

EDIETS COM INC
Form SC 13D/A
April 22, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**(Rule 13d-101. Information to be included in Statements Filed Pursuant to § 240.13d-1(a) and Amendments
Thereeto Filed)**

SCHEDULE 13D

(Amendment No. 11)

Under the Securities Exchange Act of 1934

eDiets.com, Inc.

(Name of Issuer)

COMMON STOCK, \$0.001 par value per share

(Title of Class of Securities)

280597105

(CUSIP Number)

Murray A. Indick

Prides Capital Partners, L.L.C.

Edgar Filing: EDIETS COM INC - Form SC 13D/A

200 State Street, 13th Floor

Boston MA 02109

(617) 778-9200

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

April 9, 2010

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or (240.13d-g), check the following box " ".

Note. Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §§ 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be filed for the purpose of Section 18 of the Securities Exchange Act of 1934 (Act) or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 280597105

1. NAME OF REPORTING PERSON

Prides Capital Partners, L.L.C.

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

-0-

8. SHARED VOTING POWER

16,447,277**

9. SOLE DISPOSITIVE POWER

-0-

10. SHARED DISPOSITIVE POWER

16,447,277**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

16,447,277**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES "

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

46.10%**

14. TYPE OF REPORTING PERSON

OO (Limited Liability Corporation)

** See Item 5

SCHEDULE 13D

CUSIP No. 280597105

1. NAME OF REPORTING PERSON

Kevin A. Richardson, II

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a) (b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

See Item 3

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

7. SOLE VOTING POWER

741,130**

8. SHARED VOTING POWER

16,447,277**

9. SOLE DISPOSITIVE POWER

741,130**

10. SHARED DISPOSITIVE POWER

16,447,277**

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

17,188,407**

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES "

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

47.87%**

14. TYPE OF REPORTING PERSON

IN

** See Item 5

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SCHEDULE 13D

This Amendment No. 11 amends the Statement on Schedule 13D (the "Schedule 13D") filed with the Securities and Exchange Commission (the "Commission") on May 19, 2006 by Prides Capital Partners, L.L.C., a Delaware limited liability company ("Prides"), Kevin A. Richardson, II (together with Prides, the "Reporting Persons" and each, a "Reporting Person"), Henry J. Lawlor, Jr., Murray A. Indick, Charles E. McCarthy, and Christian Puscasiu as amended by Amendment No. 1 filed on June 20, 2006, Amendment No. 2 filed on July 7, 2006, Amendment No. 3 filed on August 8, 2006, Amendment No. 4 filed on March 29, 2007, Amendment No. 5 filed on May 15, 2007, Amendment No. 6 filed on August 20, 2007, Amendment No. 7 filed on September 6, 2007, Amendment No. 8 filed on January 11, 2008, Amendment No. 9 filed on June 3, 2008 and Amendment No. 10 filed on July 2, 2009 (as so amended, the "Schedule 13D"). Messrs. Lawlor, Indick, McCarthy and Puscasiu are no longer Reporting Persons for purposes of the Schedule 13D.

The following amendments to the Schedule 13D are hereby made. Each Item below amends and supplements the information disclosed under the corresponding Item of the Schedule 13D. Unless otherwise indicated herein, capitalized terms used but not defined in this Amendment No. 11 shall have the same meaning herein as are ascribed to such terms in the Schedule 13D.

Item 1. Security and Issuer

This Schedule 13D relates to shares of Common Stock, \$0.001 par value per share (the "Common Stock") of eDiets.com, Inc. a Delaware corporation (the "Issuer"). The principal executive office and mailing address of the Issuer is 1000 Corporate Drive, Suite 600, Fort Lauderdale, FL 33334.

Item 3. Source and Amount of Funds or Other Consideration

The information in Item 4 below is incorporated by reference into this Item 3.

Item 4. Purpose of Transaction

On April 5, 2010, the Issuer entered into subscription agreements with certain investors to purchase 5,275,000 shares of the Issuer's common stock (the "Offering") at a price of \$1.00 per Share. The Reporting Persons did not participate in the Offering.

On April 5, 2010, concurrently with the Offering, the Issuer and Prides Capital Fund I LP, a Delaware limited partnership ("Prides Fund", for which Reporting Person Prides serves as the sole general partner), entered into a Debt Conversion Agreement under which Prides Fund will convert the aggregate principal amount and all accrued and unpaid interest through the date of conversion under its August 31, 2007, May 30, 2008 and November 13, 2008 Senior Secured Notes from the Issuer (the "Prides Notes") into shares of the Issuer's common stock at the Offering price of \$1.00 per share (the "Prides Debt Conversion"). As of March 31, 2010, the Prides Notes had an aggregate principal balance of \$15,145,000 and aggregate accrued and unpaid interest of \$6,327,533, with interest accruing at a daily rate of \$9,321.

