

JOE'S JEANS INC.
Form 4
October 02, 2013

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Kim Peter

(Last) (First) (Middle)
4411 DUNDEE DRIVE
(Street)

LOS ANGELES, CA 90027

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
JOE'S JEANS INC. [JOEZ]

3. Date of Earliest Transaction
(Month/Day/Year)
09/30/2013

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
President & CEO of Hudson

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D)			Date Exercisable	Expiration Date
				(Instr. 3, 4, and 5)	(A)	(D)		
Subordinated Convertible Note	(1) (2) (3) (4) (5)	09/30/2013	A	\$	14,225,317.3		09/30/2013(1)(2)(3)(4)(5)	03/31/2019

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kim Peter 4411 DUNDEE DRIVE LOS ANGELES, CA 90027	X		President & CEO of Hudson	

Signatures

Peter Kim 10/02/2013
 **Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The Subordinated Convertible Note, in the principal amount of \$14,225,317.30 (the "Convertible Note") dated as of September 30, 2013, was received in connection with a Stock Purchase Agreement dated as of July 15, 2013 by and among Joe's Jeans Inc. (the "Company"), Hudson Clothing Holdings, Inc. ("Hudson"), Fireman Capital CPF Hudson Co-Invest LP, Peter Kim (the "Reporting Person"), Paul Cardenas, Tony Chu and certain option holders of Hudson named therein pursuant to which the Company acquired all of the outstanding equity interest in Hudson (the "Transaction"). The Reporting Person received the Convertible Note in exchange for a portion of his equity interest in Hudson. The Transaction closed on September 30, 2013 (Continued in Footnote 2)
- (2) The Convertible Note is convertible at the Reporting Person's option at any time after the earlier of September 30, 2015 and the Company announcing or agreeing to any change of control (as defined in the Convertible Note) in which the Company will no longer be a public company into cash, shares of the Company's common stock, \$0.10 par value (the "Common Stock") or a combination of cash and Common Stock at the Company's election.
- (3) If the Convertible Note is converted into cash, the Reporting Person will receive cash in an amount equal to the product of the market price of the Common Stock, subject to adjustment as set forth therein (which is the sum of the closing sales price of the Common Stock on each of the twenty consecutive trading days ending and including the trading day immediately preceding the conversion date divided by twenty (the "Market Price")) multiplied by the quotient of the principal amount of the Convertible Note divided by the conversion price, which is \$1.78, subject to adjustment as set forth therein, minus any Company optional prepayment amounts paid to the Reporting Person. (Continued in Footnote 4).
- (4) If the Convertible Note is converted into Common Stock, the Reporting Person will receive Common Stock in an amount equal to the principal amount of the Convertible Note divided by the conversion price, which is \$1.78, subject to adjustment as set forth therein and for any prior prepayment of the Convertible Note. If the Convertible Note is converted into a combination of cash and Common Stock, the Company will calculate the cash portion and the stock portion in the same respective manners as described above. Interest accrues on the Convertible Note at a rate of 10% per annum until September 30, 2016 and thereafter at a rate of 10.928% per annum. (Continued in Footnote 5).

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- (5) Interest will be payable 7.68% in cash and 2.32% in "payable-in-kind" interest by issuing additional convertible notes until November 30, 2014 and thereafter will be payable in cash, subject to certain financial requirements set forth in the Convertible Note. The Company may not issue Common Stock upon conversion of the Convertible Note to the extent that it would (taken together with any shares of Common Stock issued under any other convertible note issued in connection with the Transaction) result in the Company issuing Common Stock in excess of the rules and regulations of the Nasdaq Stock Market LLC. To the extent that the Company is prohibited from issuing Common Stock, it will pay cash to the Reporting Person for any amount of the Convertible Note that may not be paid in Common Stock based on the greater of the Market Price or \$1.78, subject to adjustment as set forth therein.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.