

Destination Maternity Corp
Form SC 13D/A
May 21, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No. 8)*

Destination Maternity Corporation

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class of Securities)

25065D100

(CUSIP Number)

Mill Road Capital, L.P.

Attn: Thomas E. Lynch

382 Greenwich Avenue

Suite One

Greenwich, CT 06830

203-987-3500

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With a copy to:

Peter M. Rosenblum, Esq.

Foley Hoag LLP

155 Seaport Blvd.

Boston, MA 02210

617-832-1151

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

May 17, 2013

(Date of Event Which Requires Filing of This Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. "

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

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 25065D100

Page 2 of 9 Pages

1. Names of reporting persons.

Thomas E. Lynch

2. Check the appropriate box if a member of a group (see instructions)

(a) (b)

3. SEC use only

4. Source of funds (see instructions)

AF

5. Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6. Citizenship or place of organization

USA

Number of 7. Sole voting power

shares

beneficially 0

owned by 8. Shared voting power

each

reporting 477,390
9. Sole dispositive power

person

with

0
10. Shared dispositive power

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477,390

11. Aggregate amount beneficially owned by each reporting person

477,390

12. Check if the aggregate amount in Row (11) excludes certain shares (see instructions) ..

13. Percent of class represented by amount in Row (11)

3.5%

14. Type of reporting person (see instructions)

IN

CUSIP No. 25065D100

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1. Names of reporting persons.

Scott P. Scharfman

2. Check the appropriate box if a member of a group (see instructions)

(a) (b)

3. SEC use only

4. Source of funds (see instructions)

AF

5. Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e)

6. Citizenship or place of organization

USA

Number of 7. Sole voting power

shares

beneficially 0

owned by 8. Shared voting power

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9. Sole dispositive power

person

with 0

10. Shared dispositive power

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3.5%

14. Type of reporting person (see instructions)

IN

CUSIP No. 25065D100

Page 4 of 9 Pages

1. Names of reporting persons

Mill Road Capital GP LLC

2. Check the appropriate box if a member of a group (see instructions)

(a) " (b) "

3. SEC use only

4. Source of funds (see instructions)

AF

5. Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e) "

6. Citizenship or place of organization

Delaware

Number of 7. Sole voting power

shares

beneficially 477,390

owned by 8. Shared voting power

each

reporting 0
9. Sole dispositive power

person

with

477,390
10. Shared dispositive power

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0

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12. Check if the aggregate amount in Row (11) excludes certain shares (see instructions) ..

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3.5%

14. Type of reporting person (see instructions)

OO

CUSIP No. 25065D100

Page 5 of 9 Pages

1. Names of reporting persons.

Mill Road Capital, L.P.

2. Check the appropriate box if a member of a group (see instructions)

(a) " (b) "

3. SEC use only

4. Source of funds (see instructions)

WC

5. Check if disclosure of legal proceedings is required pursuant to Items 2(d) or 2(e) "

6. Citizenship or place of organization

Delaware

Number of 7. Sole voting power

shares

beneficially 477,390

owned by 8. Shared voting power

each

reporting 0
9. Sole dispositive power

person

with

477,390
10. Shared dispositive power

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0

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12. Check if the aggregate amount in Row (11) excludes certain shares (see instructions) ..

13. Percent of class represented by amount in Row (11)

3.5%

14. Type of reporting person (see instructions)

PN

This Amendment No. 8 to the joint statement on Schedule 13D filed by the undersigned on May 21, 2008, with respect to the common stock, par value \$.01 per share, of Destination Maternity Corporation, a Delaware corporation (the **Initial Filing**), as amended by Amendment No. 1 on Schedule 13D filed by the undersigned on September 25, 2008, as amended by Amendment No. 2 on Schedule 13D filed by the undersigned on June 24, 2010, as amended by Amendment No. 3 on Schedule 13D filed by the undersigned on March 22, 2011, as amended by Amendment No. 4 on Schedule 13D filed by the undersigned on April 29, 2011, as amended by Amendment No. 5 on Schedule 13D filed by the undersigned on May 13, 2011, as amended by Amendment No. 6 on Schedule 13D filed by the undersigned on March 19, 2013, and as amended by Amendment No. 7 on Schedule 13D filed by the undersigned on May 13, 2013 (the Initial Filing, as so amended and as amended herein, the **Schedule 13D**), further amends the Schedule 13D as follows:

1. Item 3 of the Schedule 13D shall hereby be amended and restated in full as follows:

Item 3. Source and Amount of Funds or Other Consideration

The Reporting Persons acquired beneficial ownership of an aggregate of 477,390 shares of Common Stock for \$5,815,082.36 using working capital from the Fund and the proceeds of margin loans under margin loan facilities maintained in the ordinary course of business by the Fund with a broker on customary terms and conditions.

2. Item 5(a,b) of the Schedule 13D shall hereby be amended and restated in full as follows:

(a,b) The percentages of beneficial ownership reported in this Item 5, and on each Reporting Person's cover page to this Schedule 13D, are based on a total of 13,536,429 shares of the Common Stock issued and outstanding as of May 3, 2013, as reported in the most recent quarterly report of the Issuer on Form 10-Q for the fiscal quarter ended March 31, 2013. All of the share numbers reported below, and on each Reporting Person's cover page to the Schedule 13D, are as of May 21, 2013, unless otherwise indicated. The cover page to this Schedule 13D for each Reporting Person is incorporated by reference in its entirety into this Item 5(a, b).

