

Castle Brands Inc
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Registration No. 333-176005

PROSPECTUS SUPPLEMENT
(To prospectus dated August 12, 2011)

CASTLE BRANDS INC.

42,923,765 Shares

Common Stock

This prospectus supplement relates to 42,923,765 shares of our common stock, referred to as the resale shares, that may be offered for resale for the account of the selling securityholders set forth in this prospectus supplement under the heading “Selling Securityholders” beginning on page S-5. All of the resale shares are issuable, or may in the future become issuable, in connection with the private placement of approximately 7,127 shares of our 10% Series A Convertible Preferred Stock, referred to as the Series A preferred stock or preferred stock, and approximately 11.7 million common stock purchase warrants, referred to as the June 2011 warrants, that we entered into in June 2011, referred to as the June 2011 financing, which is more fully described in the section entitled “Summary.” You should read this prospectus supplement, the accompanying prospectus and other offering materials carefully before you invest.

The resale shares may only be offered for resale by the selling securityholders pursuant to this prospectus supplement if and when they are actually issued. The resale shares are comprised of the following: (a) approximately 23.4 million shares of common stock issuable upon conversion of our Series A preferred stock, (b) an additional approximately 7.8 million shares of common stock that have been registered pursuant to the registration statement of which this prospectus supplement forms a part to cover resales by the selling securityholders of shares of our common stock which may be issued to them in the future in payment of dividends on the Series A preferred stock, and (c) approximately 11.7 million shares of common stock issuable upon exercise of the June 2011 warrants.

Some or all of the selling securityholders may offer and sell the resale shares in a variety of transactions as described under the heading “Plan of Distribution” beginning on page S-9. The price to the public for the shares and the proceeds to the selling securityholders at any time will depend on the terms of such sales.

We will not receive any proceeds from the sale of the resale shares covered by this prospectus supplement, but we will receive proceeds from any cash exercise of the June 2011 warrants. We are bearing all of the expenses in connection with this offering, but all selling and other expenses incurred by the selling securityholders, including commissions and discounts, if any, attributable to the sale or disposition of the resale shares, will be borne by them.

Our common stock is traded on the NYSE Amex under the symbol “ROX.” On August 11, 2011, the last reported sale price of our common stock was \$0.24.

As of July 29, 2011, the aggregate market value of our outstanding common stock held by non-affiliates was approximately \$11,351,870, which was calculated based on 37,839,567 shares of outstanding common stock held by non-affiliates and on a price per share of \$0.30, the closing price of our common stock on July 29, 2011. Pursuant to General Instruction I.B.6 of Form S-3, in no event will we sell securities in a public primary offering with a value

exceeding more than one-third of the aggregate market value of our common stock held by non-affiliates in any 12-month period so long as our market value remains below \$75.0 million. We have not offered any securities pursuant to General Instruction I.B.6 of Form S-3 during the 12 calendar months prior to and including the date of this prospectus supplement.

Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on page S-3 and the documents we incorporate by reference, including our most recent Annual Report on Form 10-K, for a discussion of information that should be considered in connection with an investment in our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is August 15, 2011

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different or additional information from that contained in this prospectus supplement and the accompanying prospectus or to make representations as to matters not stated in this supplement and the accompanying prospectus. The selling securityholders are offering to sell, and seeking offers to buy, shares of common stock only in jurisdictions where offers and sales are permitted or legal. You should not assume that the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein is accurate as of any date other than their respective dates, regardless of the time of delivery of this prospectus or of any sale of our common stock. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

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Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

We are providing information to you about this offering in two parts. The first part is this prospectus supplement, which provides the specific details regarding this offering. The second part is the accompanying base prospectus, which provides general information. Generally, when we refer to this “prospectus,” we are referring to both documents combined. Some of the information in the base prospectus may not apply to this offering. If information in the prospectus supplement is inconsistent with the accompanying base prospectus, you should rely on this prospectus supplement.

This prospectus supplement offers for resale 42,923,765 shares of our common stock. The resale shares may be offered for resale for the account of the selling securityholders set forth in this prospectus supplement under the heading “Selling Securityholders” beginning on page S-5. All of the resale shares are issuable, or may in the future become issuable, in connection with the private placement of approximately 7,127 shares of our Series A preferred stock and approximately 11.7 million June 2011 warrants, that we entered into in June 2011, which is more fully described in the section entitled “Summary.”

References in this prospectus supplement to the “Registrant,” “Castle Brands,” “we,” “us,” and “our” refer to Castle Brands Inc and its subsidiaries, unless the context requires otherwise.

SUMMARY

This summary is not complete and may not contain all of the information that may be important to you. You should read the entire prospectus supplement and the accompanying prospectus carefully, as well as the documents incorporated by reference, before making an investment decision.

