

Darwent Robert  
Form 4  
July 14, 2011

**FORM 4**

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

OMB APPROVAL

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**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 \*  
Lion/Hollywood L.L.C.

2. Issuer Name and Ticker or Trading Symbol

AMERICAN APPAREL, INC [APP]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

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

07/13/2011

\_\_\_\_ Director  
\_\_\_\_ Officer (give title below)  
\_\_X\_\_ 10% Owner  
\_\_\_\_ Other (specify below)

C/O LION CAPITAL (AMERICAS) INC., 888 SEVENTH AVENUE

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

\_\_\_\_ Form filed by One Reporting Person  
\_\_X\_\_ Form filed by More than One Reporting Person

NEW YORK, NY 10019

(City) (State) (Zip)

**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 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	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount Number Shares
				Code	V				
Warrant to purchase shares of Common Stock (right to buy) <sup>(1)</sup> <sup>(2)</sup> <sub>(3)</sub> <sub>(4)</sub> <sub>(5)</sub>	\$ 1 <sup>(6)</sup>	07/13/2011 <sup>(6)</sup>	J <sup>(6)</sup>		1,445,382 <sub>(6)</sub>	<sup>(7)</sup>	02/18/2018	Common Stock	1,445,382 <sub>(8)</sub>
Warrant to purchase shares of Common Stock (right to buy) <sup>(1)</sup> <sup>(2)</sup> <sub>(3)</sub> <sub>(4)</sub> <sub>(5)</sub>	\$ 1 <sup>(6)</sup>	07/13/2011 <sup>(6)</sup>	J <sup>(6)</sup>		337,733 <sub>(6)</sub>	<sup>(7)</sup>	02/18/2018	Common Stock	337,733 <sub>(9)</sub>

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Lion/Hollywood L.L.C. C/O LION CAPITAL (AMERICAS) INC. 888 SEVENTH AVENUE NEW YORK, NY 10019		X		
Lion Capital LLP 21 GROSVENOR PLACE LONDON, X0 SW1X 7HF		X		
Lion Capital General Partner II LLP 21 GROSVENOR PLACE LONDON, X0 SW1X 7HF		X		
LION CAPITAL FUND II L P 21 GROSVENOR PLACE LONDON SW1X 7HF, X0 SW1X 7HF		X		
LION CAPITAL FUND II B L P 21 GROSVENOR PLACE LONDON SW1X 7HF, X0 SW1X 7HF		X		
		X		

LION CAPITAL FUND II SBS LP  
21 GROSVENOR PLACE  
LONDON, X0 SW1X 7HF

Lea Lyndon  
21 GROSVENOR PLACE X  
LONDON, X0 SW1X 7HF

Richardson Neil  
21 GROSVENOR PLACE X  
LONDON, X0 SW1X 7HF

Darwent Robert  
21 GROSVENOR PLACE X  
LONDON X0, X0 SWIX 7HF

## Signatures

/s/ Jacob Capps, 07/14/2011  
President

\*\*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) This Form 4 is filed on behalf of Lion/Hollywood L.L.C. ("Lion/Hollywood"), Lion Capital Fund II, L.P. ("LCFII"), Lion Capital Fund II B, L.P. ("LCFIIB"), Lion Capital Fund II SBS, L.P. ("LCFIISBS"), Lion Capital General Partner II LLP ("Lion Capital GPII"), Lion Capital LLP ("Lion Capital"), Mr. Lyndon Lea, Mr. Neil Richardson and Mr. Robert Darwent. LCFII, LCFIIB and LCFIISBS are the sole members of Lion/Hollywood. Lion Capital GPII is the sole general partner of LCFII, LCFIIB and LCFIISBS. Lion Capital is the manager of each of Lion Capital GPII, LCFII, LCFIIB and LCFIISBS. Messrs. Lea, Richardson and Darwent are founding and designated members of Lion Capital.

