

Turning Point Brands, Inc.
Form S-1
November 05, 2015
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As filed with the Securities and Exchange Commission on November 5, 2015

Registration No. 333-

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Turning Point Brands, Inc.

(Exact name of registrant as specified in its charter)

| | | |
|--|---|--------------------------------------|
| Delaware | 2100 | 20-0709285 |
| (State or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (IRS Employer Identification Number) |
| | 5201 Interchange Way Louisville, Kentucky 40229 (502) 778-4421 | |
| | (Address, including zip code, and telephone number, including area code, of registrant's principal executive offices) | |

**Lawrence Wexler
Chief Executive Officer
5201 Interchange Way
Louisville, Kentucky 40229
(502) 778-4421**

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

With a Copy to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, 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(C) 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 the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Proposed Maximum Aggregate Offering Price⁽¹⁾⁽²⁾ | Amount of Registration Fee⁽³⁾ |
|---|---|---|
| Common Stock, par value \$0.01 | 100,000,000 | \$ 10,070 |

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(2) Includes common stock issuable upon exercise of the underwriters' option to purchase additional common stock.

(3) Calculated pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

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 of 1933, as amended, 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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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 5, 2015

PRELIMINARY PROSPECTUS

Shares

Common Stock

Turning Point Brands, Inc.

This is the initial public offering of our common stock, \$0.01 par value per share. Prior to this offering, there has been no public market for the shares of our common stock. We anticipate that the initial public offering price will be between \$ and \$ per share. We have applied to list our shares on the New York Stock Exchange (the NYSE) under the symbol TPB.

We are an emerging growth company (an Emerging Growth Company) as defined under the federal securities laws and, as such, may elect to comply with certain reduced public company reporting requirements for this prospectus and future filings. See Prospectus Summary—Implications of Being an Emerging Growth Company.

Investment in our common stock involves a high degree of risk. See Risk Factors beginning on page 15 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

| | Per Share | Total |
|--|------------------|--------------|
| Initial Public Offering Price | \$ | \$ |
| Underwriting Discounts and Commissions | \$ | \$ |
| Proceeds to Turning Point Brands, Inc. (before expenses) | \$ | \$ |

We have granted the underwriters a 30-day option to purchase up to an additional shares at the public offering price less the underwriting discount. We refer to this option as the overallotment option.

The underwriters expect to deliver the shares to purchasers on or about , 2015, through the book-entry facility of The Depository Trust Company.

Sole Book-Running Manager

FBR

The date of this prospectus is , 2015.

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We have not authorized anyone to provide you with information different from that contained in this prospectus or in any free writing prospectus we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of any other information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. You should not assume that the information appearing in this prospectus or any free writing prospectus prepared by us is accurate as of any date other than the respective dates of such documents. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

Persons who come into possession of this prospectus and any such free writing prospectus in jurisdictions outside the U.S. are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any such free writing prospectus applicable to that jurisdiction.

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

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This prospectus includes industry data and forecasts derived from our own internal estimates and research, as well as from industry and general publications and research, surveys and studies conducted by third parties, such as Management Science Associates, Inc. (MSAi) and Nielsen Holdings, N.V. (Nielsen). Third-party industry and general publications, research, surveys and studies generally state that the information contained therein has been obtained from sources believed to be reliable. Although there can be no assurance as to the accuracy or completeness of the included information, we believe that this information is reliable. While we are not aware of any misstatements regarding the market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings **Cautionary Note Regarding Forward-Looking Statements** and **Risk Factors** in this prospectus. Similarly, we believe our own internal estimates and research have a good faith basis but they have not been verified by any independent source.

MSAi administers a proprietary information system that captures sales from approximately 1,000 wholesalers to over 250,000 retailers. Unless otherwise indicated, data for market share, category rank, industry ranking and other metrics that describe the position of our products and product categories is derived from MSAi data. In addition, we also provide estimates of market size for certain of our product categories throughout this prospectus. Management estimates the size of each category using external sources, such as information from the Alcohol Tobacco Tax and Trade Bureau (the TTB), MSAi, industry manufacturer price lists as well as other data, including its estimates of MSAi's coverage of the total segment when deemed necessary or appropriate by management.