The Company

We develop and market premium brands in the following beverage alcohol categories: rum, whiskey, liqueurs, vodka, tequila and wine. We distribute our products in all 50 U.S. states and the District of Columbia, in twelve primary international markets, including Ireland, Great Britain, Northern Ireland, Germany, Canada, Bulgaria, France, Russia, Finland, Norway, Sweden, China and the Duty Free markets, and in a number of other countries in continental Europe and Latin America. We market the following brands, among others, Gosling's Rum®, Jefferson's®, Jefferson's Reserve® and Jefferson's Presidential Select™ bourbons, Clontarf® Irish whiskey, Pallini® liqueurs, Boru® vodka, Knappogue Castle Whiskey®, Tierras™ tequila, Travis Hasse's Original® Pie Liqueurs, A. de Fussigny® Cognacs and Betts & Scholl™ wines, including the CC:™ line of wines.

Effective as of February 9, 2010, we completed a reincorporation transaction under which Castle Brands Inc., a Delaware corporation, or Castle Delaware, merged with and into Castle Brands (Florida) Inc., a Florida corporation and wholly-owned subsidiary of Castle Delaware, or Castle Florida, with Castle Florida being the surviving entity, which we refer to as the reincorporation, and being renamed Castle Brands Inc. As a result of the reincorporation, the legal domicile of the surviving entity is now the State of Florida. In the reincorporation, each outstanding share of Castle Delaware common stock, par value \$0.01 per share, was converted into one share of Castle Florida common stock, par value \$0.01 per share.

Castle Florida was incorporated in Florida in 2009 and is the successor to Castle Delaware, which was incorporated in Delaware in 2003.

We maintain our principal executive and management office at 122 East 42nd Street, Suite 4700, New York, New York 10168. Our phone number is (646) 356-0200.

Private Placement

On June 8, 2011 we entered into agreements with the selling securityholders relating to a private placement of an aggregate of approximately \$7.1 million of newly-designated Series A preferred stock. Holders of Series A preferred stock are entitled to receive cumulative dividends at the rate per share (as a percentage of the stated value per share) of 10% per annum, whether or not declared by our board, which are payable in shares of our common stock upon conversion of the Series A preferred stock or upon a liquidation. We completed a private offering with certain selling securityholders of approximately \$2.2 million of Series A preferred stock for its stated value of \$1,000 per share and June 2011 warrants to purchase 50% of the number of shares of our common stock issuable upon conversion of such Series A preferred stock. Subject to adjustment (including dilutive issuances), the Series A preferred stock is convertible into shares of our common stock at a conversion price of \$0.304 per share and the June 2011 warrants have an exercise price of \$0.38 per share.

Also on June 8, 2011, certain selling securityholders who are directors, officers and other affiliates of ours agreed to purchase an aggregate of approximately \$1.0 million of Series A preferred stock and June 2011 warrants on substantially the same terms described above, subject to shareholder approval of such issuance in accordance with the rules and regulations of the NYSE Amex. Pending such shareholder approval, we issued an aggregate of approximately \$1.0 million in promissory notes to these selling securityholders, which notes and accrued but unpaid interest thereon will convert automatically into Series A preferred stock and June 2011 warrants following shareholder approval. These notes bear interest at 10% per annum and mature 18 months from the date of issuance, subject to prior conversion upon shareholder approval. The selling securityholders include Frost Gamma Investments Trust, an entity affiliated with Dr. Phillip Frost, a director and principal shareholder of our company, Mr. Richard Lampen, our chief executive officer and a director of our company, Mr. Mark Andrews, our chairman of the board, and certain of his affiliates, Mr. John Glover, our chief operating officer, and Mr. Alfred Small, our senior vice president, chief financial officer, treasurer and secretary.

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Also on June 8, 2011, certain selling securityholders who are holders of our outstanding debt, including certain of our directors, officers and other affiliates, agreed to purchase shares of Series A preferred stock and June 2011 warrants in exchange for approximately \$3.6 million aggregate principal amount of our existing debt, which we refer to as the exchange debt, and accrued but unpaid interest thereon, on substantially the same terms described above, subject to shareholder approval of such issuance in accordance with the rules and regulations of the NYSE Amex. The affiliate debt holders include Frost Gamma Investments Trust, Vector Group Ltd., a principal shareholder of ours, Mr. Lampen, Mr. Andrews, Lafferty Ltd., a principal shareholder of our company and IVC Investments, LLLP, an entity affiliated with Mr. Glenn Halpryn, a director of ours, and Betts & Scholl, LLC, an entity affiliated with Mr. Dennis Scholl, a director of ours (who converted principal, but not accrued but unpaid interest thereon).