In addition, on April 5, 2010, the Issuer and Mr. Richardson entered into a Debt Conversion Agreement under which Mr. Richardson will convert the aggregate principal amount and all accrued and unpaid interest through the date of conversion of his March 9, 2010 Promissory Note with the Issuer (the "Richardson Note") into shares of the Issuer's common stock at the Offering price of \$1.00 per share (the "Richardson Debt Conversion"). As of March 31, 2010, the Richardson Note had an aggregate principal balance of \$500,000 and aggregate accrued and unpaid interest of \$1,575, with interest accruing at a daily rate of \$68.

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On April 5, 2010, the Issuer also entered into Securities Subscription and Purchase Agreements with Mr. Richardson and two other individuals affiliated with the Issuer, under which such individuals will purchase an aggregate of 500,000 shares of the Issuer's common stock at the Offering price of \$1.00 per share (the "D&O Private Placement"). Mr. Richardson's portion of the D&O Private Placement is 200,000 shares (the "Richardson Private Placement"), and the source of the purchase price for such shares of Common Stock is Mr. Richardson's personal funds.

The Prides Debt Conversion, Richardson Debt Conversion and D&O Private Placement did not close at the time of the Offering and, rather, are contingent upon the Issuer's completion of the Offering for gross proceeds of at least \$3 million, approval by the Issuer's stockholders of the issuance of the shares of common stock in the Prides Debt Conversion, Richardson Debt Conversion and D&O Private Placement, an amendment to the Issuer's Certificate of Incorporation increasing the Issuer's authorized Common Stock to at least 100,000,000 (the "Authorized Capital Increase") and other customary closing conditions. Reporting Person Prides has executed a written consent approving (i) the issuance of the shares of common stock in the Prides Debt Conversion, Richardson Debt Conversion and D&O Private Placement and (ii) the Authorized Capital Increase. Further, in connection with the required stockholder approval, pursuant to the Debt Conversion Agreements and the Securities Subscription and Purchase Agreements, the Issuer has agreed to prepare and file an information statement with the Securities and Exchange Commission and to send the information statement to stockholders as required by Regulation 14C under the Securities Exchange Act of 1934, as amended, and Delaware law. The Prides Debt Conversion, the Richardson Debt Conversion and the D&O Private Placement will not close until at least 20 calendar days after this definitive information statement is sent to stockholders.

Also on April 5, 2010, the Issuer executed Amendment No. 2 to Registration Rights Agreement ("Registration Rights Amendment") with Mr. Richardson and the Prides Fund. Pursuant to the Registration Rights Amendment, the Issuer agreed to register for resale the shares of common stock issued pursuant to the Securities Subscription and Purchase Agreements and the Debt Conversion Agreements. The effectiveness of the Registration Rights Amendment is contingent upon the completion of the Prides Debt Conversion pursuant to the Prides Debt Conversion Agreement.

Finally, pursuant to the Debt Conversion Agreement, the Prides Fund waived certain rights it has under issued and outstanding warrants to enable the transactions discussed above to be consummated.

The foregoing descriptions of the Debt Conversion Agreements, the Securities Subscription and Purchase Agreements, and the Registration Rights Amendment do not purport to be complete and are qualified in their entirety by reference to such agreements, each of which is incorporated by reference in its entirety into this Item 4. Copies of the Prides Debt Conversion Agreement, Richardson Debt Conversion Agreement, the Richardson Securities Subscription and Purchase Agreement, and the Registration Rights Amendment are filed as Exhibits 99.2, 99.3, 99.4 and 99.5 respectively, hereto.

Following the announcement of the Offering and other transactions described above, Mr. Richardson purchased 200,000 shares of Common Stock in the open market, as more fully described in Item 5(c) below.

The purpose of the acquisitions of the shares of Common Stock described above is for investment purposes and these acquisitions were made in the ordinary course of business. Although no Reporting Person has any specific plan or proposal to acquire or dispose of the shares of Common Stock, warrants or stock options, consistent with the investment purpose, each Reporting Person, at any time, and from time to time, may acquire additional shares of Common Stock, warrants or stock options or dispose of or exercise (as the case may be) any or all of its shares of Common Stock, warrants or stock options depending upon an ongoing evaluation of the investment in the shares of Common Stock, warrants or stock options, prevailing market conditions, other investment opportunities, liquidity requirements of the Reporting Persons or other investment considerations. Also, consistent with the investment purpose, the Reporting Persons may engage in communications with one or more stockholders of the Issuer, one or more officers or employees of the Issuer, one or more members of the board of directors of the Issuer, and/or one or more representatives of the Issuer regarding the Issuer, including but not limited to its management, operations, business results, plans, and prospects. The Reporting Persons may discuss ideas that, if affected, may result in any of

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the following: the acquisition by the Reporting Persons of additional shares of Common Stock or other securities of the Issuer, an extraordinary corporate transaction involving the Issuer, and/or changes in the Board or management of the Issuer. Except to the extent the foregoing may be deemed a plan or proposal or as provided by the Debt Conversion Agreements, the Securities Subscription and Purchase Agreements, and the Registration Rights Amendment, neither of the Reporting Persons has any plans or proposals which relate to, or could result in, any of the matters referred to in paragraphs (a) through (j), inclusive, of the instructions to Item 4 of Schedule 13D. The Reporting Persons may, at any time and from time to time, review or reconsider their position and/or change their purpose and/or formulate plans or proposals with respect thereto.

