

ASCENDIA BRANDS, INC.
Form DEF 14C
August 20, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14C

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

ASCENDIA BRANDS, INC.

(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:
-

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

(3) Filing Party:

(4) Date Filed:

ASCENDIA BRANDS, INC.

100 American Metro Boulevard

Suite 108

Hamilton, New Jersey 08619

INFORMATION STATEMENT NOTICE

To our Stockholders:

Ascendia Brands, Inc. (Ascendia or the Company) hereby gives notice to the holders of its common stock, par value \$.001 per share (the Common Stock), Series A Junior Participating Preferred Stock, par value \$.001 per share (the Series A Preferred Stock), Series B Convertible Preferred Stock, par value \$.001 per share (the Series B Preferred Stock), and Series B-1 Convertible Preferred Stock, par value \$.001 per share (the Series B-1 Preferred Stock), and collectively with the Common Stock, the Series A Preferred Stock and the Series B Preferred Stock, the Capital Stock), that by written consent on December 30, 2006, in lieu of a meeting of stockholders, the holders of more than a majority of the voting power of our outstanding Capital Stock (i) ratified the Company s board of directors approval of the issuance of the Series B Preferred Stock and Series B-1 Preferred Stock, in each case, convertible into shares of our Common Stock, and (ii) approved the amendment and restatement of notes convertible into shares of our Common Stock (the issuance of such shares being subject to the provisions of our Amended and Restated Certificate of Incorporation and applicable law), in the case of the immediately preceding clauses (i) and (ii) in an aggregate amount greater than 20% of our outstanding shares of our Common Stock (the Transaction). A description of the securities is contained in this Information Statement. The stockholders took this action solely for the purposes of satisfying requirements of the American Stock Exchange that require an issuer of listed securities to obtain prior stockholder approval of the Transaction.

The stockholder action by written consent was taken pursuant to Section 228 of the Delaware General Corporation Law, which permits any action that may be taken at a meeting of the stockholders to be taken by written consent by the holders of the number of shares of voting stock required to approve the action at a meeting. All necessary corporate approvals in connection with the matters referred to in this Information Statement have been obtained. This Information Statement is being furnished to all stockholders of the Company pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the rules thereunder solely for the purpose of informing stockholders of these corporate actions before they take effect. In accordance with Rule 14c-2 under the Exchange Act, the stockholder consent is expected to become effective twenty (20) calendar days following the mailing of this Information Statement, or as soon thereafter as is reasonably practicable.

This action has been approved by the board of directors of the Company and the holders of more than a majority of the voting power of our outstanding Capital Stock. **WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

By order of the Board of Directors

Joseph A. Falsetti

Chairman of the Board of Directors

August 20, 2007

ASCENDIA BRANDS, INC.

100 American Metro Boulevard

Suite 108

Hamilton, New Jersey 08619

INFORMATION STATEMENT

We are required to deliver this Information Statement to holders of our common stock, par value \$.001 per share (the Common Stock), Series A Junior Participating Preferred Stock, par value \$.001 per share (the Series A Preferred Stock), Series B Convertible Preferred Stock, par value \$.001 per share (the Series B Preferred Stock), and Series B-1 Convertible Preferred Stock, par value \$.001 per share (the Series B-1 Preferred Stock), and collectively with the Common Stock, the Series A Preferred Stock and the Series B Preferred Stock, the Capital Stock), in order to inform them that, in connection with the approval by our board of directors of the matters described below, the holders of more than a majority of the voting power of our outstanding Capital Stock subsequently approved these matters by written consent on December 30, 2006 (the Written Consent).

