

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

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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:

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

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(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):

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(4) Proposed maximum aggregate value of transaction:

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(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.:

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(3) Filing Party:

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(4) Date Filed:

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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 February 9, 2007, in lieu of a meeting of stockholders, the holders of more than a majority of the voting power of our outstanding Capital Stock approved the issuance of notes convertible into shares of Common stock in an aggregate amount greater than 20% of our outstanding shares of Common Stock (the “Transaction”). A description of the securities is contained in this Information Statement. In the written consent, the stockholders also approved the issuance of shares of Common Stock in partial consideration of the purchase price payable in connection with the acquisition of certain brands and brand-related assets from Coty, Inc. (the “Coty Transaction”). The stockholders took these actions solely for the purposes of satisfying any requirements of the American Stock Exchange that require an issuer of listed securities to obtain prior stockholder approval of the Transaction or the Coty 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

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 February 9, 2007 (the Written Consent).

February 9, 2007 has been fixed as the record date for the determination of stockholders who are entitled to receive this Information Statement. On February 9, 2007, 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. 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 holder 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 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 CAPITAL 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

On February 9, 2007, the Company issued and sold \$86 million of its secured convertible notes (the Notes) to Prencen Lending LLC (Prencen Lending) and Watershed Capital Partners, L.P. and Watershed Capital Institutional Partners, L.P. (together, Watershed) (the Transaction). \$76 million in aggregate principal amount of the Notes were issued to Prencen Lending in exchange for \$76 million in principal amount of the Prior Notes (as defined below) pursuant to a Third Amended and Restated Securities Purchase Agreement (the "Prencen Securities Purchase Agreement") dated as of February 9, 2007, among the Company, Prencen Lending and Prencen LLC ("Prencen") and \$10 million in aggregate principal amount of the Notes were issued by the Company and sold to Watershed (at a premium to the principal amount of the Notes) pursuant to a Securities Purchase Agreement, dated as of February 9, 2007 among the Company and Watershed (the "Watershed Securities Purchase Agreement" and together with the Prencen Securities Purchase Agreement, the "Securities Purchase Agreements"). The Notes that were issued to Watershed had terms and conditions identical to the Notes issued to Prencen Lending, except for the principal amount thereof. Watershed conditioned its agreement to provide funding pursuant to the Second Lien Credit Agreement (as defined below) upon the purchase by Watershed from the Company of \$10 million in Notes. The Company used the proceeds from the sale of the Notes to Watershed to fund, in part, the redemption referred to in the next paragraph.

Pursuant to the Prencen Securities Purchase Agreement, the Company redeemed \$15 million in principal amount of the Company's senior secured convertible notes (the "Prior Notes"), paid \$4,372,077 in accrued interest on the Prior Notes and \$6,464,000 in redemption fees, in each case in cash, and the remaining \$76 million in principal amount of the Prior Notes was surrendered and cancelled in exchange for the \$76 million in principal amount of Notes issued pursuant to the Prencen Securities Purchase Agreement. As noted above, Watershed conditioned its agreement to provide the Second Lien Credit Agreement financing upon its purchase of \$10 million in principal amount of Notes directly from the Company. The proceeds of such Note issuance to Watershed (including the premium paid by Watershed to the Company for such Notes) were used by the Company, in part, to fund the redemption of \$15 million of the Prior Notes pursuant to the Prencen Securities Purchase Agreement. There are no material differences between the terms of the Prior Notes and the Notes although it was necessary to amend the Prior Notes in order to reflect that the Notes would be held by parties that were not affiliated with Prencen.

