Differential Brands Group Inc.
Form 4
January 24, 2017

FORM 4

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

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

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).

(Print or Type Responses)

1. Name and Address of Reporting Person *
Tengram Capital Associates II, LLC

(Last) (First) (Middle)

15 RIVERSIDE AVENUE

(Street)

WESTPORT, CT 06880

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Differential Brands Group Inc. [DFBG]

3. Date of Earliest Transaction (Month/Day/Year)
07/18/2016

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director __X__ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
_X_ 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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

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

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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 Disposed of (D)	6. Date Exercisable and Expiration Date (Month/Day/Year)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	V	(Instr. 3, 4, and 5) (A)	(D)	Date Exercisable	Expiration Date
Common Stock Purchase Warrant	$ 3 (1)	07/18/2016	P(1)		500,000 (1) (3) (4)		07/18/2016	07/18/2021
3.75% Convertible Promissory Note	$ 3 (2)	07/18/2016	P(2)		$ 13,000,000		07/18/2016(2)	01/18/2017(6)
3.75% Convertible Promissory Note	$ 3 (2)	01/18/2017	J(7)			$ 13,000,000 (8)	07/18/2016(2)	01/18/2017(6)
3.75% Convertible Promissory Note	$ 3 (2)	01/18/2017	J(7)		$ 13,000,000 (8)		01/18/2017(7)	07/18/2017(7)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Tengram Capital Associates II, LLC 15 RIVERSIDE AVENUE WESTPORT, CT 06880		X		
Tengram Capital Partners Fund II, L.P. 15 RIVERSIDE AVENUE WESTPORT, CT 06880		X		

Signatures

/s/ William Sweedler, as co-managing member of Tengram Capital Associates II, LLC — 01/24/2017

**Signature of Reporting Person — Date

/s/ Matthew Eby, as co-managing member of Tengram Capital Associates II, LLC, as general partner of Tengram Capital Partners Fund II, L.P. — 01/24/2017

**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)

On July 18, 2016, to finance the acquisition of SWIMS AS, a Norwegian private limited company (the "SWIMS Acquisition"), Differential Brands Group Inc. (the "Issuer") issued to Tengram Capital Partners Fund II, L.P. ("Tengram Fund II") a warrant for the purchase of 500,000 shares of Common Stock at an exercise price of $3.00 per share (the "SWIMS Warrant""). The number of shares of Common Stock issuable upon exercise and the exercise price of the SWIMS Warrant are subject to anti-dilution adjustments.

(2) On July 18, 2016, to finance the SWIMS Acquisition, the Issuer issued to Tengram Fund II a convertible promissory note with principal of $13.0 million (as subsequently amended or amended and restated, the "SWIMS Convertible Note"). The SWIMS Convertible Note accrues interest at a rate of 3.75% per annum, compounding on the first day of each month starting August 1, 2016, and will convert, at Tengram Fund II's option or on the maturity date if not already repaid in cash on or before that date, into up to 4,500,000 shares of Class A-1 Preferred Stock at a conversion price of $3.00 per share, subject to anti-dilution adjustments. Additionally, the Class A-1 Preferred Stock will itself be convertible into shares of the Common Stock at an initial price of $3.00 per share.

(3) The SWIMS Convertible Note may not be converted (together with any other issuances considered aggregated under the applicable listing standards of The NASDAQ Stock Market, LLC ("NASDAQ")) into shares of Class A-1 Preferred Stock which are then convertible into more than 1,610,620 shares of Common Stock. These shares of Class A-1 Preferred Stock will have as-converted voting rights only to the extent such shares may convert into Common Stock, unless allowed under the applicable NASDAQ listing standards. Additionally, where the Issuer issues upon exercise of the SWIMS Warrant at least 1,610,620 shares of Common Stock (subject to adjustment for stock splits and combinations, and together with any other issuances considered aggregated under the applicable listing standards of NASDAQ), any shares of Common Stock above the 1,610,620 threshold will not carry voting rights and will not be issuable upon the exercise of purchase rights under the SWIMS Warrant.

(4) The Issuer will take all action necessary to seek the required stockholder approval under NASDAQ listing standards to provide for (i) full conversion into Common Stock and voting rights of all shares of Class A-1 Preferred Stock and (ii) voting rights and issuances upon the exercise of purchase rights for the additional shares of Common Stock exercisable under the SWIMS Warrant above the 1,610,620 threshold.

(5) Tengram Capital Associates II, LLC ("TCA II"), as the general partner of Tengram Fund II, may be deemed to beneficially own the SWIMS Warrant and the SWIMS Convertible Note held directly by Tengram Fund II. Each of Tengram Fund II and TCA II disclaims beneficial ownership of such securities, except to the extent of its respective pecuniary interest therein.

(6) The maturity date of the SWIMS Convertible Note when originally issued on July 18, 2016, until its amendment as described in footnote 7 below, was January 18, 2017.

(7) On January 18, 2017, the SWIMS Convertible Note was amended, for no value, to extend the maturity date from January 18, 2017 to July 18, 2017. No other terms of the SWIMS Convertible Note were changed.

(8) The number of derivative securities does not include interest accrued at 3.75% per annum on the note. At the time that the SWIMS Convertible Note was amended, a total of $252,576 in interest had accrued on the SWIMS Convertible Note.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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