December 29, 2006 has been fixed as the record date for the determination of stockholders who are entitled to receive this Information Statement. On December 29, 2006, there were 11,744,056 shares of our Common Stock outstanding, 2,347,7745 shares of our Series A Preferred Stock outstanding, 300 shares of our Series B Preferred Stock outstanding and 30 shares of our Series B-1 Preferred Stock outstanding. As of the record date, each share of Common Stock entitles its holder to one vote, each share of Series A Preferred Stock entitles its holder to 10,118.9046 votes, and, to the extent permitted to vote, each share of Series B Preferred Stock and each share of Series B-1 Preferred Stock entitles its holders to 6,666.66 votes, in each case, on matters submitted to a vote of holders of the Common Stock; *provided, however*, that any holder of the Series B Preferred Stock or Series B-1 Preferred Stock shall not have the right to exercise voting rights with respect to shares of Series B Preferred Stock or Series B-1 Preferred Stock, respectively, to the extent that giving effect to such voting rights would result in such holder s and its affiliates being deemed to beneficially own more than 9.99% of the aggregate number of shares of our Common Stock outstanding after giving effect to such exercise and accordingly, as of the record date, the outstanding shares of Series B Preferred Stock and Series B-1 Preferred Stock entitle its holder to an aggregate of 56,382 votes.

THIS INFORMATION STATEMENT IS FIRST BEING SENT OR GIVEN TO THE HOLDERS OF OUR COMMON STOCK, SERIES A PREFERRED STOCK, SERIES B PREFERRED STOCK AND SERIES B-1 PREFERRED STOCK ON OR ABOUT AUGUST 20, 2007.

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

ISSUANCE OF SECURITIES

Exchange of Common Stock For Preferred Stock.

On December 27, 2006, the Company entered into an Amendment and Exchange Agreement (as amended by Amendment No. 1 on December 29, 2006) (the Common Exchange Agreement) with Prencen Lending LLC (Prencen Lending) and Prencen, LLC (Prencen) pursuant to which Prencen (i) exchanged 2,000,000 shares of our Common Stock for 300 shares of our Series B Preferred Stock and (ii) exchanged 200,000 shares of our Common Stock for 30 shares of our Series B-1 Preferred Stock. The exchanges were made in reliance upon the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended. The consideration received by the Company in connection with the issuance of the

Series B Preferred Stock and Series B-1 Preferred Stock consisted of the waiver of certain registration delay payments required to be made by the Company under the prior registration rights agreement among the Company, Prencen and Prencen Lending. To the extent permitted to vote, each share of Series B Preferred Stock and Series B-1 Preferred Stock entitles the holder thereof to 6,666.66 votes per share on all matters to be voted on by the shareholders of the Company. Each share of Series B Preferred Stock and Series B-1 Preferred Stock is convertible only in connection with a Fundamental Transaction (as defined in the Certificate of Designations for each of the Series B Preferred Stock and Series B-1 Preferred Stock) into 6,666.66 shares of our Common Stock, subject to standard anti-dilution provisions, *provided, however*, that the holders of the Series B Preferred Stock and Series B-1 Preferred Stock may not convert any Series B Preferred Stock or Series B-1 Preferred Stock if and to the extent that, following such a conversion, such holder and any of its affiliates would collectively beneficially own more than 9.99 percent of the aggregate number of shares of our Common Stock outstanding following such conversion.

Amendment of Senior Secured Convertible Notes.

On December 30, 2006 the Company entered into an agreement (the Note Amendment Agreement) with Prencen Lending and Prencen, amending certain terms and conditions of the senior secured convertible notes (the Notes) in the principal amount of \$91 million sold by the Company to Prencen Lending on August 2, 2006 pursuant to a Second Amended and Restated Securities Purchase Agreement, dated June 30, 2006, as amended (the Securities Purchase Agreement).