The cash proceeds received by the Company from the Credit Agreement (as defined below) financing, the Second Lien Credit Agreement financing and the sale of the Notes to Watershed were \$80 million, \$50 million and \$15.714 million, respectively. After (a) the payment of the \$92,138,000 cash portion of the purchase price required to be paid in connection with the purchase by the Company and its wholly owned subsidiaries, Ascendia Brands Co., Inc. and Lander Intangibles Corporation, of the Calgon® and the healing garden® brands and certain brand-related assets from Coty Inc. and certain of its affiliates (the "Coty Transaction"), (b) the payment of \$10,324,347 in respect of the repayment and termination of the Company's prior revolving credit facility, (c) the payment to Prencen of \$25,836,077 in respect of accrued and unpaid interest on the Prior Notes and in connection with the redemption of \$15 million of the Prior Notes as described above, (d) the payment of \$3,721,668 in fees to the Company's first and second lien lenders and (e) the payment of \$5,306,427 in fees and expenses with respect to professionals, advisors and title related matters, the Company received \$8,387,480 of loan proceeds that were allocated to general corporate purposes.

The Notes are secured by a third lien on substantially all of the Company's and its domestic subsidiaries' assets and are guaranteed by all of the Company's subsidiaries. The Notes mature on December 30, 2016 (subject to certain put and call rights described below) and will accrue interest at the rate of 9% per annum, provided that the interest rate on the Notes is subject to increase to up to 13% upon the occurrence or non-occurrence of certain 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 February 9, 2007, 130% 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 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 Notes would increase to 15%. 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 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 \$500,000 is rendered against the Company or any of its material subsidiaries under certain circumstances and breaches of covenants relating to the transaction documents. Interest will be capitalized.

Any portion of the balance due under the Notes will be convertible at any time, at the option of the holder(s), into our Common Stock (the Conversion Shares ) at a price of \$0.42 per share (subject to certain anti-dilution adjustments), provided that a holder may not, except in accordance with the terms of the Notes, convert any amounts due under the Notes if and to the extent that, following such a conversion, such holder and its affiliates would collectively beneficially own more than 9.99% of the aggregate number of shares of our Common Stock outstanding following such conversion. In addition, the Company may require the exchange of up to \$40 million in principal amount of the Notes then outstanding for shares of a newly created series of convertible preferred stock on terms

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acceptable to the Company and the holders of a majority in principal amount of the Notes, for a 15% exchange fee, payable in cash, if necessary to maintain the Company's stockholder equity at the level required pursuant to the continued listing requirements of the American Stock Exchange (the "AMEX"), on which our Common Stock is listed.

At any time after the eighth anniversary of the issuance of the Notes, the Company may at its option redeem, or any holder may require the Company to redeem, all or any portion of the balance outstanding under the Notes at a premium of 7%. In addition, the Notes are redeemable by the holder(s) of at least a majority in principal amount of the Notes at any time upon the occurrence of an event of default or by any holder upon a change in control of the Company (as defined in the Notes), at a premium of no less than 25% and 20%, respectively.

The Notes rank pari passu with each other and junior to the Credit Agreement (the "Credit Agreement") dated as of February 9, 2007, among the Company, its domestic subsidiaries signatory thereto, certain lenders, and Wells Fargo Foothill, Inc. ("WFF"), as arranger and administrative agent, and the Second Lien Credit Agreement dated as of February 9, 2007 among the Company, its domestic subsidiaries signatory thereto, the lenders signatory thereto, WFF, as collateral agent, and Watershed Administrative, LLC, as administrative agent (the "Second Lien Credit Agreement").

At the Closing, the Company entered into a Registration Rights Agreement (the "Registration Rights Agreement") in favor of Watershed, Prencen and Prencen Lending with respect to the Conversion Shares, the Warrant Shares (as defined in the Registration Rights Agreement), the Preferred Conversion Shares (as defined in the Registration Rights Agreement) and any of our Common Stock currently held or subsequently acquired by Watershed, Prencen or Prencen Lending (the "Registrable Securities"). 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 subjected to a full review by the United States Securities and Exchange Commission (the "SEC")). The Registration Rights Agreement contains certain fees for the failure to comply with such deadlines or to maintain the effectiveness of the registration statement. In addition, Prencen, Prencen Lending and Watershed were granted demand and piggyback registration rights on terms set forth in the Registration Rights Agreement.

