**

Perfumania, Parlux, Artistic Brands and Mr. Garcia also entered into a Letter Agreement, dated December 23, 2011 (the Proposal Agreement ) providing that Artistic Brands and Mr. Garcia will not solicit or negotiate with parties other than Perfumania in connection with the treatment of the licensor warrants or the Letter Agreement. However, in the event that, consistent with the provisions of the merger agreement, Parlux engages in discussions or negotiations with a third party regarding an alternative acquisition proposal or enters into an agreement relating to a superior proposal, then Mr. Garcia and Artistic Brands may enter into discussions or negotiations with such third party with regard to the treatment of the licensor warrants and/or the Letter Agreement in connection with such acquisition proposal. The parties to the Proposal Agreement also acknowledged that Artistic Brands and S. Carter Enterprises, LLC have agreed to enter into a license agreement and Artistic Brands, Perfumania and S. Carter Enterprises have agreed to enter into a sublicense agreement, both to be effective upon the consummation of the merger, and subject to certain closing conditions contained in the Proposal Agreement. The Proposal Agreement also provides for the issuance to Artistic Brands or its designee of 300,000 shares of Perfumania common stock after the effective time of the merger as consideration for the transactions contemplated in the Proposal Agreement. These shares will be entitled to the same registration rights as the shares underlying the licensor warrants.

On December 23, 2011, Perfumania and the Garcia Group entered into a stockholders agreement. The stockholders agreement provides that, commencing upon the consummation of the merger and until either December 23, 2015, or until Glenn Nussdorf, Stephen Nussdorf and Arlene Nussdorf (principal stockholders of Perfumania, to whom we refer as the Nussdorfs ) and trusts related to them cease to own at least one third of the outstanding Perfumania stock (the Term ), the Garcia Group will not vote any of their shares of Perfumania stock (and all Perfumania stock that they later acquire) in favor of certain matters if the Perfumania board has recommended a vote against that matter. These matters include, among other things, (i) certain merger, reorganization, business combination, recapitalization, dissolution, liquidation or similar transactions involving Perfumania constituting more than 50% or more of its assets, revenues or earnings, (ii) an acquisition of more than 50% of Perfumania s consolidated assets or 50% of Perfumania s outstanding common stock, (iii) the issuance of Perfumania common stock that after giving effect to that issuance represents more than 50% of Perfumania s outstanding common stock, or (iv) a tender offer or exchange offer that, if consummated, would result in any person or group beneficially owning more than 50% of the Perfumania s outstanding common stock, other than the Nussdorfs. The Garcia Group also agreed in the stockholders agreement that during the Term they will not vote for any director unless the director is recommended by Perfumania s board. The stockholders agreement also restricts the Garcia Group s ability to enter into voting agreements or transfer their shares of Perfumania common stock, subject to certain exceptions. Under the stockholders agreement the Garcia Group also agreed to not seek to acquire ownership of more than 28% of Perfumania s common stock, engage in a solicitation of proxies or a proxy contest, seek to control Perfumania s management, nominate directors not nominated by Perfumania s then-incumbent directors or join a group or announce their intent to do any of the foregoing during the Term, unless approved by Perfumania s board of directors.

See The Merger Agreement Additional Agreements for additional information regarding these agreements.

**Financings**

Perfumania will obtain financing for the cash portion of the merger consideration from two sources.

Perfumania may use borrowings under its senior bank credit facility of up to \$32 million (which amount would be reduced to the extent that cash and cash equivalents held by Parlux at the closing of the merger are less than \$15 million) to fund a portion of the merger consideration and up to \$11 million to fund costs of the merger and related transactions. At the closing of the merger Perfumania is required to apply all cash and cash equivalents held by Parlux to repayment of the senior credit facility and to ensure that Parlux s existing bank credit facility is terminated.

## **Table of Contents**

Second, effective December 23, 2011, Perfumania's subsidiary, Model Reorg Acquisition LLC ( Model ), received commitments from six family trusts of the Nussdorfs (which we refer to as the Nussdorf Trusts ) to make a total of \$30 million in new loans (which new loans in such amount we refer to as the Nussdorf Trust loans) to finance the balance of the cash consideration. The new loans will be subordinated to the senior bank credit facility on the same basis as the existing indebtedness to the Nussdorf Trusts.

The foregoing is a summary of the terms of the contemplated debt financings. For a more complete description of the financing for the merger, see the section entitled Perfumania's Financing Arrangements beginning on page 134 of this joint proxy statement/prospectus. For a discussion of risks related to Perfumania's failure to obtain financing, please see Risk Factors Perfumania may be unable to obtain the financing necessary to consummate the merger beginning on page 34.

