

Edgar Filing: MAJESCO ENTERTAINMENT CO - Form SC 13D/A

MAJESCO ENTERTAINMENT CO  
Form SC 13D/A  
September 29, 2005

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

SCHEDULE 13D  
(Rule 13d-101)

(Amendment No. 4)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT TO RULE 13d-1(A) AND AMENDMENTS THERETO FILED PURSUANT TO RULE 13d-2(a)

Majesco Entertainment Company  
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(Name of Issuer)

Common Stock  
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(Title of Class of Securities)

784495103  
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(CUSIP Number)

Trinad Capital Master Fund Ltd.  
153 East 53rd Street, 48th Floor  
New York, N.Y. 10022

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

September 26, 2005  
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(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 Rule 13d-1(e), 13d-1(f), or 13d-1(g), check the following box: .

SCHEDULE 13D

CUSIP No. 784495103  
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1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Trinad Capital Master Fund Ltd.

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

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(b) [ ]

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3) SEC USE ONLY

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4) SOURCE OF FUNDS OO

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5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(d) OR 2(e) |\_ |

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6) CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

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NUMBER OF 7) SOLE VOTING POWER  
SHARES 1,688,590

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BENEFICIALLY 8) SHARED VOTING POWER

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OWNED BY 9) SOLE DISPOSITIVE POWER  
EACH 1,688,590

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REPORTING 10) SHARED DISPOSITIVE POWER  
PERSON  
WITH

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11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
1,688,590

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12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES  
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13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.59%

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14) TYPE OF REPORTING PERSON  
PN

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SCHEDULE 13D

CUSIP No. 784495103  
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1) NAME OF REPORTING PERSON  
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
Robert S. Ellin

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2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
(b)

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3) SEC USE ONLY

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4) SOURCE OF FUNDS OO

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5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEMS 2(d) OR 2(e) |\_ |

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6) CITIZENSHIP OR PLACE OF ORGANIZATION  
United States of America

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7)	SOLE VOTING POWER 33,856
	8)	SHARED VOTING POWER 2,043,144 (1)
	9)	SOLE DISPOSITIVE POWER 33,856
	10)	SHARED DISPOSITIVE POWER 2,043,144 (1)
11)	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 2,077,000 (1)	
12)	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES <input type="checkbox"/>	
13)	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.39%	
14)	TYPE OF REPORTING PERSON IN	

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(1) Includes (A) 1,688,590 shares of Common Stock owned by the Trinad Capital Master Fund Ltd. (the "Fund"); (B) 47,656 shares of Common Stock owned directly by Nancy J. Ellin, the spouse of Robert S. Ellin; (C) 225,456 shares of Common Stock that are owned directly by Atlantis Equities, Inc., a Delaware corporation of which Nancy J. Ellin is the sole stockholder ("Atlantis"); and (D) 81,442 shares of Common Stock owned by the Robert S. Ellin Profit Sharing Plan (the "Plan"). Mr. Ellin disclaims any beneficial ownership of shares of Common Stock held by the Fund except to the extent of (1) his indirect beneficial ownership as the managing member of Trinad Advisors GP, LLC, the general partner of a principal stockholder of the Fund, and (2) his indirect beneficial ownership as a limited partner of the Fund. Mr. Ellin also disclaims any beneficial ownership of shares of Common Stock owned directly by Mrs. Ellin, Atlantis and the Plan.

SCHEDULE 13D

CUSIP No. 784495103  
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1)	NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Nancy J. Ellin	
2)	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) [ ] (b) [ ]
3)	SEC USE ONLY	
4)	SOURCE OF FUNDS	OO
5)	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) <input type="checkbox"/>	

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6) CITIZENSHIP OR PLACE OF ORGANIZATION  
 United States of America

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7)	SOLE VOTING POWER 47,656
	8)	SHARED VOTING POWER 340,754(2)
	9)	SOLE DISPOSITIVE POWER 47,656
	10)	SHARED DISPOSITIVE POWER 340,754(2)

11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
 388,410(2)

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

13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
 1.74%

14) TYPE OF REPORTING PERSON  
 IN

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 (2) Includes (A) 33,856 shares of Common Stock owned by Robert S. Ellin, Mrs. Ellin's spouse, (B) 225,456 shares of Common Stock that are owned directly by Atlantis, a company of which Mrs. Ellin is the sole stockholder; and (C) 81,442 shares of Common Stock owned by the Plan. Mrs. Ellin disclaims any beneficial ownership of shares of Common Stock owned individually by Mr. Ellin, and owned directly by Mr. Ellin, the Plan and the Trust.