As amended, the Notes (the Amended Notes) have a term of 10 years from the date of the Note Amendment Agreement (subject to certain put and call rights described below), extended from August 2, 2016 under the original Notes. The Amended Notes bear interest at the same rate (9 percent *per annum*) as the original Notes, provided that the interest rate on the Amended Note is subject to increase to up to 13 percent per annum upon the nonoccurrence of certain specified events. Such events include the failure to obtain by June 30, 2007, at a meeting of the Company's stockholders, if required, approval of an amendment to the Company's certificate of incorporation to increase the authorized Common Stock to a number of shares that is no less than such number that would permit the Company to reserve for issuance, as of December 30, 2006, 130 percent of the maximum number of Conversion Shares (as defined below), shares of Common Stock into which the Series B Preferred Stock and the Series B-1 Preferred Stock may be converted and shares of Common Stock that may be issued upon exercise of certain warrants held by Prencen and Prencen Lending. Upon the occurrence and during the continuance of an event of default under the Amended Notes or actions that would constitute an event of default under the Amended Notes following repayment of the senior secured indebtedness, the interest rate on the Amended Notes would increase to 15 percent. Events of default include, without limitation, failure of the registration statement required by the Registration Rights Agreement (as defined below) to be declared effective by the SEC on or prior to 60 days after the applicable effectiveness deadline, the suspension from trading of the Common Stock for a period of five consecutive trading days, the Company's failure to deliver shares of Common Stock within 10 business days after any conversion of the Amended Notes, the Company's failure to pay any amount of principal, interest or other amounts when and as due (or within three business days of the date due under certain circumstances), certain events occur with respect to the Company or its material subsidiaries under bankruptcy laws, a final judgment for the payment of money in excess of \$100,000 is rendered against the Company or any of its material subsidiaries under certain circumstances and material damage to the collateral that secures the indebtedness under the Amended Notes. In addition, as a consequence of the completion by the Company of its February 9, 2007 purchase of certain assets, including the *Calgon*® and *the healing garden*® brands, from Coty Inc. and certain of its affiliates (the Coty Transaction), the Company is required to defer and capitalize interest on the outstanding balance of the Amended Notes indefinitely.

Any portion of the balance due under the Amended Notes is convertible at any time, at the option of the holders(s), into our Common Stock (the Conversion Shares) at a price of \$0.42 per share (subject to certain anti-dilution adjustments), provided that the holders may not convert any amounts due under the Amended Notes if and to the extent that, following such a conversion, the holder and any affiliate would collectively beneficially own more than 9.99 percent of the aggregate number of shares of our Common Stock outstanding following such conversion. Prior to the amendment of the Notes, the conversion price was \$1.75 per share (subject to certain anti-dilution adjustments). The Company may require the exchange of up to \$40 million in principal amount of the Amended Notes, at a premium of 15 percent, payable in cash, if necessary to maintain the Company's stockholders' equity at the level required pursuant to the continued listing standards of the American Stock Exchange (the AMEX), on which our Common Stock is listed.

At any time after the eighth anniversary of the Note Amendment Agreement, the Company or any holder may redeem all or any portion of the balance outstanding under the Amended Notes at a premium of 7 percent. The Amended Notes are redeemable by the holder(s) at any time upon the occurrence of an event of default or a change in control of the Company (as defined in the Amended Notes), at premiums of no less than 25 and 20 percent, respectively. In addition, upon the consummation of an Acquisition, the Company may redeem up to \$10 million in principal amount of the Amended Notes at a premium of 15 percent, and up to an additional \$10 million in principal amount of the Amended Notes at a premium to be mutually agreed between the parties.

The Amended Notes rank as senior secured indebtedness of the Company, are secured by liens on all of the Company's and its subsidiaries' assets (other than Cenuco, Inc.) and are guaranteed by all of the Company's subsidiaries (other than Cenuco, Inc.). The Amended Notes were subject to a first priority lien on the Company's U.S. inventory and accounts receivable to secure a revolving credit facility of \$13 million that was terminated on February 9, 2007 in conjunction with the closing of the Coty Transaction.

In connection with the amendment to the Notes, Prencen Lending agreed to waive certain defaults arising under the Notes relating to the payment of accrued interest due December 31, 2006, waive compliance with certain financial covenants through the end of the Company's current fiscal year, and to defer until June 30, 2007 the requirement to file a registration statement with respect to the Conversion Shares. In addition, the parties agreed to defer until February 28, 2007 the date for determining the number of shares of our Common Stock that may be issued upon the exercise of the Series B Warrants held by Prencen Lending, and the exercise price of such Series B Warrants.