## **Reasons for the Merger; Recommendations of the Boards of Directors**

### ***Perfumania***

The Perfumania board of directors unanimously recommends that Perfumania stockholders approve the merger by voting to approve the charter amendment to increase the number of authorized shares of Perfumania common stock and to approve the issuance of shares of Perfumania common stock in connection with the merger. The Perfumania board of directors' approval of these matters was based on the recommendation of a committee of the Perfumania board of directors, consisting of all the independent directors of Perfumania (which we refer to in this joint proxy/prospectus as the Perfumania special committee ).

Perfumania's board of directors believes that the merger will provide substantial benefits to Perfumania's stockholders, as well as those of Parlux, including, among other reasons: improvement in the existing strengths of both companies; anticipated profit maximization through increased vertical integration; being able to attract more and better licenses due to the combined company's increased size and distribution capabilities; the accretion in earnings per share expected to result over several years; an increase in liquidity for stockholders due to the expanded public stockholder base; improved bank and private financing capability and greater access to public capital markets; and certain synergies anticipated to result from the merger.

For a more complete description of Perfumania's reasons for the merger and the recommendations of the Perfumania board of directors and special committee, see The Merger Perfumania Special Committee's and Board of Directors' Recommendations beginning on page 64.

### ***Parlux***

The Parlux board of directors unanimously recommends that Parlux stockholders approve the merger by voting to approve and adopt the merger agreement. The Parlux board of directors' approval of the merger agreement was based on the recommendation of a committee of the Parlux board of directors, consisting of all the independent directors of Parlux (which we refer to in this joint proxy/prospectus as the Parlux independent committee ).

Parlux's board of directors believes that the merger will provide substantial benefits to Parlux's stockholders, including, among others: the prospect that the combined company will be better positioned than Parlux is now to overcome the current and future challenges of the fragrance industry; the benefits that the Parlux stockholders are expected to derive from the future performance of the combined company and the synergies expected to result from the merger; the membership of Parlux directors on the combined company's board of directors and their ability to exercise fiduciary oversight responsibilities in the interests of all the combined company's common stockholders; the ability of Parlux stockholders to elect the form of consideration that they will receive; the expectation that receipt of the stock portion of the merger consideration will not be taxable for United States



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**Table of Contents**

federal income tax purposes; and their belief that the proposed merger with Perfumania will be more favorable to Parlux stockholders than other strategic alternatives reasonably available to Parlux and its stockholders.

For a more complete description of Parlux's reasons for the merger and the recommendations of the Parlux board of directors and independent committee, see *The Merger Parlux Board of Directors Recommendation* beginning on page 66.

**Opinions of Financial Advisors**

***Financial Advisor to Perfumania's Special Committee***

On December 23, 2011, Financo Securities, LLC, which we refer to in this joint proxy statement/prospectus as *Financo*, rendered its written fairness opinion, which we refer to as the *Financo Opinion*, to the Perfumania special committee that, as of that date, and based upon and subject to the various assumptions and limitations set forth therein, the aggregate merger consideration to be paid by Perfumania under the merger agreement, including the Perfumania options and warrants issuable upon conversion of outstanding Parlux options and warrants, was fair, from a financial point of view, to Perfumania. The *Financo Opinion* excluded any opinion on the fairness of the merger consideration to the stockholders of Perfumania who own, or whose affiliates own, a controlling interest in Perfumania or who own, or whose affiliates own, shares of Parlux common stock.

Also on December 23, 2011, Financo delivered to the Perfumania special committee its written opinion, which we refer to as the *Financo Loan Opinion*, that, as of that date, and based upon and subject to the various assumptions and limitations set forth therein, the loans to be made by the Nussdorf Trusts (described on page 134) to help finance the acquisition, were fair, from a financial point of view, to Perfumania. The *Financo Loan Opinion* excluded any opinion on the fairness of those loans to any stockholders of Perfumania who own, or whose affiliates own, a controlling interest in Perfumania.

Financo was paid a fee in part upon beginning its engagement and in part upon delivery of its opinions. None of Financo's compensation was contingent upon reaching a particular opinion regarding the financial fairness of the merger consideration or the Nussdorf Trust loans or upon the ultimate consummation of the transaction.

The full text of each of the *Financo Opinion* and the *Financo Loan Opinion* is included in Annex B to this joint proxy statement/prospectus. Financo provided its opinion with respect to the fairness of the merger consideration for the information and use of the Perfumania special committee and its opinion with respect to the fairness of the Nussdorf Trust loans solely for the information and use of the Perfumania special committee. Financo's opinions do not constitute a recommendation as to how any holder of Perfumania common stock should vote on any matter relating to the merger. The summary and the description of the opinions included in this joint proxy statement/prospectus are qualified in their entirety by reference to the full text of the opinions. We encourage you to read Financo's opinions, as well as a description thereof and of Financo's compensation in the section titled *The Merger Opinion of Financial Advisor to the Perfumania Special Committee* beginning on page 86, carefully and in their entirety.