SCHEDULE 13D

CUSIP No. 784495103  
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1) NAME OF REPORTING PERSON  
 S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
 Atlantis Equities, Inc.

2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) [ ]  
 (b) [ ]

3) SEC USE ONLY

4) SOURCE OF FUNDS SC

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

6) CITIZENSHIP OR PLACE OF ORGANIZATION  
 New York

7) SOLE VOTING POWER

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NUMBER OF SHARES	225,456
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8) SHARED VOTING POWER
	9) SOLE DISPOSITIVE POWER 225,456
	10) SHARED DISPOSITIVE POWER
11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	225,456
12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	<input type="checkbox"/>
13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	1.01%
14) TYPE OF REPORTING PERSON	CO

SCHEDULE 13D

CUSIP No. 784495103  
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1) NAME OF REPORTING PERSON S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON Robert S. Ellin Profit Sharing Plan	
2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP	(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3) SEC USE ONLY	
4) SOURCE OF FUNDS	OO
5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e)	<input type="checkbox"/>
6) CITIZENSHIP OR PLACE OF ORGANIZATION United States of America	
NUMBER OF SHARES	7) SOLE VOTING POWER 81,442
BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	8) SHARED VOTING POWER
	9) SOLE DISPOSITIVE POWER 81,442
	10) SHARED DISPOSITIVE POWER
11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	

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81,442

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12) CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES  
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13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
0.37%

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14) TYPE OF REPORTING PERSON  
OO

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The purpose of this Schedule 13D/A is to reflect (i) changes in beneficial ownership of the Common Stock by certain of the Reporting Persons and (ii) a letter that was sent on September 28, 2005 by the Fund, one of the Reporting Persons, to the Board of Directors of the Issuer.

Item 3. Source and Amount of Funds or Other Consideration.

Since the date of the Schedule 13D, the Fund used \$12,289,302 of investment capital to purchase an aggregate of 1,688,590 shares of Common Stock.

Item 4. Purpose of Transaction.

The Reporting Persons have purchased and hold the shares of Common Stock reported by them for investment purposes. The Fund, one of the Reporting Persons, has sent letters to the Issuer's Board of Directors, requesting that certain actions be taken. To date, the Board has not taken any action with respect to the specific requests made by the Fund, other than the appointment of Jim Halpin as Chairman of the Issuer's Board.

On September 12, 2005, the Issuer reported a loss of \$37.5 million, or \$1.69 a share, for the third quarter ended July 31st, compared to net income of \$20.5 million, or \$1.06 a share, during the same period only one year ago. Revenue for the quarter plummeted to \$4.6 million from \$34 million last year. Based on previously-announced earnings guidance issued by the Issuer, analysts expected a loss of 65 cents a share on revenue of \$7.8 million, according to Thomson First Call. When the Issuer updated its earnings guidance just this past July, the Issuer predicted a full-year operating loss of just \$16 million to \$19 million on sales of \$120 million to \$125 million. Now, the Issuer has stated that it expects to post a full-year operating loss this year of \$40 million to \$45 million on sales ranging from \$60 million to \$65 million. It is conceivable that the Issuer will not have sufficient liquidity to fund current and anticipated operations, considering that the Issuer had only \$10.3 million in cash at the end of the quarter, and that the Issuer could face significant challenges in maintaining its existing financing or obtaining new financing at satisfactory levels and upon reasonable terms. As a result of these announcements and the Issuer's uncertain future, the trading price for the Common Stock as of the market close yesterday was \$1.32, the lowest price at which such shares have traded in nearly three years, and just over five percent (5%) of the price at which such shares traded only one year ago.