Registration Rights Agreement

In addition, on December 27, 2006, the Company entered into a Second Amended and Restated Registration Rights Agreement in favor of Prencen and Prencen Lending (which was subsequently further amended by the Common Exchange Agreement and further amended by the Note Amendment Agreement referred to above) (the "Registration Rights Agreement") to provide registration rights with respect to the Conversion Shares, the Series B Preferred Stock, the Series B-1 Preferred Stock and our Common Stock into which the Series B Preferred Stock and Series B-1 Preferred Stock may be converted. Under the Registration Rights Agreement, the Company is required to file a registration statement with respect to the registrable securities by June 30, 2007 (which date has been changed to September 30, 2007) and to use its best efforts to have such registration statement declared effective not later than 60 days thereafter (or 90 days after the filing deadline if the registration statement is subject to a review by the United States Securities and Exchange Commission ("SEC")). Holders of shares of our Common Stock that are issued in connection with conversion of either the Amended Notes or shares of the Series B Preferred Stock or the Series B-1 Preferred Stock shall have the right to sell such shares of Common Stock under the registration statement so long as it remains effective.

Reasons for Exchanges and Amendment

The exchanges and the amendment of the Notes were required by Prencen and Prencen Lending as a condition to their consent to the Company's purchase of certain assets in the Coty Transaction, and the financings related thereto, the waiver of certain defaults and events of default under the Notes and the waiver by Prencen Lending and Prencen of their rights to receive registration delay payments pursuant to the prior registration rights agreement. Absent the amendment of the Notes pursuant to the Note Amendment Agreement, on December 31, 2006, the Company would have been required to make an interest payment on the Notes in the amount of \$4,372,077. In addition, pursuant to the original registration rights agreement, the Company was required to file a registration statement with respect to all shares registrable thereunder by no later than October 2, 2006 and to cause such registration statement to be effective by no later than the earlier of 120 days after the filing date or 180 days after the issuance of the original Notes. As of the date of each of the Registration Rights Agreement and the Amendment Agreement, the required registration statement was neither filed nor effective. By December 30, 2006, the Company owed registration delay payments in the amount of \$5.46 million.

Effect of Exchange and Amendment on Stockholders

The Company does not anticipate that the exchange effected by the Common Exchange Agreement will have any material impact or effect on the rights of the Company's existing security holders. The amendments effected by the Note Amendment Agreement and the Amended Note may result in significantly greater dilution of the ownership of the Company's existing holders of our Common Stock in the event that Prencen Lending converts any portion of the Amended Notes. For example, as of the record date, on a fully diluted basis and without regard to the limitations on conversion of the Amended Notes described above, the number of conversion shares represented approximately 76 percent of the outstanding shares (on a fully diluted basis) before such amendments and approximately 93 percent of the outstanding shares (on a fully diluted basis) immediately following such amendment.

The above description does not purport to be a complete statement of the parties' rights and obligations under the Common Exchange Agreement, the Registration Rights Agreement, the Note Amendment Agreement and the Amended Notes and is qualified in its entirety by reference to (i) the Certificate of Designations for the Series B Preferred Stock, (ii) the Certificate of Designations for the Series B-1 Preferred Stock, (iii) the Common Exchange Agreement, (iv) the Registration Rights Agreement, (v) the Note Amendment Agreement and (vi) the Amended Notes, copies of which are attached to the Company's Current Report on Form 8-K filed on January 3, 2007 as Exhibits 3.1, 3.2, 4.4, 4.5, 4.3, 4.1 and 4.2, respectively, and which are attached hereto as Exhibits B through G, respectively.