***Financial Advisors to the Independent Committee of Parlux's Board of Directors***

***Peter J. Solomon Company***

On December 19, 2011, Parlux's financial advisor, Peter J. Solomon Company, which we refer to in this joint proxy statement/prospectus as *PJSC*, rendered its oral opinion to the Parlux independent committee, which was subsequently confirmed by delivery of a written opinion on that same date, that, as of December 19, 2011, and based upon and subject to the assumptions, procedures, factors, qualifications and other matters and limitations set forth in *PJSC's* opinion, and other factors it deemed relevant, the merger consideration to be paid to holders of Parlux common stock (other than members of the Nussdorf family and any trusts or entities controlled by the Nussdorf family) in the merger was fair from a financial point of view to such holders.

## Table of Contents

PJSC's compensation for its financial advisory services consists in part of fees that were paid upon its engagement and its delivery of its opinion and in part of a transaction fee that is contingent upon the consummation of the merger.

The full text of PJSC's written opinion, dated December 19, 2011, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations on the opinion and the review undertaken in connection with the opinion, is attached as Annex C to this joint proxy statement/prospectus. PJSC provided its opinion for the information and use of the Parlux independent committee in connection with its evaluation of the merger and did not address any other aspect of the merger. PJSC's opinion does not constitute a recommendation as to how any holder of Parlux common stock should vote or act with respect to the merger or any matter relating thereto. The summary and the description of the opinion included in this joint proxy statement/prospectus are qualified in their entirety by reference to the full text of the opinion. We encourage you to read PJSC's opinion, as well as the description thereof and of PJSC's compensation in the section titled "The Merger Opinions of Financial Advisors to the Parlux Independent Committee" beginning on page 70, carefully and in their entirety.

### *American Appraisal Associates, Inc.*

In connection with the execution of the merger agreement, the Parlux independent committee received an oral opinion on December 19, 2011, confirmed by a written opinion dated December 23, 2011, from American Appraisal Associates, Inc., which we refer to in this joint proxy statement/prospectus as "American Appraisal," and based upon and subject to the assumptions, procedures, factors, qualifications and other matters and limitations set forth in American Appraisal's opinion, and other factors it deemed relevant, the merger consideration to be paid to holders of Parlux common stock in the merger was fair, from a financial point of view, to such holders.

American Appraisal was paid a fee upon delivery of its opinion. None of American Appraisal's compensation was contingent upon reaching a particular opinion regarding the financial fairness of the merger or upon the ultimate consummation of the transaction.

The full text of the written opinion of American Appraisal, dated December 23, 2011, which sets forth, among other things, the assumptions made, procedures followed, matters considered, and qualifications and limitations on the opinion and the review undertaken by American Appraisal in connection with rendering its opinion, is attached as Annex D to this joint proxy statement/prospectus. American Appraisal provided its opinion for the information and use of the Parlux independent committee in connection with its evaluation of the merger. American Appraisal's opinion is not a recommendation as to how any holder of Parlux common stock should vote or act with respect to the merger or any matter relating thereto. The summary and the description of the American Appraisal opinion included in this joint proxy statement/prospectus are qualified in their entirety by reference to the full text of the opinion. We encourage you to read American Appraisal's opinion, as well as the description thereof and of American Appraisal's compensation in the section titled "The Merger Opinions of Financial Advisors to the Parlux Independent Committee" beginning on page 70, carefully and in their entirety.

The Parlux independent committee determined to engage American Appraisal to provide advice with respect to the financial fairness of the merger to holders of Parlux common stock because the Parlux independent committee believed it would be useful to have information and advice with respect to the transaction from a different financial perspective and because a substantial portion of PJSC's compensation is contingent upon consummation of the merger.

## **Table of Contents**

### **Matters to be Considered at the Meetings**

#### ***Perfumania***

Perfumania stockholders will be asked to vote to approve (i) an amendment of the Perfumania charter to increase the number of authorized shares of Perfumania common stock and (ii) the issuance of shares of Perfumania common stock in connection with the merger. **Approval of these proposals is required for completion of the merger.** The Perfumania board of directors unanimously recommends that Perfumania stockholders vote to approve both the proposal to amend the Perfumania charter to increase the number of authorized shares of Perfumania common stock and the proposal to approve the issuance of Perfumania common stock in connection with the merger, as more fully described under *The Perfumania Special Meeting* beginning on page 146.

#### ***Parlux***

Parlux stockholders will be asked to vote on the proposal to approve and adopt the merger agreement. **Approval of the merger proposal is required for completion of the merger.** Parlux stockholders will also be asked to vote on the proposal to approve, on an advisory and non-binding basis, certain compensation payable to certain Parlux executive officers in connection with the merger. **Approval of this proposal is not required for completion of the merger.** The Parlux board of directors unanimously recommends that Parlux stockholders vote to approve both these proposals, as more fully described under *The Parlux Special Meeting* beginning on page 136.