Throughout this prospectus we use the term **Equivalent Unit** or **EQ unit** to describe our market share of certain product categories in which we compete, which is also how MSAi reports data.

The following table provides a definition of an Equivalent Unit for each of these product categories.

| Product | MSAi Unit of Measurement | MSAi Equivalent Unit (EQ Unit) | TTB Reported Category |
|-----------------------|---------------------------------|---------------------------------------|------------------------------|
| Chewing Tobacco | 1 pound | 1 | Yes |
| Moist Snuff | 1 pound | 1 | Yes |
| Cigarette Paper | 1 booklet | 1 | No |
| Cigars | 1 stick | 1 | Yes |
| Electronic Cigarettes | 1 electronic cigarette | 1 | No |
| Cartomizers | 1 cartomizer | 1 | No |
| Liquid Vaporizers | 1 vaporizer | 1 | No |
| Tobacco Vaporizers | 1 tobacco vaporizer | 1 | No |
| E-liquids | 1 milliliter | 1 | No |
| MYO Cigar Wraps | 1 cigar wrap | 1 | No |
| Pipe Tobacco | 1 pound | 1 | Yes |

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TRADEMARKS

This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

We regard our patent, trademarks, service marks, domain names and similar intellectual property as important to our success, and we rely on patent, trademark and copyright law, trade secret protection, and confidentiality or license agreements with our customers, employees, partners, suppliers and others to protect our proprietary rights. Our primary trademarks, which we own, include *Beech-Nut*, *Trophy*, *Havana Blossom*, *Durango* and *Stoker's*, as well as *Zig-Zag* in connection with tobacco products only, all of which are registered in the U.S. with the U.S. Patent and Trademark Office. We have the right to market *V2Cigs*® branded products in the U.S. and *Zig-Zag*® cigarette papers and related products in North America under exclusive licenses. We also own numerous internet domain names related to several of our trademarks, including *Zig-Zag*®, *Trophy*®, *Stoker's*®, *Durango*® and *Beech-Nut*®. Other trademarks and trade names referred to in this prospectus are the property of their respective owners.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations, Selected Historical Condensed Consolidated Financial and Other Information and our consolidated financial statements and the notes to those financial statements, before investing in our common stock.

References in this prospectus to we, us, our, our Company or similar terms refer to Turning Point Brands, Inc. and its subsidiaries. References to TPB refer to Turning Point Brands, Inc., not including any of its subsidiaries. We were incorporated in 2004 under the name North Atlantic Holding Company, Inc. On November 4, 2015, we changed our name to Turning Point Brands, Inc.

Throughout this prospectus, we refer to our voting common stock as our common stock and our non-voting common stock as our non-voting common stock.

Unless otherwise noted, references to information being as adjusted or on an as adjusted basis mean such information is presented after giving effect to the Stock Split and Conversion (each as defined herein) and references to information being as further adjusted or on an as further adjusted basis give effect to the Conversion and Stock Split as well as this offering and the anticipated use of proceeds therefrom, as well as the other transactions described under Use of Proceeds.

Overview

We are a leading independent provider of Other Tobacco Products (OTP) in the U.S. We sell a wide range of products across the OTP spectrum, including moist snuff, loose leaf chewing tobacco, premium cigarette papers, make-your-own (MYO) cigar wraps and cigar smoking tobacco, cigars, liquid vapor products and tobacco vaporizer products. We do not sell cigarettes. We estimate that the OTP industry generated approximately \$10.0 billion in manufacturer revenue in 2014. In contrast to manufactured cigarettes, which have been experiencing declining sales for decades based on data published by the Alcohol and Tobacco Tax and Trade Bureau (the TTB), the OTP industry is demonstrating increased consumer appeal. For instance, according to Management Science Incorporated (MSAi), OTP consumer units shipped to retail increased by approximately 2% from 2013 to 2014.

Our portfolio of brands includes some of the most widely recognized names in the OTP industry, such as Zig-Zag^{}