Except for their status as the contractual documents between the parties with respect to the transactions described therein, none of the above-referenced agreements is intended to provide factual information about the parties and the representations and warranties contained in such documents are made only for purposes of the respective agreements and as of specific dates, are intended solely for the benefit of the parties to the respective agreements, and may be subject to limitations agreed by the parties, including being qualified by disclosures between the parties.

These representations and warranties may have been made for the purposes of allocating contractual risk between the parties to the respective agreements instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the parties that differ from those applicable to investors. Accordingly, they should not be relied on by investors as statements of factual information.

Our Common Stock is listed on the AMEX and we are subject to the rules and requirements set forth in the AMEX Company Guide. Under Section 713(a) of the AMEX Company Guide, we were required to obtain prior stockholder approval of the issuance of securities in any private transaction involving (i) the issuance of shares of our Common Stock (or securities convertible into or exercisable for Common Stock) for less than the greater of book or market value of our Common Stock which together with sales by our officers, directors or principal shareholders equals 20% or more of our Common Stock outstanding before such issuance or (ii) the issuance of shares of our Common Stock (or securities convertible into or exercisable for Common Stock) equal to 20% or more of our Common Stock outstanding before the issuance for less than the greater of book or market value of our Common Stock. We sometimes refer to this rule as the "20% Rule". The securities to be issued in the Transaction may be issued at a discount to the market price of our Common Stock. The Conversion Shares and our Common Stock into which the Series B Preferred Stock and Series B-1 Preferred Stock may be converted would constitute more than 20% of the number of shares of our Common Stock outstanding. In addition, we obtained prior stockholder approval for the securities to be issued in the Transaction in the event that any other rule or requirement of the AMEX Company Guide would require such approval. We have obtained stockholder approval by written consent and the Written Consent will become effective on the twentieth (20th) day following the date on which this Information Statement is first sent or given to our stockholders, or as soon thereafter as is reasonably practicable. A copy of the form of Written Consent executed in connection with the stockholder approval is attached hereto as Exhibit A.

The Written Consent was signed by persons who, as of the execution date, collectively owned 86.7% of the Company's Series A Preferred Stock, namely Dana Holdings, LLC, MarNan, LLC, Franco S. Pettinato, Edward J. Doyle and Paul Taylor. Edward J. Doyle is a director of the Company, and Franco S. Pettinato is one of its executive officers. Dana Holdings, LLC is an affiliate of Joseph A. Falsetti, a director and executive officer of the Company. As of the date upon which the Written Consent was signed, each share of Series A Preferred Stock was entitled to 10,118.9046 votes, and, to the extent permitted to vote, each share of Series B Preferred Stock and each share of Series B-1 Preferred Stock was entitled to 6,666.66 votes, in each case, on most matters (including the approval of the Transaction), with the consequence that the persons signing the Written Consent collectively accounted for more than 50% of the aggregate votes entitled to be cast. (For further information, please refer to the Table of Beneficial Ownership, *infra*.) No payment was made to any person in consideration of their executing the Written Consent.

Prencen and Prencen Lending have acknowledged and agreed that the Conversion Shares and our Common Stock into which the Series B Preferred Stock and Series B-1 Preferred Stock may be converted will not be issued in an amount in excess of the number of shares that may be permitted under the AMEX rules, until such issuances have been approved by the Company's stockholders and the listing of the Conversion Shares and our Common Stock into which the Series B Preferred Stock and Series B-1 Preferred Stock may be converted on the AMEX has been authorized by the AMEX.

Issuance of the Conversion Shares and our Common Stock into which the Series B Preferred Stock and Series B-1 Preferred Stock may be converted will result in dilution to our existing stockholders, but will not otherwise materially affect our existing common stockholders' rights as stockholders.

NO APPRAISAL OR DISSENTERS' RIGHTS

Under the Delaware General Corporation Law, our stockholders are not entitled to any dissenters' rights or appraisal of their shares of Common Stock in connection with the approval of the actions described in this Information Statement.