### **Voting by Perfumania and Parlux Directors, Executive Officers and Principal Stockholders**

On the Perfumania record date, directors and executive officers of Perfumania and their affiliates, and certain other principal stockholders, owned and were entitled to vote approximately [ ]% of the total voting power of the shares of Perfumania common stock outstanding on that date, and all of such persons have entered into agreements to, or have informed us that they intend to, vote to approve both proposals to be voted on at the Perfumania special meeting. On the Parlux record date, directors and executive officers of Parlux and their affiliates, and certain other principal stockholders, owned and were entitled to vote approximately [ ]% of the shares of Parlux common stock outstanding on that date, and such persons holding approximately [ ]% of the shares have entered into voting agreements obligating them to vote to approve all the proposals to be voted on at the Parlux special meeting.

### **Ownership of Perfumania Following the Merger**

Upon completion of the merger and Perfumania's issuance of 300,000 new shares to Artistic Brands or its designee under the Proposal Agreement, Perfumania and Parlux expect that former Parlux stockholders will own approximately 40% of the outstanding shares of Perfumania common stock and current Perfumania stockholders will own approximately 60% of the outstanding shares of Perfumania common stock, or approximately 49% and 51%, respectively, measured on a fully-diluted basis as of December 31, 2011 (as described under *The Merger Ownership of Common Stock of the Combined Company After the Merger* beginning on page 103). The foregoing ownership percentages assume issuance of the maximum number of shares in the merger.

Following the merger, the Nussdorfs, who are currently the beneficial owners of approximately 82% of Perfumania's outstanding shares and 11% of Parlux's outstanding shares, are expected to continue to own a majority of Perfumania's outstanding shares.

## **Table of Contents**

### **Directors and Executive Officers After the Merger**

Following the merger, the Perfumania board of directors will consist of the members of the Perfumania and Parlux boards of directors in office at the time of closing. The current Perfumania directors are Stephen Nussdorf, Michael W. Katz, Carole Ann Taylor, Joseph Bouhadana and Paul Garfinkle, and the current Parlux directors are Frederick E. Purches, Glenn Gopman, Esther Egozi Choukroun, Anthony D. Agostino and Robert Mitzman. Each member of Perfumania's board of directors following the merger will serve until Perfumania's next annual meeting, which Perfumania expects to take place in the fourth quarter of calendar 2012, and until his or her successor has been elected.

Stephen Nussdorf, Michael W. Katz and Donna Dellomo will continue to serve as Perfumania's Executive Chairman, President and Chief Executive Officer, and Chief Financial Officer, respectively, following the merger.

For more information, see "Directors and Executive Officers of Perfumania After the Merger" beginning on page 213.

### **Interests of Certain Persons in the Merger**

In considering the recommendation of Parlux's board of directors to approve the merger agreement and related matters, Parlux stockholders should be aware that some of Parlux's executive officers and directors have financial interests in the merger that are different from, or in addition to, those of Parlux's stockholders generally. The Parlux board of directors, including the Parlux independent committee, was aware of these interests and considered them, among other matters, in negotiating and approving the merger agreement and making its recommendation that the Parlux stockholders approve and adopt the merger agreement and approve, on an advisory and non-binding basis, compensation payable to certain officers of Parlux in connection with the merger.

As described under "Directors and Executive Officers After the Merger" above, assuming that they are still in office at the effective time of the merger and in accordance with the merger agreement, Frederick E. Purches, Glenn Gopman, Esther Egozi Choukroun, Anthony D. Agostino and Robert Mitzman, who are currently directors of Parlux, will be appointed to the board of directors of Perfumania upon completion of the merger.

Parlux has employment arrangements with each of Frederick E. Purches, Frank A. Buttacavoli and Raymond J. Balsys that provide for certain severance benefits that will remain in place following the effective time of the merger. For further information regarding payments to Parlux officers upon termination, see "The Parlux Special Meeting Parlux Proposal 2: Advisory Vote on Certain Compensation Payable by Parlux to Executive Officers in Connection with the Merger" beginning on page 139.

At the effective time of the merger, each outstanding option to purchase shares of Parlux common stock (including those options held by Parlux's executive officers and directors) will be converted into an option to purchase shares of Perfumania common stock at a predetermined conversion rate. Additionally the vesting schedule of each converted option will be accelerated by one year, and if the holder's employment is terminated within one year of the effective time of the merger without cause or good reason, the option will vest in full and the exercisability of the option will continue for 90 days following termination.

Glenn Gopman, a director of Parlux, currently holds warrants to purchase 10,000 shares of Parlux common stock. Upon completion of the merger, such warrant will be automatically converted into a warrant to purchase a number of shares of Perfumania common stock at a predetermined conversion rate. Perfumania has agreed to include the shares issued upon exercise of this warrant in a future resale registration statement.

