

| OMB APPROVAL | |
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|--|--|--|
| 1. Name and Address of Reporting Person* <u>TRAFELET CAPITAL MANAGEMENT, L.P.</u> (Last) (First) (Middle) 590 MADISON AVENUE 26TH FLOOR (Street) NEW YORK NY 10022 (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>XCel Brands, Inc. [XELB]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) 06/27/2013 | |
| | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock, \$0.001 par value | 06/27/2013 | | S | | 167,100 | D | \$3.19 | 1,809,525 | I | See Footnotes ⁽¹⁾ (2)(3)(4) |
| Common Stock, \$0.001 par value | 06/27/2013 | | P | | 167,100 | A | \$3.19 | 1,809,525 | I | See Footnotes ⁽¹⁾ (2)(3)(4) |

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 Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|--|-----------------|---|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | | | | | |

1. Name and Address of Reporting Person*
TRAFELET CAPITAL MANAGEMENT, L.P.
 (Last) (First) (Middle)
 590 MADISON AVENUE
 26TH FLOOR
 (Street)
 NEW YORK NY 10022
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
TRAFELET & CO ADVISORS LLC
 (Last) (First) (Middle)
 590 MADISON AVENUE
 26TH FLOOR
 (Street)
 NEW YORK NY 10022
 (City) (State) (Zip)

1. Name and Address of Reporting Person*
TRAFELET REMY W

(Last) (First) (Middle)
[C/O TRAFELET CAPITAL MANAGEMENT, L.P.](#)
[590 MADISON AVE, 26TH FLOOR](#)

(Street)
[NEW YORK](#) [NY](#) [10022](#)

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[TRAFELET & CO LLC](#)

(Last) (First) (Middle)
[590 MADISON AVENUE](#)
[26TH FLOOR](#)

(Street)
[NEW YORK](#) [NY](#) [10022](#)

(City) (State) (Zip)

1. Name and Address of Reporting Person*

[Delta Institutional, LP](#)

(Last) (First) (Middle)
[C/O TRAFELET & COMPANY ADVISORS LLC](#)
[590 MADISON AVENUE, 26TH FLOOR](#)

(Street)
[NEW YORK](#) [NY](#) [10022](#)

(City) (State) (Zip)

Explanation of Responses:

1. This Form 4 is being filed on behalf of: (i) Delta Institutional, LP (the "Fund"); (ii) Trafelet & Company Advisors, LLC ("TCA"); (iii) Trafelet Capital Management, L.P. ("TCM"); (iv) Trafelet & Company, LLC ("TC"); and (v) Remy W. Trafelet ("Mr. Trafelet"), the managing member of TC and TCA. The persons and entities referred to in items (i)-(v) hereof may be collectively referred to herein as the "Reporting Persons". TCM serves as investment manager to the Fund and two other private investment vehicles and, in such capacity, exercises voting and investment control over the shares of Common Stock of the Issuer held for the accounts of the Fund and such other private investment vehicles. TCA serves as the general partner to the Fund and such other private investment vehicles. TC serves as the general partner of TCM. Mr. Trafelet may be deemed to have indirect beneficial ownership of the shares reported herein based on his relationship with TCM and TCA.

2. The Reporting Persons are filing this Form 4 in connection with a sale of Common Stock of the Issuer by one of the private investment vehicles of which TCA serves as general partner and TCM serves as investment manager, to two other private investment vehicles of which TCA serves as general partner and TCM serves as investment manager, one of which is the Fund, which acquired 153,732 of the total 167,100 shares sold.

3. As of June 27, 2013, the Fund directly owns 1,663,028 shares of Common Stock and 227,291 warrants. TCM, TC, TCA and Mr. Trafelet may be deemed to beneficially own 1,809,525 shares of Common Stock and 250,000 warrants.

4. Each Reporting Person disclaims beneficial ownership of the reported securities except to the extent of its pecuniary interest therein, and the inclusion of such securities in this report shall not be deemed an admission of beneficial ownership for purposes of Section 16 or for any other purpose.

Remarks:

[/s/ TRAFELET CAPITAL
MANAGEMENT, L.P., by
Trafelet & Company, LLC, the
General Partner, by Remy
Trafelet, Managing Member](#) [07/01/2013](#)
[/s/ TRAFELET & COMPANY,
LLC, by Remy Trafelet,
Managing Member](#) [07/01/2013](#)
[/s/ TRAFELET & COMPANY
ADVISORS, LLC, by Remy
Trafelet, Managing Member](#) [07/01/2013](#)
[/s/ DELTA INSTITUTIONAL,
LP, by Trafelet & Company
Advisors, LLC, the General
Partner, by Remy Trafelet,
Managing Member](#) [07/01/2013](#)
[/s/ REMY TRAFELET](#) [07/01/2013](#)

** Signature of Reporting Person Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.