NO ACTION IS REQUIRED

No other votes are necessary or required. This Information Statement is first being mailed or given to stockholders on or about August 20, 2007. In accordance with the Securities Exchange Act of 1934, as amended (the Exchange Act), the Written Consent and the approval of the matters described in the Written Consent and this Information Statement will become effective twenty (20) calendar days following the mailing of this Information Statement, or as soon thereafter as is reasonably practicable.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the record date, December 29, 2006, the Company's directors, executive officers and principal stockholders beneficially own, directly or indirectly, in the aggregate, approximately 21.5% of its outstanding Common Stock, 99.6% of its Series A Preferred Stock, 100% of the Series B Preferred Stock and 100% of the Series B-1 Preferred Stock. Each share of Common Stock entitles its holder to one vote, each share of Series A Preferred Stock entitles its holder to 10,118.9046 votes, and, to the extent permitted to vote, each share of Series B Preferred Stock and each share of Series B-1 Preferred Stock entitles its holders to 6,666.66 votes, in each case, on most matters submitted to a vote of holders of the Common Stock. These stockholders have significant influence over the Company's business affairs, with the ability to control matters requiring approval by the Company's stockholders, including the Written Consent set forth in this Information Statement.

The following table sets forth certain information as of December 29, 2006, with respect to the beneficial ownership of shares of our Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock by (i) each person known by us to beneficially own more than five percent (5%) of the outstanding shares of our Common Stock, Series A Preferred Stock, Series B Preferred Stock or Series B-1 Preferred Stock, (ii) each of our directors, (iii) each of our named executive officers and (iv) all of our executive officers and directors as a group.

As of December 29, 2006, there were 11,744,056 shares of our Common Stock outstanding, 2,347.7745 shares of our Series A Preferred Stock outstanding, 300 shares of our Series B Preferred Stock outstanding and 30 shares of our Series B-1 Preferred Stock outstanding. Beneficial ownership has been calculated and presented in accordance with Rule 13d-3 of the Exchange Act and, as such, the numbers below are not presented on a fully diluted basis.

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Unless otherwise indicated below, (i) each stockholder has sole voting and investment power with respect to the shares shown; and (ii) the address for the stockholder is c/o Ascendia Brands, Inc., 100 American Metro Boulevard, Suite 108, Hamilton, New Jersey 08619.

<i>Name and Address of Beneficial Owner</i>	<i>Shares of Series A</i>		<i>Shares of Series B and B-1</i>		<i>Shares of Common Stock</i>	<i>Percentage of Common Stock</i>	<i>Percentage of Voting Power</i>
	<i>Percentage of Series A Pref. Stock (1)</i>	<i>Percentage of Series A Pref. Stock</i>	<i>Percentage of Series B and B-1 Pref. Stock</i>	<i>Percentage of Series B and B-1 Pref. Stock</i>			
Dana Holdings, LLC ⁽³⁾	889.8162	37.90%	-0-	-0-	-0-	-0-	25.32%
MarNan, LLC ⁽⁴⁾	778.5889	33.16%	-0-	-0-	-0-	-0-	22.16%
Prencen LLC	-0-	-0-	330	100.0%	1,174,911 ⁽⁵⁾	9.99%	3.32%
623 Fifth Avenue 32 nd Floor New York, NY 10022							
Frederic H. Mack	53.9525	2.30%	-0-	-0-	1,155,000	9.83%	4.78%
2115 Linwood Avenue Suite 110 Fort Lee, NJ 07024 ⁽⁶⁾							
Robert Enck	127.6837	5.44%	-0-	-0-	-0-	-0-	3.63%
Paul C. Taylor	111.2272	4.74%	-0-	-0-	-0-	-0-	3.16%
c/o Taylor, Colicchio & Silverman, LLP 502 Carnegie Center Suite 103 Princeton, NJ 08540							
Edward J. Doyle	127.6837	5.44%	-0-	-0-	-0-	-0-	3.63%
316 Perry Cabin Drive St. Michael s, MD 21663							
Robert Picow	-0-	-0-	-0-	-0-	196,049 ⁽⁷⁾	1.67%	*
Kenneth D. Taylor	-0-	-0-	-0-	-0-	-0-	-0-	-0-
1775 York Avenue Apt. 29 H New York, NY 10128							
Francis Ziegler	-0-	-0-	-0-	-0-	-0-	-0-	-0-
100 Roebling Road Bernardsville, NJ 07924							
Joseph A. Falsetti	-0-	-0-	-0-	-0-	-0- ⁽³⁾	-0-	-0-
John D. Wille	-0-	-0-	-0-	-0-	-0-	-0-	-0-
William B. Acheson	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Franco S. Pettinato	127.6837	5.44%	-0-	-0-	-0-	-0-	3.63%
Elizabeth Houlihan	-0-	-0-	-0-	-0-	-0-	-0-	-0-
All executive officers and directors as a group (9 persons)	255.3674	10.88%	-0-	-0-	196,049 ⁽⁷⁾	1.67%	7.82%