## **Table of Contents**

Based on Parlux directors' and executive officers' equity compensation holdings as of December 31, 2011, (i) the number of shares of Parlux common stock relating to options held by each of Messrs. Purches, Balsys, Buttacavoli and the four Parlux non-employee directors as a group that would vest and become exercisable as of the effective time of the merger (assuming an effective date of March 31, 2012 or after) is: 0; 12,500; 0 and 0 (in the aggregate), respectively and (ii) the number of shares of Parlux common stock underlying a warrant held by Mr. Gopman that will be converted into the right to receive a Perfumania warrant at the effective time of the merger is 10,000.

Under the merger agreement, Parlux directors and officers are entitled to continued indemnification and insurance coverage for six years following completion of the merger.

In considering the recommendation of Perfumania's board of directors with respect to the matters related to the merger, Perfumania stockholders should be aware that Glenn Nussdorf, who owns [28.7]% of the shares of Perfumania common stock entitled to vote at the special meeting, and who is the brother of Stephen Nussdorf, owns approximately [11]% of the outstanding shares of Parlux common stock and will be entitled to receive merger consideration on the same basis as other Parlux stockholders. Glenn Nussdorf has agreed to elect to receive all stock consideration in connection with the merger. In addition, Perfumania's subsidiary, Model, has received commitments from the Nussdorf Trusts to make a total of \$30 million in new loans to finance a portion of the cash consideration in the merger.

For a more complete description of the interests of the Parlux directors and executive officers, as well as the Nussdorfs, in the merger, see "The Merger - Interests of Certain Persons in the Merger" beginning on page 100.

## **United States Federal Income Tax Consequences of the Merger**

The merger is intended to be treated as a reorganization within the meaning of Section 368(a) of the Code, and it is a condition to the respective obligations of Perfumania and Parlux to complete the merger that each of Perfumania and Parlux receives a legal opinion to that effect. Accordingly, a Parlux common stockholder generally will recognize gain, but not loss, in an amount equal to the lesser of (1) the sum of the amount of cash and the fair market value of the Perfumania stock received, minus the adjusted tax basis of the Parlux common stock surrendered in exchange therefor, and (2) the amount of cash received (other than cash received in lieu of a fractional share). Further, a Parlux common stockholder generally will recognize gain or loss with respect to cash received instead of fractional shares of Perfumania common stock that the Parlux common stockholder would otherwise be entitled to receive. For further information, please refer to "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 109.

*The United States federal income tax consequences described above may not apply to all holders of Parlux common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

## **Regulatory Matters**

The merger is subject to the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which we refer to in this joint proxy statement/prospectus as the HSR Act. For a more complete discussion of regulatory matters relating to the merger, see "The Merger - Regulatory Approvals Required for the Merger" beginning on page 104.

## **Table of Contents**

### **Conditions to Completion of the Merger**

Each party's obligation to complete the merger is subject to the satisfaction or waiver of various conditions by one or both of the parties, including the following:

approval of the holders of common stock of Parlux and Perfumania of the proposals required for the completion of the merger;

expiration or termination of the waiting period under the HSR Act and no action being instituted by the Department of Justice or Federal Trade Commission challenging or seeking to enjoin the merger transactions that has not been withdrawn or terminated;

the authorization for listing on Nasdaq, subject to official notice of issuance, of the shares of Perfumania common stock to be issued to holders of Parlux common stock;

the number of Parlux stockholders for which demands of appraisal have been exercised and not been withdrawn does not exceed 7.5% of the outstanding shares of Parlux common stock;

Perfumania depositing the cash and shares representing the merger consideration with the exchange agent;

Perfumania increasing the number of members of its board and adopting resolutions to add the Parlux board members to the Perfumania board;

no law, injunction, judgment, order, decree, ruling or other action from a governmental entity that enjoins, restrains, prevents or prohibits the consummation of the merger or makes it illegal;

the registration statement, of which this joint proxy statement/prospectus is a part, having been declared effective by the SEC under the Securities Act and not being the subject of any stop order or threatened or pending proceedings seeking a stop order;

the accuracy of the other party's representations and warranties in the merger agreement, subject to various materiality and other qualifiers, on the date of the closing of the merger (or in the case of representations and warranties that are made as of a particular date or as of the date of the merger agreement, as of such date);

subject to certain qualifiers, no material adverse effect on the other party having occurred between the date of the merger agreement and the date of the closing; and

the other party's compliance in all material respects with its obligations and covenants under the merger agreement.

The merger agreement provides that any or all of these conditions may be waived, in whole or in part, by Perfumania or Parlux, to the extent legally allowed. Neither Perfumania nor Parlux currently expects to waive any material condition to the completion of the merger. If either Perfumania or Parlux determines to waive any condition to the merger that would result in a material change in the terms of the merger to Perfumania stockholders or Parlux stockholders (including any material change in the tax consequences of the transaction to Parlux stockholders), proxies would be resolicited from the Perfumania stockholders or Parlux stockholders, as applicable. For a more complete discussion of the conditions to the merger, see "The Merger Agreement - Conditions to Completion of the Merger" beginning on page 121.