On August 2, 2006 the Company issued to Prencen Series A Warrants for 3,053,358 shares of Common Stock at an exercise price of \$2.10 per share (the "Series A Warrants") and Series B Warrants (the "Series B Warrants" and together with the Series A Warrants, the "Warrants") for up to 3,000,000 shares of Common Stock at exercise prices ranging from \$1.15 per share to \$1.95 per share, based upon a formula set forth in the Series B Warrants and, based upon such formula, subsequently fixed at 2,000,000 shares of Common Stock at an exercise price of \$1.35 per share. The Warrants may not, except in accordance with the terms of the Warrants, be exercised if and to the extent that, following such exercise, the holder and all affiliates of the holder would collectively beneficially own more than 9.99% of the aggregate number of shares of the Company's Common Stock outstanding following such exercise. The Warrant Shares are the shares of the Company's Common Stock into which the Warrants are exercisable. The issuance of the Warrants and the related transactions were described in an Information Statement that was furnished on September 11, 2006 to all stockholders of the Company pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

On December 26, 2006 and December 29, 2006, respectively, the Company issued to Prencen 300 shares of its Series B Convertible Preferred Stock and 30 shares of its Series B-1 Convertible Preferred Stock (collectively, the "Preferred Stock"). Each share of Preferred Stock is convertible into shares of the Company's Common Stock. The Preferred Stock may not be converted if and to the extent that following such conversion, the holder and all affiliates of the holder would collectively beneficially own more than 9.99% of the aggregate number of shares of the Company's Common Stock outstanding following such conversion. The Preferred Conversion Shares are the shares of the Company's Common Stock into which the Preferred Stock is convertible. The issuance of the Preferred Stock and the related transactions were described in an Information Statement that was furnished on August 20, 2007 to all stockholders of the Company pursuant to Section 14(c) of the Exchange Act.

The above description does not purport to be a complete statement of the parties' rights and obligations under the Notes, the Securities Purchase Agreements and/or the Registration Rights Agreement and is qualified in its entirety by reference to (i) the Prencen Securities Purchase Agreement, (ii) the Watershed Securities Purchase Agreement, (iii) the Form of Notes and (iv) the Registration Rights Agreement, copies of which are attached hereto as Exhibits B, C, D and E, 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.

On January 17, 2007, the Company and its subsidiaries Ascendia Brands Co., Inc. and Lander Intangibles Corporation entered into an agreement (the "Coty Purchase Agreement") with Coty Inc. and certain of its affiliates to acquire the Calgon® and the healing garden® brands and certain brand-related assets from Coty. The purchase price paid by the Company for the assets in the Coty Transaction include cash, as described above, a \$20 million subordinated note and a number of shares of our Common Stock that is determined by dividing Ten Million Dollars (\$10,000,000) by the higher of (x) a factor equal to ninety five percent (95%) of the average closing price of our Common Stock on the thirty (30) trading days immediately following the issuance date of the first public announcement of the Coty Purchase Agreement and (y) \$1.00; provided, however, that the minimum number of shares of our Common Stock to be issued in the Coty Transaction shall be five million (5,000,000). Although the number of shares of our Common Stock to be issued in the Coty Transaction exceeds 20% of the number of shares of our Common Stock outstanding on the date that the Coty Purchase Agreement was executed, the number of shares issued would be significantly less than 20% of the number of shares of our Common Stock outstanding on the date that the shares are actually issued as it was anticipated that prior to the date of issuance, the outstanding shares of Series A Preferred Stock would have been converted into shares of our Common Stock.

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 would constitute more than 20% of the number of shares of our Common Stock outstanding and the shares of our Common Stock to be issued in the Coty Transaction would constitute more than 20% of the number of shares of our Common Stock outstanding on the date that the Coty Purchase Agreement was executed. In addition, we obtained prior stockholder approval for the securities to be issued in the Transaction and the Coty 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.

