

Charney Dov
Form 4
April 29, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
Charney Dov

(Last) (First) (Middle)

747 WAREHOUSE STREET

(Street)

LOS ANGELES, CA 90021

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

AMERICAN APPAREL, INC [APP]

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

04/27/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

Chief Executive Officer

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

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

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

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

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

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SEC 1474
(9-02)

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

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired	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) Code	(A) or Disposed of (D) (Instr. 3, 4, and 5)	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 0.9	04/27/2011	A		777,778		(1)	(1)	Common Stock	777,778
Option (right to buy)	\$ 0.9	04/27/2011	A		1,555,556		(2)(3)	(2)(3)	Common Stock	1,555,556
Option (right to buy)	\$ 0.9	04/27/2011	A		12,659,994		(4)(5)(6)	(4)(5)(6)	Common Stock	12,659,994

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Charney Dov 747 WAREHOUSE STREET LOS ANGELES, CA 90021	X	X	Chief Executive Officer	

Signatures

By: /s/ Dov Charney 04/29/2011

__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) Pursuant to a Purchase Agreement dated as of April 27, 2011 (the "Purchase Agreement") between the Issuer and the reporting person, subject to the receipt of stockholder approval for the issuance of the shares, the reporting person agreed to purchase from the Issuer 777,778 shares of common stock at a price of \$0.90 per share. The reporting person holds sufficient shares of common stock of the Issuer to approve the issuance of the 777,778 shares of common stock without further affirmative votes from the other stockholders.
 - (2) Pursuant to the Purchase Agreement, subject to the receipt of stockholder approval, the Issuer granted to the reporting person a right to purchase up to 1,555,556 additional shares of common stock (such right, the "Purchase Right") at a price of \$0.90 per share. The Purchase Right is exercisable for a 180-day period from April 27, 2011, subject to certain topping-up and anti-dilution adjustments for additional issuances for cash of common stock (or securities exercisable, exchangeable or convertible for common stock), prior to the one-year anniversary of April 27, 2011 (a "New Issuance"), including reduction of the price per share to the lowest-issued price for New Issuances made at a price below \$0.90 per share, subject to some exceptions, as described in the Purchase Agreement. The reporting person holds sufficient shares of common stock of the Issuer to approve the grant of the Purchase Right without further affirmative votes from the other stockholders.
 - (3) Pursuant to the Purchase Agreement, subject to the receipt of stockholder approval, the reporting person received a right to receive up to 12,659,994 shares of common stock ("Initial Anti-Dilution Shares") as anti-dilution protection with respect to the issuance of shares of common stock to certain other investors in the Issuer.

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- The Initial Anti-Dilution Shares are issuable in three equal installments, one per each measurement period set forth below, subject to meeting the applicable average volume weighted closing price for 60 consecutive trading days, calculated as set forth in the Purchase Agreement ("VWAP") as follows: (i) for the measurement period from April 16, 2012 to and including April 15, 2013, if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$3.25 per share; (ii) for the measurement period from but not including April 16, 2013 to and including April 15, 2014, if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$4.25 per share; and (iii) for the measurement period from but not including April 16, 2014 to and including April 15, 2015, if the VWAP of the common stock during a period of 60 consecutive trading days exceeds \$5.25 per share.
- (5)

The reporting person holds sufficient shares of common stock of the Issuer to approve the issuance of the Initial Anti-Dilution Shares.

- (6) This does not include the reporting person's right to receive up to an additional 25,319,988 shares of common stock as anti-dilution protection with respect to the issuance to the other investors of a purchase right, which will only be exercisable if the other investors choose to exercise their purchase right.

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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