**Timing of the Merger**

The merger is expected to be completed in the first half of 2012, subject to the receipt of necessary regulatory approvals, and the satisfaction or waiver of other closing conditions.

## **Table of Contents**

### **Restrictions on Alternative Transactions**

The merger agreement contains restrictions on the ability of Parlux to solicit or engage in discussions or negotiations with a third party with respect to a proposal to acquire a significant interest in Parlux. Notwithstanding these restrictions, the merger agreement permits Parlux, until 11:59 p.m. on January 22, 2012, to do the following:

initiate, solicit and/or encourage the submission of acquisition proposals from third parties;

engage and participate in discussions or negotiations with respect to third party acquisition proposals or proposals that could lead to third party acquisition proposals; and

take any action to facilitate third party acquisition proposals or proposals that could lead to third party acquisition proposals. Following the announcement of the merger, PJSC contacted 39 potential alternative acquirors of Parlux. As of the date of this joint proxy statement/prospectus, none of those 39 parties has expressed an interest in making an alternative acquisition proposal. See *The Merger Background of the Merger* starting on page 50 for additional information.

The merger agreement also provides that under specified circumstances, if a third party makes an unsolicited request for information, including nonpublic information, for the purpose of making an competing acquisition proposal, Parlux may furnish such information, and if Parlux receives an unsolicited competing acquisition proposal from a third party that constitutes, or is reasonably likely to lead to, a superior proposal, as defined in the merger agreement, it may furnish nonpublic information to that third party and engage in negotiations to enter into a definitive agreement regarding the superior proposal with that third party. Before withdrawing its recommendation in favor of the applicable merger-related proposal in light of a superior proposal or entering into a definitive agreement regarding a superior proposal, Parlux must, if requested by Perfumania, allow Perfumania to propose revisions of the terms and conditions of the merger agreement and the agreements related to the merger agreement so that the third party proposal is no longer a superior offer. See *The Merger Agreement Solicitation; Restrictions on Solicitation* on page 123.

The restrictions on Parlux limiting its ability to engage in alternative transactions with a third party may discourage a third party from pursuing a competing acquisition proposal that could result in greater value to Parlux's stockholders.

### **Termination of the Merger**

The merger agreement may be terminated by Perfumania or Parlux before completion of the merger in certain circumstances, including after Parlux stockholder approval, and after Perfumania's stockholders have approved the amendment to its charter and the issuance of its common stock to Parlux stockholders in connection with the merger. The merger agreement may also be terminated if the merger has not been consummated by June 30, 2012. In addition, the merger agreement provides that Parlux is required to pay a termination fee to Perfumania equal to \$4 million if the circumstances generally described below occur after January 22, 2012 or a termination fee equal to the greater of \$2 million or Perfumania's out-of-pocket expenses if any of the following occur before that date:

if Parlux terminates the merger agreement before receiving stockholder approval of the matters contained in this joint proxy statement/prospectus and the Parlux board has changed its recommendations regarding how Parlux stockholders should vote their shares at the special meeting;

if Parlux terminates the merger agreement because it has entered into an alternative acquisition agreement with a third party that the Parlux board has determined is a superior proposal to the one proposed by Perfumania; or





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## **Table of Contents**

if Perfumania terminates the merger agreement because either (i) the Parlux board has failed to include its recommendation regarding the approval and adoption of the merger agreement in this joint proxy statement/prospectus, (ii) the Parlux board adopts, approves, endorses or recommends to the Parlux stockholders an acquisition proposal from a third party, (iii) a tender or exchange offer for outstanding shares of Parlux common stock has commenced and the Parlux board either recommends that Parlux stockholders tender their shares or fails to recommend against accepting the offer, within certain timeframes, (iv) Parlux enters into an alternative acquisition agreement with a third party, or (v) Parlux or its board announces its intention to do any of the foregoing.

In addition, the merger agreement provides that Perfumania is required to pay a termination fee equal to \$4 million plus Parlux's out-of-pocket expenses of up to \$2 million in the circumstances generally described below:

if Parlux terminates the merger agreement because Perfumania failed to get the approval of its stockholders necessary to approve the proposals required by the merger agreement at the Perfumania special meeting;

if Parlux terminates the merger agreement because Perfumania has failed to deposit with the exchange agent the shares of Perfumania common stock and cash consideration in an aggregate amount sufficient to pay all of the merger consideration and all other closing conditions are satisfied; or

if Parlux terminates the merger agreement because Perfumania has materially breached certain of its representations and covenants and the breach either was not cured in 20 business days after Perfumania received notice of the breach or the breach was unable to be cured within those 20 business days.

Parlux's obligation to pay the termination fee may discourage a third party from pursuing a competing acquisition proposal that could result in greater value to Parlux's stockholders. Although payment of the termination fee could have an adverse effect on the financial condition of Parlux, neither Perfumania nor Parlux believes that such effect would be material. The boards of directors of each of Perfumania and Parlux determined, based in part on advice from their legal advisors, that the amount of the termination fee and the circumstances in which it would become payable were generally typical for a transaction of the magnitude of the merger and would not unduly inhibit an alternative acquisition proposal.