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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, each share of Series B Preferred Stock was entitled to 6,666.66 votes, 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 54.5% of the aggregate votes entitled to be cast. Notwithstanding the immediately preceding sentence, 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 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. (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, Prencen Lending and Watershed have acknowledged and agreed that the Conversion Shares 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, to the extent that the Company's authorized capital is insufficient to enable the Company to issue Conversion Shares, they have agreed that the Conversion Shares will not be issued in excess of the amount currently reserved for issuance by the Company and available for issuance under the Company's certificate of incorporation until the approval of an amendment to the Company's certificate of incorporation to increase the number of authorized shares to such amount as is necessary to enable the conversion of the Notes into Conversion Shares).

Issuance of the Conversion Shares 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 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, February 9, 2007, the Company's directors, executive officers and principal stockholders beneficially own, directly or indirectly, in the aggregate, approximately 33.09% of its outstanding Common Stock, 89.68% 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 holder 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.



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The following table sets forth certain information as of February 9, 2007, 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 February 9, 2007, there were 11,744,056 shares of our Common Stock outstanding, 2,347,774 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.

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 Preferred Stock</i>		<i>Shares of Series B and B-1 Preferred Stock</i>		<i>Percentage of Series B and B-1 Preferred Stock</i>		<i>Percentage of Common Stock</i>	<i>Percentage of Voting Power</i>
	<i>Series A Preferred Stock</i>	<i>Percentage of Series A Preferred Stock</i>	<i>Series B and B-1 Preferred Stock</i>	<i>Percentage of Series B and B-1 Preferred Stock</i>	<i>Series B and B-1 Preferred Stock</i>	<i>Percentage of Series B and B-1 Preferred Stock</i>		
Dana Holdings, LLC <sup>(3)</sup>	889,8162	37.90%	-0-	-0-	-0-	-0-	-0-	25.32%
MarNan, LLC <sup>(4)</sup>	778,5889	33.16%	-0-	-0-	-0-	-0-	-0-	22.16%
Prencen LLC and Prencen Lending LLC 623 Fifth Avenue 32 <sup>nd</sup> Floor New York, NY 10022	-0-	-0-	330	100.0%	1,178,864 <sup>(5)</sup>	9.99%		3.32%
Watershed Capital Partners, L.P. and Watershed Capital Institutional Partners, L.P. c/o Watershed Asset Management, L.L.C. One Maritime Plaza, Suite 1525 San Francisco, CA 94111	-0-	-0-	-0-	-0-	1,303,445 <sup>(6)</sup>	9.99%		3.52%
Coty Inc. 2 Park Avenue New York, NY 10016	-0-	-0-	-0-	-0-	-0- <sup>(7)</sup>	-0-		-0-
Frederic H. Mack 2115 Linwood Avenue Suite 110 Fort Lee, NJ 07024 <sup>(8)</sup>	53,9525	2.30%	-0-	-0-	1,155,000	9.79%		4.78%
Robert Enck	127,6837	5.44%	-0-	-0-	-0-	-0-		3.63%

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<i>Name and Address of Beneficial Owner</i>	<i>Shares of Series A Pref. Stock</i>	<i>Percentage of Series A Pref. Stock</i>	<i>Shares of Series B and B-1 Pref. Stock</i>	<i>Percentage of Series B and B-1 Pref. Stock</i>	<i>Shares of Common Stock</i>	<i>Percentage of Common Stock</i>	<i>Percentage of Voting Power(2)</i>
Paul C. Taylor c/o Taylor, Colicchio & Silverman, LLP 502 Carnegie Center Suite 103 Princeton, NJ 08540	111.2272	4.74%	-0-	-0-	-0-	-0-	3.16%
Edward J. Doyle 316 Perry Cabin Drive St. Michael s, MD 21663	127.6837	5.44%	-0-	-0-	-0-	-0-	3.63%
Robert Picow	-0-	-0-	-0-	-0-	196,049 <sup>(9)</sup>	1.67%	*
Kenneth D. Taylor 1775 York Avenue Apt. 29 H New York, NY 10128	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Francis Ziegler 100 Roebling Road Bernardsville, NJ 07924	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Joseph A. Falsetti	-0-	-0-	-0-	-0-	-0- <sup>(3)</sup>	-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 <sup>(9)</sup>	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 February 9, 2007. The conversion of the Series A Preferred Stock into shares of our Common Stock was approved by the stockholders of the Company at the annual meeting of the stockholders of the Company held on February 14, 2007.
- (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 Notes are deemed to be able to vote the shares of Common Stock that they beneficially own through their ownership of the Notes, even though ownership of the Notes does not entitle the holders of the Notes to vote on matters submitted to the holders of the shares of Common Stock.

