

VINCE HOLDING CORP.
Form DEF 14C
April 26, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14C

(Rule 14c-101)

SCHEDULE 14C INFORMATION

Information Statement Pursuant to Section 14(c) of the
Securities Exchange Act of 1934

Check the appropriate box:

Preliminary Information Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14c-5(d)(2))

Definitive Information Statement

VINCE HOLDING CORP.

(Name of Registrant as Specified in Its Charter)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11.

- (1) Title of each class of securities to which transaction applies:

- (2) Aggregate number of securities to which transaction applies:

- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

- (4) Proposed maximum aggregate value of transaction:

- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

 - (2) Form, Schedule or Registration Statement No.:

 - (3) Filing Party:

 - (4) Date Filed:
-

VINCE HOLDING CORP.

500 FIFTH AVENUE, 20TH FLOOR

NEW YORK, NY 10110

NOTICE OF STOCKHOLDER ACTION BY WRITTEN CONSENT

DATE FIRST MAILED TO STOCKHOLDERS: APRIL 26, 2018

To Our Stockholders:

This Notice and the accompanying Information Statement are being furnished to the stockholders of Vince Holding Corp., a Delaware corporation (the “Company”), to notify stockholders of the actions taken by our Board of Directors (the “Board”) at its meeting held on April 2, 2018 and by the holders of a majority of the issued and outstanding shares of the Company’s common stock by written consent delivered to the Company on April 13, 2018, approving: (1) a one-time stock option exchange program (the “Option Exchange”), to permit the Company to cancel certain stock options issued under the Vince Holding Corp. Omnibus Incentive Plan (the “2013 Plan”) held by some of our employees and executive officers, referred to in this Information Statement as “Eligible Participants,” in exchange for new restricted stock units at a prescribed exchange ratio described in the accompanying Information Statement (the “Replacement RSUs”); and (2) an amendment (the “Plan Amendment”) to the 2013 Plan to increase the maximum aggregate number of shares of the Company’s common stock with respect to which equity awards may be granted under the 2013 Plan from 340,000 shares to 1,000,000 shares.

The primary purpose of the Option Exchange is to increase the retention and motivational value of the outstanding equity awards held by Eligible Participants by providing such individuals the opportunity to exchange for Replacement RSUs outstanding equity awards, substantially all of which are significantly underwater, i.e., the exercise price is significantly greater than the current market trading price of our common stock.

Only current employees and executive officers of the Company are eligible to participate in the Option Exchange. The Company expects to commence the Option Exchange on or about April 26, 2018 by filing applicable tender offer documents with the Securities and Exchange Commission. The Option Exchange will close and any Replacement RSUs will be issued on or about the 20th business day after the Option Exchange commencement, unless the Option Exchange is extended by the Company (and in any event, no earlier than 20 calendar days after the Company mails this Notice and Information Statement to stockholders).

In addition, the Plan Amendment is necessary to ensure that the number of Replacement RSUs granted as part of implementing the Option Exchange and any other equity awards to be issued under the 2013 Plan from time to time to the Company’s employees, executive officers and directors in the foreseeable future will be within the limits set forth in the 2013 Plan regarding the number of shares of the Company’s common stock that may be subject to equity awards granted thereunder.

As the matters set forth in this Information Statement have been duly authorized and approved by the written consent of the holders of more than a majority of our voting securities, your vote or consent is not requested or required to approve these matters. The Information Statement is provided solely for your information, and also serves the purpose of informing stockholders of the matters described herein pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended, and the rules and regulations prescribed thereunder, including Regulation 14C, and serves as the

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notice required by Section 228 of the Delaware General Corporation Law of the taking of a corporate action without a meeting by less than unanimous written consent of our stockholders. You do not need to do anything in response to this Notice and the Information Statement.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Sincerely,

Brendan Hoffman
Chief Executive Officer

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VINCE HOLDING CORP.

500 Fifth Avenue, 20th Floor

New York, NY 10110

INFORMATION STATEMENT

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ABOUT THIS INFORMATION STATEMENT

General

Vince Holding Corp., a Delaware corporation, and its subsidiaries (“Vince,” the “Company,” “we,” “us,” or “our”), is sending you this Information Statement solely for purposes of informing our stockholders of record as of April 13, 2018 (the “Record Date”) of actions taken by our stockholders by less than unanimous written consent in lieu of a special meeting of stockholders. No action is requested or required on your part.

This Information Statement is being mailed on or about April 26, 2018. The Company’s principal executive offices are located at 500 Fifth Avenue, 20th Floor, New York, NY 10110, and the Company’s telephone number is (212) 515-2600.

At the close of business on October 23, 2017, the Company effected a 1-for-10 reverse stock split (the “Reverse Stock Split”). The Company’s common stock began trading on a split-adjusted basis when the market opened on October 24, 2017. Pursuant to the Reverse Stock Split, every 10 shares of the Company’s issued and outstanding common stock were automatically converted into one share of common stock. All references to our common stock provided in this Information Statement have been adjusted to reflect the effect of the Reverse Stock Split except as otherwise indicated.

Important Information Regarding The Availability Of The Information Statement For The Stockholder Action By Written Consent To Be Effective After May 16, 2018.

This Information Statement is available at <http://investors.vince.com>.