If we sell or grant any option to purchase or any right to reprice, or otherwise dispose of or issue (or announce any sale, grant or any option to purchase or other disposition), any common stock or common stock equivalents entitling any person to acquire common stock at an effective price per share that is lower than the then conversion price of the Series A preferred stock, the holders of the Series A preferred stock and June 2011 warrants will be entitled to an adjusted conversion price and additional shares of common stock upon the exercise of the June 2011 warrants.

We agreed to register for resale hereunder the shares of common stock issuable upon conversion of the Series A preferred stock, the shares of common stock which may be issued in the future in payment of dividends on the Series A preferred stock and the shares of common stock issuable upon exercise of the June 2011 warrants.

The Offering

Common stock to be offered by the selling securityholders	42,923,765 shares(1)
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Use of proceeds	We will not receive any proceeds from the sale of the resale shares covered by this prospectus supplement, but we will receive proceeds from any cash exercise of the June 2011 warrants. We will use the net proceeds we receive from the exercise of the June 2011 warrants, if any, under which some of the resale shares are issuable, for working capital and other general corporate purposes. Pending these uses, the net proceeds may also be temporarily invested in short-term securities.
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NYSE Amex symbol	ROX
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(1) Includes (a) 23,442,736 shares of common stock issuable upon conversion of our Series A preferred stock, which includes the conversion of accrued but unpaid interest on the exchange debt through September 12, 2011, (b) an additional 7,759,656 shares of common stock that have been registered pursuant to the registration statement of which this prospectus supplement forms a part to cover resales by the selling securityholders of shares of our common stock which may be issued to them in the future in payment of dividends on the Series A preferred stock, and (c) 11,721,373 shares of common stock issuable upon exercise of the June 2011 warrants, which include June 2011 warrants to be issued in

respect of the conversion of accrued but unpaid interest on the exchange debt through September 12, 2011.

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RISK FACTORS

An investment in our common stock involves significant risks. You should consult with your own financial and legal advisers and carefully consider, among other matters, the risks described in the accompanying prospectus under the heading “Risk Factors,” in our Annual Report on Form 10-K for the year ended March 31, 2011 and the other documents incorporated herein by reference. You should carefully consider the risks described in those reports and the other information in this prospectus supplement and the accompanying prospectus before you decide to buy our shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain matters discussed in this prospectus supplement and the information incorporated by reference herein contain “forward-looking statements” for purposes of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. In some cases, you can identify these forward-looking statements by the use of words such as “may,” “will,” “should,” “anticipates,” “believes,” “expects,” “plans,” “future,” “intends,” “could,” “estimate,” “predict,” “potential,” “continue,” or the negative of these terms or similar expressions. These forward-looking statements are not guarantees of future performance. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward-looking statements. These risks and other factors include those listed under “Risk Factors” beginning on page 3 of the accompanying prospectus and as follows:

- our history of losses and expectation of further losses;
- the effect of poor operating results on our company;
- the adequacy of our cash resources and our ability to raise additional capital;
- our ability to expand our operations in both new and existing markets and our ability to develop or acquire new brands;
- our relationships with and our dependency on our distributors;
- the impact of supply shortages and alcohol and packaging costs in general, as well as our dependency on a limited number of suppliers and inventory requirements;
- the success of our sales and marketing activities;
- economic and political conditions generally, including the current recessionary economic environment and concurrent market instability;
- the effect of competition in our industry;
- negative publicity surrounding our products or the consumption of beverage alcohol products in general;
- our ability to acquire and/or maintain brand recognition and acceptance;
- trends in consumer tastes;
- our and our strategic partners’ abilities to protect trademarks and other proprietary information;
- the impact of litigation;
- the impact of currency exchange rate fluctuations and devaluations on our revenues, sales and overall financial results;
- our executive officers, directors and principal shareholders own a substantial portion of our voting stock; and
- the impact of federal, state, local or foreign government regulations.

Except for ongoing obligations to disclose material information as required by federal securities laws, we undertake no obligation to publicly release any revisions to any forward-looking statements to reflect events or circumstances

after the date hereof or to reflect the occurrence of unanticipated events. All of the above factors are difficult to predict, contain uncertainties that may materially affect our actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for our management to predict all such factors or to assess the effect of each factor on our business.

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Although we believe that the assumptions underlying the forward-looking statements contained or incorporated by reference herein are reasonable, any of the assumptions could be inaccurate, and therefore any of these statements included in this document or in the documents incorporated by reference may prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included in this document, the inclusion of this information should not be regarded as a representation by us or by any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

USE OF PROCEEDS

We will not receive any proceeds from the sale of the resale shares covered by this prospectus supplement, but we will receive proceeds from any cash exercise of the June 2011 warrants. We will use the net proceeds received from the exercise of the June 2011 warrants, if any, under which some of the resale shares are issuable, for working capital and other general corporate purposes. Pending these uses, the net proceeds may also be temporarily invested in short-term securities.