See [The Merger Agreement Termination](#), [Effect of Termination](#), and [Termination Fee](#) beginning on pages 126 and 128 respectively, for a discussion of the circumstances under which Parlux or Perfumania will be required to pay the termination fee to the other party.

### **Comparison of Rights of Perfumania Stockholders and Parlux Stockholders**

Parlux is a Delaware corporation. The shares that Parlux stockholders will receive in the merger will be shares of common stock of Perfumania, a Florida corporation. The rights of stockholders of Delaware and Florida corporations are, in some respects, different. In addition, the charter and bylaws of Perfumania contain provisions that are different from the certificate of incorporation and bylaws of Parlux, as currently in effect.

For a summary of certain differences between the rights of Perfumania stockholders and Parlux stockholders, see [Comparison of Rights of Perfumania Stockholders and Parlux Stockholders](#) beginning on page 228.

### **Accounting Treatment**

Perfumania will account for the merger using the acquisition method of accounting, as prescribed in Accounting Standards Codification 805, [Business Combinations](#), under generally accepted accounting principles in the United States, which we refer to as GAAP.

## **Table of Contents**

### **Appraisal Rights**

Section 262 of the DGCL provides holders of Parlux common stock with the ability to dissent from the transaction and seek appraisal of their shares. A holder of Parlux common stock who properly seeks appraisal and complies with the applicable requirements under the DGCL, which we refer to in this joint proxy statement/prospectus as a dissenting stockholder, will forego the merger consideration and instead receive a cash payment equal to the fair value of its shares of Parlux common stock in connection with the merger. Fair value will be determined by a court following an appraisal proceeding. Dissenting stockholders will not know the appraised fair value at the time such holders must elect whether to seek appraisal. The ultimate amount dissenting stockholders receive in an appraisal proceeding may be more or less than, or the same as, the amount such holders would have received under the merger agreement. A detailed description of the appraisal rights available to holders of Parlux common stock and procedures required to exercise statutory appraisal rights is included in the section entitled *The Merger Appraisal Rights* beginning on page 105.

To seek appraisal, you must deliver a written demand for appraisal to Parlux before the vote on the merger agreement at the Parlux special meeting, and you must not vote in favor of the approval and adoption of the merger agreement, however, you may elect the form of merger consideration that you would like to receive, and such election will not impact your appraisal rights under Delaware law. Failure to follow exactly the procedures specified under the DGCL will result in the loss of appraisal rights. For a further description of the appraisal rights available to Parlux stockholders and procedures required to exercise appraisal rights, see the section entitled *The Merger Appraisal Rights* beginning on page 105.

Due to the complexity of the procedures described above, Parlux stockholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. The full text of Section 262 of the DGCL is attached as Annex E to this joint proxy statement/prospectus.

### **Litigation Related to the Merger**

Parlux, the members of the Parlux board of directors, Perfumania and Merger Sub have been named as defendants in a lawsuit brought by a purported Parlux stockholder challenging the proposed merger and seeking, among other things, an injunction to prevent the defendants from completing the merger. Additional lawsuits may be filed against Parlux, Perfumania, Merger Sub and/or their directors and officers in connection with the merger. See *The Merger Litigation Related to the Merger* on page 108 for more information about the lawsuit that has been filed.

### **Nasdaq Listing of Perfumania Common Stock Issued in the Merger**

Perfumania common stock received by Parlux stockholders in connection with the merger will be listed on Nasdaq under the symbol *PERF*. After completion of the merger, it is expected that Perfumania common stock will continue to be traded on Nasdaq, but Parlux common stock will no longer be listed or traded on Nasdaq.

**Table of Contents**

**SELECTED HISTORICAL FINANCIAL DATA**

The following tables present selected historical financial data of both companies.

**Perfumania**

Perfumania's fiscal year is based on the 52 or 53-week retail calendar ending on the Saturday closest to January 31. All references in the body of this joint proxy statement/prospectus to Perfumania's fiscal years are to the calendar year in which the fiscal year begins. For example, fiscal 2008 refers to the fiscal year that began on February 3, 2008 and ended on January 31, 2009. The earlier fiscal years presented below comprised different periods for the following reason. On August 11, 2008, Perfumania (then known as E Com Ventures, Inc.) completed its acquisition of Model, issuing shares of its common stock and warrants to the Model shareholders. Because the former Model shareholders held a substantial majority of Perfumania's outstanding shares following that merger, Model was considered to be the acquiror for accounting purposes. Accordingly, Perfumania's historical financial statements reflect the results of Model for periods before August 11, 2008, not those of E Com Ventures. Model's fiscal year end before that merger had been October 31; however, Perfumania changed its fiscal year end to the Saturday closest to January 31. Accordingly, the fiscal periods before fiscal 2008 presented below are a 13-week transition period that ended February 2, 2008, and Model's last two full fiscal years, ended October 31, 2007 and 2006, respectively.

