

Stein Daniel C.
Form 4
August 02, 2010

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 *
Stein Daniel C.

2. Issuer Name and Ticker or Trading Symbol
Orchard Enterprises, Inc. [ORCD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1091 BOSTON POST ROAD
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/29/2010

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

RYE, NY 10580
(City) (State) (Zip)

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

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 Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect or Beneficial Ownership (Instr. 4)
Common Stock	07/29/2010		J	100 ⁽¹⁾ <u>(2)</u> A ⁽¹⁾ <u>(2)</u> <u>(3)</u>	2,709,376 ⁽⁴⁾	I	Through Dimensional Associates, LLC ⁽⁴⁾
Common Stock					29,051 ⁽⁵⁾	D	

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 (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount Underlying Securities (Instr. 3 and 4)
Stock Option (right to buy)	\$ 5.21	07/29/2010		J	28,790	07/29/2010 07/29/2010	Common Stock 28,7
Series A Convertible Preferred Stock	(7)					(7) (7)	Common Stock 1,489

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Stein Daniel C. 1091 BOSTON POST ROAD RYE, NY 10580	X			

Signatures

/s/ Alexis Shapiro for Daniel C. Stein
Date: 08/02/2010

**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).

- Pursuant to the Agreement and Plan of Merger dated as of March 15, 2010, as amended (the "Merger Agreement"), among The Orchard Enterprises, Inc. (the "Company"), Dimensional Associates, LLC ("Dimensional") and Orchard Merger Sub, Inc. ("Merger Sub"), in connection with the merger of Merger Sub with and into the Company (the "Merger"), each share of the Company's common stock (other than shares held by Dimensional, its associates and dissenting shareholders) was canceled and converted into the right to receive from Dimensional (i) \$2.05 per share in cash and (ii) a contingent right to receive additional cash consideration, under certain circumstances if Dimensional or the Company or any of their affiliates enters into a commitment to sell at least 80% of the Company's voting securities or assets within six months of the consummation of the Merger (collectively, the "Merger Consideration").
- (1) Pursuant to the Merger Agreement, the aggregate Merger Consideration payable by Dimensional at the closing of the Merger was \$7,398,903, assuming that there are no dissenting shares. To the extent that any dissenting shares receive an amount per share other than the Merger Consideration, the aggregate
 - (2) Each outstanding share of Merger Sub common stock was converted into one share of common stock of the Company, resulting in the issuance by the Company of 100 additional shares of the Company's common stock to Dimensional at the effective time of the Merger.
 - (3) Pursuant to the Merger Agreement, the aggregate Merger Consideration payable by Dimensional at the closing of the Merger was \$7,398,903, assuming that there are no dissenting shares. To the extent that any dissenting shares receive an amount per share other than the Merger Consideration, the aggregate

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amount may increase or decrease.

Mr. Stein is a director and executive of Dimensional, which directly holds the common stock and Series A Convertible Preferred Stock reported herein. Mr. Stein is deemed to be the beneficial owner of the common stock and Series A Convertible Preferred Stock held by

- (4) Dimensional only to the extent of the greater of his direct or indirect interest in the profits or capital accounts of Dimensional. Pursuant to Rule 16a-1(a)(4) under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), this filing shall not be deemed an admission that Mr. Stein is, for purposes of Section 16 of the Exchange Act or otherwise, the beneficial owner of any securities beneficially owned by Dimensional in excess of such amount.
- (5) Pursuant to the Merger Agreement, the shares held by Mr. Stein (as an affiliate of Dimensional) remain outstanding without change.

The options were disposed of pursuant to the Merger Agreement, whereby in connection with the Merger, each option to purchase the

- (6) Company's common stock was canceled and converted into the right to receive from the Company the difference, if positive, between the Merger Consideration and the exercise price of the option.

The Series A Convertible Preferred Stock is convertible into common stock at the option of the holder at any time at a rate of 3 1/3 shares

- (7) of common stock for each preferred share subject to adjustments for stock splits, combinations and distributions and has no expiration date.

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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