As a result of these developments and the Fund's continued belief in the Issuer's significant potential, yesterday, September 28, 2005, the Fund made an offer to the Issuer in a letter addressed to the Issuer's board of directors to invest \$5 million in the Issuer through the purchase from the Issuer of 3,333,333 shares of Common Stock at a price of \$1.50 per share, representing a premium of more than 17% over yesterday's closing price of the Common Stock. This investment is subject to several conditions, including the completion by the Fund of a due diligence review of the Issuer, the ability to appoint a

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majority of members to the Issuer's board of directors and the grant of registration rights with respect to such shares. A copy of this letter is attached hereto as Exhibit A.

The Reporting Persons may at any time, or from time to time, acquire additional shares of Common Stock or dispose of their shares of Common Stock, propose or pursue any of the foregoing actions or matters or change their intentions with respect to the matters referred to herein.

### Item 5. Interest in Securities of the Issuer.

(a) As of the date hereof:

(i) The Fund may be deemed to beneficially own 1,688,590 shares of Common Stock, representing approximately 7.59% of the outstanding shares of Common Stock.

(ii) Robert S. Ellin may be deemed to beneficially own 2,077,000 shares of Common Stock, representing approximately 9.39% of the outstanding shares of Common Stock, including: (A) 33,856 shares of Common Stock owned directly by Robert S. Ellin; (B) 1,688,590 shares of Common Stock owned by the Fund; (C) 47,656 shares of Common Stock owned directly by Nancy J. Ellin, the spouse of Robert S. Ellin; (D) 225,456 shares of Common Stock owned directly by Atlantis, a Delaware corporation of which Nancy J. Ellin is the sole stockholder; and (E) 81,442 shares of Common Stock owned by the Plan. Mr. Ellin disclaims any beneficial ownership of shares of Common Stock held by the Fund except to the extent of (1) his indirect beneficial ownership as the managing member of Trinad Advisors GP, LLC, the general partner of a principal stockholder of the Fund, and (2) his indirect beneficial ownership as a limited partner of the Fund. Mr. Ellin also disclaims any beneficial ownership of shares of Common Stock owned directly by Mrs. Ellin, Atlantis and the Plan.

(b) As of the date hereof:

(i) The Fund has sole power to vote and dispose of 1,688,590 shares of Common Stock.

(ii) Robert S. Ellin has sole power to vote and dispose of 33,856 shares of Common Stock and shared power to vote and dispose of 2,043,144 shares of Common Stock, reflecting, (A) 1,688,590 shares of Common Stock owned by the Fund; (b) 47,656 shares of Common Stock owned directly by Nancy J. Ellin, the spouse of Robert S. Ellin; (C) 225,456 shares of Common Stock that are owned directly by Atlantis; and (D) 81,442 shares of Common Stock owned by the Plan. Mr. Ellin disclaims any beneficial ownership of shares of Common Stock held by the Fund except to the extent of (1) his indirect beneficial ownership as the managing member of Trinad Advisors GP, LLC, the general partner of a principal stockholder of the Fund, and (2) his indirect beneficial ownership as a limited partner of the Fund. Mr. Ellin also disclaims any beneficial ownership of shares of Common Stock owned directly by Mrs. Ellin, Atlantis and the Plan.

(c) The following Reporting Persons have effected the following transactions with respect to shares of the Common Stock since the date of the Schedule 13D:

On March 23, 2004, the Fund purchased 12,000 shares of Common Stock through a privately negotiated transaction at a price of \$10.00 per share.

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On May 24, 2004, the Fund purchased 24,286 shares of Common Stock through an open market transaction at a price of \$8.7501 per share.

On October 29, 2004, the Fund purchased 71,428 shares of Common Stock through an open market transaction at a price of \$14.0001 per share.

On December 23, 2004, the Fund purchased 171,428 shares of Common Stock through an open market transaction at a price of \$8.0500 per share.

On January 20, 2005, the Fund purchased 700 shares of Common Stock through an open market transaction at a price of \$13.7500 per share.

On January 24, 2005, the Fund purchased 7,001 shares of Common Stock through a privately negotiated transaction at a price of \$9.99 per share.