The consolidated statement of operations data for the fiscal years provided in the table, and for the thirteen-week period ended February 2, 2008, and the consolidated balance sheet data as of the end of each of those periods have been derived from the audited consolidated financial statements of Perfumania and its subsidiaries for those periods. The financial data as of and for the 39-week periods ended October 29, 2011 and October 30, 2010 have been derived from the unaudited consolidated financial statements of Perfumania and its subsidiaries. Perfumania's management believes that the unaudited financial statements include all adjustments, consisting of normal recurring adjustments, that Perfumania considers necessary for a fair presentation of the financial position and the results of operations for these periods. The selected historical consolidated financial data provide only a summary and are not necessarily indicative of the results of future operations of Perfumania. They should be read in conjunction with Perfumania's audited consolidated financial statements and notes thereto included in this joint proxy statement/prospectus beginning on page F-2 and Information about Perfumania Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 157, as well as other information that Perfumania has filed with the SEC. See Where You Can Find More Information beginning on page 240.

**Table of Contents****Perfumania Selected Financial Data**

	39-Week Period Ended		Fiscal Year Ended			13-Week Period Ended	Fiscal Year Ended	
	October 29, 2011	October 30, 2010	January 29, 2011	January 30, 2010	January 31, 2009	February 2, 2008	October 31, 2007	October 31, 2006
	<i>(in thousands, except per share amounts)</i>							
Net sales, retail division	\$ 224,121	\$ 206,641	\$ 327,291	\$ 344,295	\$ 225,867	\$ 30,363	\$ 76,369	\$ 73,990
Net sales, wholesale division	105,380	115,227	157,509	166,627	203,427	85,106	251,343	264,371
<b>Total net sales</b>	<b>329,501</b>	<b>321,868</b>	<b>484,800</b>	<b>510,922</b>	<b>429,294</b>	<b>115,469</b>	<b>327,712</b>	<b>338,361</b>
Gross profit sales, retail division	101,484	89,211	143,034	145,631	92,540	11,758	30,040	29,945
Gross profit, wholesale division	24,265	25,742	37,815	33,159	42,280	21,899	60,469	63,092
<b>Total gross profit</b>	<b>125,749</b>	<b>114,953</b>	<b>180,849</b>	<b>178,790</b>	<b>134,820</b>	<b>33,657</b>	<b>90,509</b>	<b>93,037</b>
<b>Operating expenses:</b>								
Selling, general and administrative expenses	118,056	117,262	162,157	164,141	119,994	19,622	60,113	57,548
Asset impairment			3,001	2,320	68,078			
(Recovery) provision on vendor advances							(2,367)	2,367
Depreciation and amortization	5,839	6,595	8,909	9,766	7,423	340	1,411	1,721
<b>Total operating expenses</b>	<b>123,895</b>	<b>123,857</b>	<b>174,067</b>	<b>176,227</b>	<b>195,495</b>	<b>19,962</b>	<b>59,157</b>	<b>61,636</b>
<b>Income (loss) from operations</b>	<b>1,854</b>	<b>(8,904)</b>	<b>6,782</b>	<b>2,563</b>	<b>(60,675)</b>	<b>13,695</b>	<b>31,352</b>	<b>31,401</b>
Interest expense	5,920	10,094	12,857	18,202	12,023	3,201	12,749	14,506
<b>Income (loss) before income tax provision (benefit)</b>	<b>(4,066)</b>	<b>(18,998)</b>	<b>(6,075)</b>	<b>(15,639)</b>	<b>(72,698)</b>	<b>10,494</b>	<b>18,603</b>	<b>16,895</b>
Income tax (benefit) provision		(2,447)	(2,351)	189	14,262	4,387	7,353	6,854
<b>Net income (loss)</b>	<b>\$ (4,066)</b>	<b>\$ (16,551)</b>	<b>\$ (3,724)</b>	<b>\$ (15,828)</b>	<b>\$ (86,960)</b>	<b>\$ 6,107</b>	<b>\$ 11,250</b>	<b>\$ 10,041</b>
<b>Weighted average number of common shares outstanding:</b>								
Basic	8,967,162	8,966,565	8,966,612	8,966,417	7,364,203	5,900,000	5,368,468	5,315,315
Diluted	8,967,162	8,966,565	8,966,612	8,966,417	7,364,203	5,900,000	5,368,468	5,315,315
<b>Basic net income (loss) per common share</b>	<b>\$ (0.45)</b>	<b>\$ (1.85)</b>	<b>\$ (0.42)</b>	<b>\$ (1.77)</b>	<b>\$ (15.41)</b>	<b>\$ 1.04</b>	<b>\$ 2.09</b>	<b>\$ 1.89</b>