(2) As the sole members of Lion/Hollywood, LCFII, LCFIIB and LCFIISBS may be deemed to be the indirect beneficial owners of any securities beneficially owned or deemed to be beneficially owned by Lion/Hollywood. However, pursuant to Rule 16a-1(a)(4) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), each of LCFII, LCFIIB and LCFIISBS disclaims beneficial ownership of such securities, except to the extent of its pecuniary interest therein.

(3) As the sole general partner of each of LCFII, LCFIIB and LCFIISBS, Lion Capital GPII may be deemed to be the indirect beneficial owner of any securities deemed to be beneficially owned by LCFII, LCFIIB and LCFIISBS. However, pursuant to Rule 16a-1(a)(4) promulgated under the Exchange Act, Lion Capital GPII disclaims beneficial ownership of such securities, except to the extent of its pecuniary interest therein.

(4) As the manager of each of Lion Capital GPII, LCFII, LCFIIB and LCFIISBS, Lion Capital may be deemed to be the indirect beneficial owner of any securities deemed to be beneficially owned by Lion Capital GPII, LCFII, LCFIIB and LCFIISBS. However, pursuant to Rule 16a-1(a)(4) promulgated under the Exchange Act, Lion Capital disclaims beneficial ownership of such securities, except to the extent of its pecuniary interest therein.

(5) As the founding and designated members of Lion Capital, Messrs. Lea, Richardson and Darwent, may be deemed to beneficially own any securities deemed to be beneficially owned by Lion Capital. However, pursuant to Rule 16a-1(a)(4) promulgated under the Exchange Act, each of Messrs. Lea, Richardson and Darwent disclaims beneficial ownership of such securities, except to the extent of his pecuniary interest therein.

(6) On July 13, 2011, the Issuer delivered to Lion/Hollywood (i) a warrant to purchase at an initial exercise price of \$1.00 (the "First Warrant"), subject to anti-dilution adjustment pursuant to the terms of the First Warrant and certain other adjustments as described therein, 1,445,382 shares of Common Stock, par value \$.0001 per share of the Issuer ("Common Stock") and (ii) a warrant to purchase at an initial exercise price of \$1.00 (the "Second Warrant", and together with the First Warrant, the "Warrants"), subject to anti-dilution adjustment pursuant to the terms of the Second Warrant and certain other adjustments as described therein, 337,733 shares of Common Stock.

(7) Immediately exercisable.

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- (8) Number of shares of Common Stock issuable upon exercise of the First Warrant as of the date of this filing. The number of shares of Common Stock issuable upon exercise of the First Warrant is subject to anti-dilution adjustment pursuant to the terms of the First Warrant and certain other adjustments as described therein.
- (9) Number of shares of Common Stock issuable upon exercise of the Second Warrant as of the date of this filing. The number of shares of Common Stock issuable upon exercise of the Second Warrant is subject to anti-dilution adjustment pursuant to the terms of the Second Warrant and certain other adjustments as described therein.
- (10) The Warrants are directly owned by Lion/Hollywood. LCFII, LCFIIB and LCFIISBS are the sole members of Lion/Hollywood. Lion Capital GPII is the sole general partner of LCFII, LCFIIB and LCFIISBS. Lion Capital is the manager of each of Lion Capital GPII, LCFII, LCFIIB and LCFIISBS. Messrs. Lea, Richardson and Darwent are founding and designated members of Lion Capital. As noted in footnotes (1) through (5), LCFII, LCFIIB, LCFIISBS, Lion Capital GPII, Lion Capital and Messrs. Lea, Richardson and Darwent may each be deemed to have indirect beneficial ownership of any securities beneficially owned or deemed to be beneficially owned by Lion/Hollywood.
- (11) This Form 4 shall not be deemed an admission that any Reporting Person or any other person referred to herein is a beneficial owner of any shares of Common Stock for purposes of Section 16 of the Exchange Act or for any other purpose or that any Reporting Person or other person (other than Lion/Hollywood) has an obligation to file this Form 4.

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.