Summary of the Corporate Actions

Option Exchange

The holders of a majority of the Company’s issued and outstanding shares of common stock (the “Majority Stockholders”) have approved, by written consent delivered to the Company on April 13, 2018: (i) a one-time stock option exchange program (the “Option Exchange”) as described in detail in Item 1 below. Our current employees and executive officers (“Eligible Participants”) holding stock options issued under the Vince Holding Corp. Omnibus Incentive Plan (the “2013 Plan”) to purchase shares of our common stock (“Eligible Options”) may participate in the Option Exchange. The Option Exchange will allow Eligible Participants to elect to surrender for cancellation Eligible Options currently held by such participants in exchange for the grant of new restricted stock units (the “Replacement RSUs”) at a prescribed exchange ratio of 1-to-1.7857 (the “Exchange Ratio”), resulting in the grant of 1.7857 Replacement RSUs for every Eligible Option tendered in the exchange. None of the Company’s non-executive directors, non-U.S. employees, and former executive officers or employees are eligible to participate in the Option

Exchange. Stockholder approval is required for the Option Exchange described in this Information Statement under the listing rules of the New York Stock Exchange (the “NYSE Rules”) and the terms of the 2013 Plan. Such approval has been received by written consent delivered to the Company on April 13, 2018. To implement the Option Exchange, the Company expects to commence an exchange offer to the Eligible Participants upon the terms and subject to the conditions of a written offer set forth in a tender offer statement on Schedule TO, including the exhibits thereto (the “Tender Documents”), by filing the Tender Documents with the Securities and Exchange Commission (the “SEC”) on or about April 26, 2018.

The Notice and Information Statement is first being mailed on or about April 26, 2018 to the Company’s stockholders of record as of the Record Date. The Company intends to commence the Option Exchange on or about April 26, 2018 and to complete it on or about May 24, 2018. In no event will the Option Exchange close, or the Replacement RSUs be granted, prior to the date that is 20 business days after the Option Exchange commences (and, in any event, no earlier than the 20th calendar day after the Company mails the Notice and Information Statement to stockholders).

Plan Amendment

The Majority Stockholders have also approved, by written consent delivered to the Company on April 13, 2018, an amendment (the “Plan Amendment”) to the 2013 Plan to increase the maximum aggregate number of shares of the Company’s common stock with respect to which equity awards may be granted under the 2013 Plan from 340,000 shares to 1,000,000 shares, as described in detail in Item 2 below.

The Plan Amendment is expected to become effective on May 16, 2018, the 20th calendar day after the Company mails the Notice and this Information Statement to stockholders of record as of the Record Date.

Voting and Vote Required

The Company is not seeking consent, authorizations or proxies from you. Under the Delaware General Corporation Law (the “DGCL”), the Company’s amended and restated certificate of incorporation, the Company’s amended and restated bylaws and the NYSE Rules, the Option Exchange and the Plan Amendment may be approved, without a meeting of stockholders, by a resolution of our Board of Directors (the “Board”), followed by the written consent of the Majority Stockholders. As of the Record Date, the Company had 11,616,500 shares of common stock outstanding and entitled to vote. Each share of our common stock is entitled to one vote. The written consent was executed by the Majority Stockholders, holding 8,481,318 shares of common stock, representing a majority of the voting power of our common stock as of the Record Date. Accordingly, the written consent was executed by stockholders holding sufficient voting power to approve the actions contemplated by the written consent and no further stockholder action is required. The Majority Stockholders are Sun Cardinal, LLC and SCSF Cardinal, LLC.

Dissenters’ Rights of Appraisal

The DGCL does not provide dissenters’ rights of appraisal to the Company’s stockholders in connection with the matters approved by the written consent.

Notice Pursuant to the Company’s Bylaws and Delaware General Corporation Law

Pursuant to Article II, Section 13(b) of our amended and restated bylaws and Section 228(e) of the DGCL, the Company is required to provide prompt notice of the taking of a corporate action by written consent to the Company’s stockholders who have not consented in writing to such action. This Information Statement serves as the notice required by Article II, Section 13(b) of our Bylaws and Section 228(e) of the DGCL.

Interest of Certain Persons in Matters Acted Upon

Option Exchange

The following table sets forth certain information as of April 13, 2018 about the outstanding stock options granted under the 2013 Plan held by each listed individual who was or has been an executive officer of the Company since the fiscal year ended January 28, 2017.

Our non-executive directors are not eligible to participate in the Option Exchange and do not hold any Eligible Options under the 2013 Plan. Our executive officers that are currently employed by Vince or any of its subsidiaries

and hold Eligible Options at the time of the commencement of the Option Exchange, are eligible to participate in the Option Exchange.

As of April 13, 2018, our executive officers and directors (12 persons as a group) held unexercised Eligible Options to purchase an aggregate of 104,197 shares of our common stock under the 2013 Plan, which represented approximately 68.7% of shares subject to all outstanding stock options under the 2013 Plan. The percentages in the table below are based on the total number of outstanding stock options to purchase our common stock under the 2013 Plan.

Name	Options Outstanding		Options Eligible for Exchange		Options Outstanding as a Percentage of Total Outstanding	
	Number of Options	Percentage of Total Outstanding	Number of Options	Percentage of Total Outstanding	Number of Options	Percentage of Total Outstanding
Executive Officers						
Brendan Hoffman	58,866	38.80 %	58,866	38.80 %	58,866	38.80 %
David Stefko	26,489	17.46 %	26,489	17.46 %	26,489	17.46 %
Mark Engebretson	6,000	3.96 %	6,000	3.96 %	6,000	3.96 %
Melissa Wallace	12,842	8.47 %	12,842	8.47 %	12,842	8.47 %
All executive officers and directors as a group (12 persons)	104,197	68.68 %	104,197	68.68 %	104,197	68.68 %

2013 Plan Amendment

No amount or benefit will be received or allocated to any of our directors or executive officers as a result of the Plan Amendment, provided that our directors and executive officers will be eligible to receive equity award grants under the 2013 Plan (as amended by the Plan Amendment), as may be determined by the Board and its compensation committee (the "Compensation Committee").

ITEM 1- APPROVAL OF A ONE-TIME ST