

SORELL STEHR DEBORAH  
 Form 4  
 May 05, 2005

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
**SORELL STEHR DEBORAH**

(Last) (First) (Middle)  
**C/O CANDIE'S INC, 215 WEST 40TH STREET**  
 (Street)

**NEW YORK, NY 10018**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**CANDIES INC [CAND]**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/03/2005**

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)  
**Senior VP, GC and Secretary**

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                             |
| Common Stock                    | 05/03/2005                           |  | M                              |   | 20,000  | A  | \$ 1.1875                         |
| Common Stock                    | 05/03/2005                           |  | M                              |   | 30,000  | A  | \$ 1.7                            |
| Common Stock                    | 05/03/2005                           |  | S                              |   | 11,000  | D  | \$ 5.119                          |
| Common Stock                    | 05/03/2005                           |  | S                              |   | 10,000  | D  | \$ 5.0326                         |
| Common Stock                    | 05/03/2005                           |  | S                              |   | 9,000   | D  | \$ 5.06                           |

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|              |            |   |       |   |           |        |   |                 |
|--------------|------------|---|-------|---|-----------|--------|---|-----------------|
| Common Stock | 05/03/2005 | S | 8,000 | D | \$ 5.05   | 12,000 | D |                 |
| Common Stock | 05/03/2005 | S | 6,300 | D | \$ 5      | 5,700  | D |                 |
| Common Stock | 05/03/2005 | S | 3,100 | D | \$ 5.1032 | 2,600  | D |                 |
| Common Stock | 05/03/2005 | S | 2,600 | D | \$ 5.01   | 0      | D |                 |
| Common Stock |            |   |       |   |           | 9,985  | I | By 401 (k) Plan |

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

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(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 (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 of Underlying Securities (Instr. 3 and 4) | Amount or Number of Shares |        |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|--------|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                      |        |
| Employee Stock Option (right to buy)       | \$ 1.1875  | 05/03/2005                           |  | M                              | 20,000  | <u>(1)</u>   | 11/04/2009  | Common Stock               | 20,000 |
| Employee Stock Option (right to buy)       | \$ 1.7   | 05/03/2005                           |  | M                              | 30,000  | <u>(2)</u>   | 09/21/2011  | Common Stock               | 30,000 |

## Reporting Owners

| Reporting Owner Name / Address | Relationships |           |         |       |
|--------------------------------|---------------|-----------|---------|-------|
|                                | Director      | 10% Owner | Officer | Other |

SORELL STEHR DEBORAH  
C/O CANDIE'S INC  
215 WEST 40TH STREET  
NEW YORK, NY 10018

Senior VP, GC and Secretary

## Signatures

/s/ Deborah  
Sorell Stehr

05/05/2005

\_\_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) (1) The option reported originally provided for the purchase of 50,000 shares and vested as follows: 15,000 on 11/4/99; 15,000 on 11/4/00 and 20,000 on 11/4/01.
  - (2) (2) The option reported originally provided for the purchase of 40,000 shares and vested as to one-third of the shares on each of 9/21/01, 9/21/02 and 9/21/03.

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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