* Less than one percent

- (1) The percentages computed in the table are based on 2,347.7746 shares of Series A Preferred Stock outstanding as of December 29, 2006.
- (2) This column reflects the relative voting power of the shares of the Company's Capital Stock listed in the table with respect to matters voted upon by the holders of the Company's Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock as a single class. Each share of Series A Preferred Stock is entitled to 10,118.9046 votes on most matters. To the extent permitted to vote, each share of Series B Preferred Stock and Series B-1 Preferred Stock is entitled to 6,666.66 votes on most matters. Accordingly, all voting percentage calculations in this table are based on the assumption that the Series B Preferred Stock and Series B-1 Preferred Stock entitle its holder to an aggregate of 56,382 votes. For purposes of this table, holders of the Amended Notes are deemed to be able to vote the shares of Common Stock that they beneficially own through their ownership of the Amended Notes, even though ownership of the Amended Notes does not entitle the holders of the Amended Notes to vote on matters submitted to the holders of the shares of Common Stock.
- (3) Joseph A. Falsetti, the President and Chief Executive Officer of the Company as of the record date, owns a 50% percentage interest in, and is the sole manager and sole executive officer of, Dana Holdings, LLC. Mr. Falsetti disclaims beneficial ownership of the shares of Common Stock that are beneficially owned by Dana Holdings, LLC.
- (4) Mark I. Massad is the sole manager and sole executive officer of MarNan, LLC. Mr. Massad disclaims beneficial ownership of the shares of Common Stock that are beneficially owned by MarNan, LLC.
- (5) In connection with the Transaction, Prencen Lending acquired the Amended Notes, and Prencen acquired 300 shares of Series B Preferred Stock and 30 shares of Series B-1 Preferred Stock, in each case, that are convertible into or exercisable for shares of the Common Stock of the Company, provided that such securities and the warrants previously acquired by Prencen may not be converted into nor exercised for shares of Common Stock to the extent that after giving effect to such conversion or exercise the holder would beneficially own in excess of 9.99% of the shares outstanding immediately after giving effect to the exercise or conversion. The beneficial ownership set forth in the above table assumes the conversion of such securities corresponding to 56,382 shares of Common Stock, together with the 1,122,482 shares of Common Stock directly owned, equal to 9.99% of the total outstanding shares of Common Stock after such conversion. If the blocker were not in place, the Amended Notes held by Prencen Lending would be initially convertible into 216,666,666 shares of Common Stock, the Series B Preferred Stock held by Prencen would be initially convertible into 2,000,000 shares of Common Stock, the Series B-1 Preferred Stock held by Prencen would be initially convertible into 200,000 shares of Common Stock and the warrants held by Prencen would be exercisable for up to 6,053,358 shares of Common Stock. Prentice Capital Management, L.P. has investment and voting power with respect to the securities held by Prencen and Prencen Lending. Mr. Michael Zimmerman controls Prentice Capital Management, L.P. Each of Prentice Capital Management, L.P. and Mr. Zimmerman disclaims beneficial ownership of any of these securities.
- (6) Excludes 115,000 shares of Common Stock and 4.9456 shares of Series A Preferred Stock owned by the Irrevocable Trust FBO Hailey Mack (the "HM Trust"), and 115,000 shares of Common Stock and 4.9456 shares of Series A Preferred Stock owned by the Irrevocable Trust FBO Jason Mack (the "JM Trust"). As sole trustee, Tami J. Mack, the wife of Mr. Mack, has sole voting power with respect to the shares owned by the HM Trust and JM Trust. Mr. Mack disclaims beneficial ownership of the shares of Series A Preferred Stock and Common Stock held by the HM Trust and the JM Trust.
- (7) Includes options to purchase 8,334 shares of Common Stock.