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- (3) Joseph A. Falsetti, previously, the President and Chief Executive Officer of the Company and currently the Chairman of the Board of the Company, 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 a Note in the principal amount of \$76,000,000 that is convertible into shares of the Common Stock of the Company, provided that such securities and the warrants, preferred stock and other securities previously acquired by Prencen and Prencen Lending 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, together with such holder's affiliates, would beneficially own in excess of 9.99% of the shares outstanding immediately after giving effect to the exercise or conversion. The beneficial ownership table assumes that conversion of such securities corresponding to 56,382 shares of Common Stock, together with the 1,122,482 shares of Common Stock held directly, equal to 9.99% of the total outstanding post conversion. If the blocker were not in place, the Note held by Prencen Lending would be initially convertible into 180,952,380 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 5,053,358 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) In connection with the Transaction, Watershed Capital Partners, L.P. ( WCP ) and Watershed Capital Institutional Partners, L.P. ( WCIP ) acquired Notes in the aggregate principal amount of \$2,084,568 and \$7,915,432, respectively, that are convertible into 271,712 and 1,031,733 shares, respectively, of the Common Stock of the Company, provided that such securities may not be converted into shares of Common Stock to the extent that after giving effect to such conversion the holder, together with such holder's affiliates, would beneficially own in excess of 9.99% of the shares outstanding immediately after giving effect to the conversion. If the blocker were not in place, the Notes held by WCP and WCIP would be initially convertible into 4,963,257 and 18,846,267 shares, respectively, of Common Stock. WS Partners, L.L.C., as general partner to Watershed, may be deemed to be the beneficial owner of all such Notes and shares beneficially owned by Watershed. Watershed Asset Management, L.L.C., as investment adviser to Watershed, may be deemed to be the beneficial owner of all such Notes and shares beneficially owned by Watershed. Meridee A. Moore, as the Senior Managing Member of both WS Partners, L.L.C. and Watershed Asset Management, L.L.C., may be deemed to be the beneficial owner of all such Notes and shares beneficially owned by Watershed. Each of WS Partners, L.L.C., Watershed Asset Management, L.L.C. and Meridee A. Moore disclaims any beneficial ownership of any such Notes and shares.
- (7) In connection with the Coty Transaction, on the thirtieth (30th) day following the closing date of the Coty Transaction, (i) the Company will issue to Coty Inc. a number of shares of our Common Stock determined by dividing Ten Million Dollars (\$10,000,000) by the higher of (x) a factor equal to ninety five percent (95%) of the average closing price of our Common Stock on the thirty (30) trading days immediately following the issuance date of the first public announcement of the Asset Purchase Agreement dated as of January 17, 2007 among Coty Inc., certain of its affiliates, the Company, Ascendia Brands Co., Inc. and Lander Intangibles Corporation and the transactions contemplated thereby and (y) \$1.00; provided, however, that the minimum number of shares of our Common Stock to be issued to Coty Inc. shall be five million (5,000,000).

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- (8) 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.
- (9) Includes options to purchase 8,334 shares of Common Stock.

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.

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 for 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 to 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.

(\$000 s) except per share amounts	For the period		(Restated)		13 Weeks Ended	
	from	Year ended	Year ended	Year ended	(Restated)	
	4/25/2003 (inception) to 2/29/2004 (1)	2/28/2005 (1) (3)	2/28/2006 (1) (2) (3)	2/28/2007 (1) (3) (4) (5)	5/27/2006 (1)	5/26/2007 (4) (5)
<b>Operating Data:</b>						
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)		