The Fund directly holds, and thus has sole voting and dispositive power over, 477,390 shares of Common Stock. The GP, as sole general partner of the Fund, also has the sole authority to vote (or direct the vote of), and to dispose (or direct the disposal) of, these shares, and each of Messrs. Lynch and Scharfman has the shared authority to vote (or direct the vote of), and to dispose (or direct the disposal) of, these shares on behalf of the GP and the Fund. Accordingly, each of the Reporting Persons beneficially owns 477,390 shares of Common Stock, or approximately 3.5% of the outstanding shares of Common Stock, and the Reporting Persons beneficially own, in the aggregate, 477,390 shares of Common Stock, or approximately 3.5% of the outstanding shares of Common Stock.

3. Item 5(c) of the Schedule 13D shall hereby be amended and restated in full as follows:

(c) No Reporting Person, other than the Fund as set forth in this Item 5(c) or Item 6 below, effected any transaction in securities in the class of Common Stock during the period (the **Reporting Period**) from May 14, 2013 (the day after the filing of the most recent

amendment to the Schedule 13D) to May 21, 2013. On May 15, 2013, the Fund sold 50,000 shares of Common Stock at a sale price per share of \$24.7000, and on May 21, 2013, the Fund sold 140,140 shares of Common Stock at a sale price per share of \$25.2300. These sales were made in the ordinary course of business on the open market for cash. On May 17, 2013, the Fund sold an aggregate of 135,000 shares of Common Stock at an average sale price per share equal to \$22.5926 (or \$23.8696, including the net option premium) as a result of the exercise by counterparties to standard American-style, exchange-traded call options (**Call Options**) sold by the Fund prior to the Reporting Period. None of the sales prices reported reflect brokerage commissions paid.

See Item 6 below for a description of Call Options sold by the Fund during the Reporting Period.

4. Item 5(e) of the Schedule 13D shall hereby be amended and restated in full as follows:

(e) As of May 17, 2013, each of the Reporting Persons, and the Reporting Persons in the aggregate, ceased to beneficially own at least 5.0% of the class of shares of Common Stock.

5. Item 6 of the Schedule 13D shall hereby be amended and restated in full as follows:

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

On May 20, 2013, the Fund sold Call Options with respect to an aggregate of 310 lots of 100 shares of Common Stock at a value per underlying share of \$0.7000. These sales were conducted in the ordinary course of business on the open market for cash, and the value per underlying share reported does not reflect brokerage commissions paid. Each of the Call Options has a strike price per share of \$25.00, expires on June 22, 2013, and is outstanding as of May 21, 2013.

Prior to the Reporting Period, the Fund had sold Call Options that had neither expired nor been exercised by the option's counterparty prior to the beginning of the Reporting Period. Of these Call Options, options with respect to an aggregate of 1,350 lots of 100 underlying shares of Common Stock were exercised by the option's counterparty during the Reporting Period as described in Item 5(c) above and options with respect to an aggregate of 500 lots of 100 underlying shares of Common Stock are outstanding as of (and were not exercised by) May 21, 2013. Of the Call Options outstanding as of (and not exercised by) May 21, 2013, options with respect to 200 lots have a strike price per share of \$25.00 and expire on June 22, 2013, options with respect to 100 lots have a strike price of \$22.50 and expire on June 22, 2013, and options with respect to 200 lots have a strike price of \$25.00 and expire on August 17, 2013.

Each of these Call Options gives the option's counterparty the right (but not the obligation) to purchase from the Fund, on or before the option's expiration date, the number of shares of the Common Stock underlying the option, at a purchase price per share equal to the option's strike price per share. If a Call Option is exercised on or before its expiration date, the Fund must deliver the shares of Common Stock underlying the option in exchange for the option's aggregate exercise price.

Except as otherwise described in this Schedule 13D, including the Exhibits attached hereto, there are no contracts, arrangements, understandings, or relationships (legal or otherwise) among the Reporting Persons, or between any Reporting Person(s) and any third party, with respect to any securities of the Issuer, including, but not limited to, those involving the transfer or voting any of the securities, finder's fees, joint ventures, loan or option arrangements, put or calls, guarantees of profits, division of profits or losses, or the giving or withholding of proxies.

6. Except as expressly modified hereby, all provisions of the Schedule 13D shall continue in full force and effect.
[signature page follows]

Signature

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

DATE: May 21, 2013

MILL ROAD CAPITAL, L.P.

By: Mill Road Capital GP LLC,
its General Partner

By: /s/ Scott P. Scharfman
Scott P. Scharfman
Management Committee Director

MILL ROAD CAPITAL GP LLC

By: /s/ Scott P. Scharfman
Scott P. Scharfman
Management Committee Director

THOMAS E. LYNCH

By: /s/ Scott P. Scharfman
Scott P. Scharfman, attorney-in-fact

SCOTT P. SCHARFMAN

/s/ Scott P. Scharfman
Scott P. Scharfman