SELLING SECURITYHOLDERS

On June 8, 2011, we entered into agreements with the selling securityholders named below relating to a private placement of an aggregate of approximately \$7.1 million of Series A preferred stock and June 2011 warrants to purchase 50% of the number of shares of our common stock issuable upon conversion of such Series A preferred stock. For more information, see “Summary—Private Placement” above. The issuance of Series A preferred stock and June 2011 warrants to certain selling securityholders who are directors, officers and other affiliates of ours is subject to shareholder approval of such issuance in accordance with the rules and regulations of the NYSE Amex. We have undertaken to obtain such shareholder approval by the 150th calendar day following the date of the private placement and the holders of approximately 41.4% of our outstanding common stock have entered into irrevocable agreements to vote their shares of common stock in connection with the transactions. The shares of common stock issuable to the selling securityholders who are directors, officers and other affiliates of ours are being registered for resale under this prospectus supplement because such selling securityholders are irrevocably bound to purchase a fixed dollar amount of Series A preferred stock and June 2011 warrants for a set per share purchase price following shareholder approval, if such shareholder approval is obtained.

The shares being offered by the selling securityholders as set forth in the table below are comprised of (a) shares of common stock issuable upon conversion of their shares of Series A preferred stock, referred to below as “offered conversion shares,” (b) shares of common stock issuable as dividends on their shares of Series A preferred stock assuming the Series A preferred stock is held for at least three years, referred to below as “future dividend shares,” and (c) shares of common stock issuable upon exercise of their June 2011 warrants, referred to below as “offered warrant shares.”

Based on information provided by the selling securityholders, the table below sets forth certain information, as of July 29, 2011 unless otherwise noted, regarding the selling securityholders. Percentage ownership of common stock is based on 107,202,145 shares of our common stock outstanding as of July 29, 2011. Also, the table below assumes for calculating each selling securityholder’s beneficial ownership, both prior to and after this offering, that options, warrants and convertible securities held by such securityholder, if any, that are exercisable or convertible within 60 days of July 29, 2011 and the Series A preferred stock and June 2011 warrants issued or to be issued to such selling securityholder have been exercised or converted and the shares underlying them added to the number of shares of our common stock deemed to be outstanding. The table below includes the conversion of accrued but unpaid interest on the exchange debt through September 12, 2011.

Because a selling securityholder may sell all, some or none of the shares of common stock it holds, and because the offering contemplated by this prospectus supplement is not currently being underwritten, no estimate can be given as to the number of shares of common stock that will be held by a selling securityholder upon termination of the offering. The information set forth in the following table regarding the beneficial ownership after resale of shares is based upon the hypothetical assumption that the selling securityholder will sell all of the resale shares owned by it and covered by this prospectus supplement.

Pursuant to the articles of designation for our Series A preferred stock, referred to as the articles of designation, and the terms of the June 2011 warrants, until shareholder approval of the June 2011 financing is obtained in accordance with the rules and regulations of the NYSE Amex, no holder of such securities is permitted to convert its shares of Series A preferred stock or exercise its June 2011 warrants to the extent that any such conversion or exercise would result in such holder’s beneficial ownership, after giving effect to such conversion or exercise, of more than 19.99% of our common stock outstanding as of the date of the June 2011 financing. The information in the table below is presented assuming that such shareholder approval has been obtained.

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Name	Shares Beneficially Owned Before Offering		Number of Shares Offered ¹	Shares Beneficially Owned After Offering	
	Number of Shares	Percentage		Number of Shares	Percentage
Alpha Capital Anstalt ²	3,011,514	2.7 %	3,011,514	—	—
Mark E. Andrews III ³	5,023,858	4.6 %	1,867,371	3,156,487	2.9 %
Mark E. Andrews IV ⁴	971,233	*	602,304	368,929	*
Betts & Scholl, LLC ⁵	646,608	*	646,608	—	—
Michael Brauser ⁶	301,152	*	301,152	—	—
Cranshire Capital LP ⁷	406,564	*	406,564	—	—
Elizabeth A. duPont ⁸	971,233	*	602,304	368,929	*
Freestone Advantage Partners, LP ⁹	45,173	*	45,173	—	—
Frost Gamma Investments Trust ¹⁰	43,665,200	34.2 %	20,532,845	23,132,355	18.1 %
John S. Glover ¹¹	672,088	*	301,152	370,936	*
GRQ Consultants, Inc. 401(k) ¹²	1,204,607	1.1 %	1,204,607	—	—
Horberg Enterprises Limited Partnership ¹³	1,995,144	1.8 %	903,456	1,091,688	1.0 %
Iroquois Master Fund Ltd. ¹⁴	301,152				