Item 5. Interest in Securities of the Issuer

(a) - (b) As reported by the Issuer in its the Amendment to the Definitive Proxy Statement filed on April 16, 2010, given the number of shares of Common Stock issued and outstanding as of March 31, 2010 and giving effect to the Offering described in Item 4 above, there were 34,323,512 shares of Common Stock issued and outstanding. Based on such information, excluding the effects of the Prides Debt Conversion, Richardson Debt Conversion and D&O Private Placement described above in Item 4, the Reporting Persons report beneficial ownership of 17,188,407 shares of Common Stock as of April 21, 2010, representing 47.87% of the Common Stock. The shares reported include (1) 15,092,999 shares of Common Stock of the Issuer, (2) 1,209,652 shares of Common Stock issuable upon exercise of warrants that are presently exercisable and (3) 144,626 fully-vested stock options, for which the Reporting Persons share voting and investment power. In addition, the shares reported include (1) 511,964 shares of Common Stock of the Issuer, (2) 135,000 shares of Common Stock issuable upon exercise of warrants that are presently exercisable and (3) 94,166 fully-vested stock options, held by Mr. Richardson, who is also a director of the Issuer, and for which Mr. Richardson exercises sole voting and investment power.

Prides and Mr. Richardson may be deemed to constitute a group for purposes of Section 13(d) or Section 13(g) of the Act. Prides expressly disclaims (i) that they are a member of any group for purposes of Section 13(d) or 13(g) of the Act, and (ii) that they have agreed to act as a group other than as described in this Statement on Schedule 13D.

As a partner and controlling person of Prides, Mr. Richardson may be deemed to beneficially own any shares of Common Stock, warrants or stock options that Prides may beneficially own, or be deemed to beneficially own. Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that Mr. Richardson is the beneficial owner of Common Stock, warrants or options referred to herein for purposes of Section 13(d) of the Act or for any other purpose, and such beneficial ownership is expressly disclaimed except to the extent of any pecuniary interest therein. Henry J. Lawlor, Jr., Murray A. Indick, Charles E. McCarthy and Christian Puscasiu no longer exercise control over the shares subject to this Schedule 13D.

(c) In addition to the transactions described in Item 4 above, Mr. Richardson purchased the following shares of Common Stock in the past 60 days:

| Trade Date | Shares | Price/Share |
|------------|---------|-------------|
| 4-8-2010 | 100,000 | 1.19 |
| 4-9-2010 | 100,000 | 1.27 |

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Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer

None of the Reporting Persons is a party to any contract, arrangement, understanding or relationship with respect to any securities of the Issuer, including but not limited to the transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, except, as previously disclosed on Scheduled 13D and as disclosed herein.

Item 7. Material to be Filed as Exhibits

- Exhibit 99.1 Joint Filing Agreement
- Exhibit 99.2 Debt Conversion Agreement, dated as of April 5, 2010, by and between eDiets.com, Inc. and Prides Capital Fund I, L.P.
- Exhibit 99.3 Debt Conversion Agreement, dated as of April 5, 2010, by and between eDiets.com, Inc. and Kevin A. Richardson, II.
- Exhibit 99.4 Securities Subscription and Purchase Agreement, dated April 5, 2010, by and between eDiets.com, Inc. and Kevin A. Richardson, II.
- Exhibit 99.5 Amendment No. 2 to Registration Rights Agreement, dated April 5, 2010, by and among eDiets.com, Inc., Prides Capital Fund I, L.P., Kevin Richardson, Lee Isgur and Kevin McGrath.

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SIGNATURES

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: April 22, 2010

Prides Capital Partners, L.L.C.

By: /s/ MURRAY A. INDICK
Murray A. Indick
Member

Kevin A. Richardson, II

By: /s/ MURRAY A. INDICK
Murray A. Indick
Attorney-in-Fact

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Exhibit 99.1

JOINT FILING AGREEMENT

The undersigned, being duly authorized thereunto, hereby execute this agreement as an exhibit to this Schedule 13D to evidence the agreement of the below-named parties, in accordance with the rules promulgated pursuant to the Securities Exchange Act of 1934, to file this Schedule jointly on behalf of each such party.

Dated: April 22, 2010

Prides Capital Partners, L.L.C.

By: /s/ MURRAY A. INDICK
 Murray A. Indick
 Member

Kevin A. Richardson, II

By: /s/ MURRAY A. INDICK
 Murray A. Indick
 Attorney-in-Fact