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BROKERS, CUSTODIANS, ETC.

We have asked brokers and other custodians, nominees and fiduciaries to forward this Information Statement to the beneficial owners of our Common Stock, Series A Preferred Stock, Series B Preferred Stock and Series B-1 Preferred Stock held of record by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

All information concerning the Company contained in this Information Statement has been furnished by the Company. No person is authorized to make any representation with respect to the matters described in this Information Statement other than those contained in this Information Statement and if given or made must not be relied upon as having been authorized by the Company or any other person. Therefore, if anyone gives you such information, you should not rely on it. This Information Statement is dated August 20, 2007. You should not assume that the information contained in this document is accurate as of any other date unless the information specifically indicates that another date applies.

SELECTED HISTORICAL CONSOLIDATED AND/OR COMBINED FINANCIAL DATA OF ASCENDIA BRANDS, INC.

The following selected combined and/or consolidated financial information of Ascendia Brands, Inc. and its subsidiaries for the years ended February 28, 2007, 2006 and 2005 has been derived from the audited historical financial statements included in the Annual Report on Form 10-K for the Fiscal Year ended February 28, 2007 that was filed by the Company with the SEC on July 16, 2007, a copy of which has been delivered with this Information Statement. The following selected combined and/or consolidated financial information of the period from April 25, 2003 (inception) to February 29, 2004 has been derived from the audited historical financial statements included in Amendment No. 1 to the Annual Report on Form 10-K/A for the Fiscal Year ended February 28, 2006 that was filed by the Company with the SEC on June 25, 2007. The following selected consolidated financial information for the period ended May 26, 2007 has been derived from the unaudited financial statements included in the Quarterly Report on Form 10-Q for the Fiscal Quarter Ended May 26, 2007 that was filed by the Company with the SEC on July 24, 2007, a copy of which has been delivered with this Information Statement.

	For the period from		(Restated)			13 Weeks Ended	
	4/25/2003 (inception) to 2/29/2004 (1)	Year ended 2/28/2005 (1) (3)	Year ended 2/28/2006 (1) (2) (3)	Year ended 2/28/2007 (1) (3) (4) (5)	(Restated) 5/27/2006 (1)	5/26/2007 (4) (5)	
(\$000 s) except per share amounts							
Operating Data:							
Net sales	\$ 55,046	\$ 69,861	\$ 79,518	\$ 99,642	\$ 24,847	\$ 41,951	
Gross profit	6,803	7,491	5,260	15,165	4,654	12,386	
Income (loss) from operations	(1,195)	(2,756)	(8,843)	(10,688)	623	167	
Net loss from continuing operations	(1,719)	(3,989)	(11,373)	(80,273)	(2,888)	(6,233)	
Net loss from discontinued operations	-	-	(37,540)	(23,330)	(656)	(286)	
Net loss	(1,719)	(3,989)	(48,913)	(103,603)	(3,544)	(6,519)	
Loss from continuing operations per common share	N/A	N/A	(0.74)	(5.75)	(0.22)	(0.15)	
Loss from discontinued operations per common share	N/A	N/A	(2.72)	(1.65)	(0.05)	(0.01)	