On January 26, 2005, the Fund purchased 20,000 shares of Common Stock through an open market transaction at a price of \$12.5007 per share.

On January 27, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$12.1530 per share.

On January 31, 2005, the Fund purchased 3,000 shares of Common Stock through an open market transaction at a price of \$12.0143 per share.

On February 4, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$12.3328 per share.

On February 4, 2005, the Fund purchased 1,000 shares of Common Stock through an open market transaction at a price of \$12.0700 per share.

On February 9, 2005, the Fund purchased 2,600 shares of Common Stock through an open market transaction at a price of \$11.8827 per share.

On February 10, 2005, the Fund purchased 2,700 shares of Common Stock through an open market transaction at a price of \$11.8750 per share.

On February 14, 2005, the Fund purchased 1,900 shares of Common Stock through an open market transaction at a price of \$12.1674 per share.

On February 15, 2005, the Fund purchased 2,500 shares of Common Stock through an open market transaction at a price of \$13.3200 per share.

On February 16, 2005, the Fund purchased 10,200 shares of Common Stock through an open market transaction at a price of \$11.5488 per share.

On February 17, 2005, the Fund purchased 38,900 shares of Common Stock through an open market transaction at a price of \$10.9547 per share.

On February 22, 2005, the Fund purchased 100 shares of Common Stock through an open market transaction at a price of \$11.6500 per share.

On February 23, 2005, the Fund purchased 6,500 shares of Common Stock through an open market transaction at a price of \$11.5415 per share.

On February 24, 2005, the Fund purchased 9,678 shares of Common Stock through an open market transaction at a price of \$12.0540 per share.

On February 25, 2005, the Fund purchased 2,200 shares of Common



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Stock through an open market transaction at a price of \$11.9823 per share.

On February 28, 2005, the Fund purchased 2,000 shares of Common Stock through an open market transaction at a price of \$11.9300 per share.

On February 28, 2005, the Fund purchased 2,000 shares of Common Stock through an open market transaction at a price of \$11.6745 per share.

On March 1, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$11.7015 per share.

On March 1, 2005, the Fund purchased 5,500 shares of Common Stock through an open market transaction at a price of \$11.8211 per share.

On March 2, 2005, the Fund purchased 15,000 shares of Common Stock through an open market transaction at a price of \$11.8202 per share.

On March 3, 2005, the Fund purchased 3,800 shares of Common Stock through an open market transaction at a price of \$12.3747 per share.

On March 4, 2005, the Fund purchased 5,400 shares of Common Stock through an open market transaction at a price of \$12.4278 per share.

On March 7, 2005, the Fund purchased 2,700 shares of Common Stock through an open market transaction at a price of \$12.5233 per share.

On March 8, 2005, the Fund purchased 2,000 shares of Common Stock through an open market transaction at a price of \$12.7800 per share.

On March 9, 2005, the Fund purchased 1,300 shares of Common Stock through an open market transaction at a price of \$12.9692 per share.

On March 10, 2005, the Fund purchased 2,500 shares of Common Stock through an open market transaction at a price of \$12.7086 per share.

On March 11, 2005, the Fund purchased 100 shares of Common Stock through an open market transaction at a price of \$13.5000 per share.

On March 14, 2005, the Fund purchased 4,600 shares of Common Stock through an open market transaction at a price of \$13.0989 per share.

On March 16, 2005, the Fund purchased 4,800 shares of Common Stock through an open market transaction at a price of \$12.5533 per share.

On March 18, 2005, the Fund purchased 5,600 shares of Common Stock through an open market transaction at a price of \$12.1644 per share.

On March 21, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$12.1063 per share.

On March 22, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$11.4200 per share.

On March 23, 2005, the Fund purchased 20,000 shares of Common Stock through an open market transaction at a price of \$10.9404 per share.

On March 23, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$11.0150 per share.

On March 24, 2005, the Fund purchased 10,000 shares of Common Stock

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through an open market transaction at a price of \$10.9633 per share.

On March 24, 2005, the Fund purchased 6,200 shares of Common Stock through an open market transaction at a price of \$11.2184 per share.

On March 28, 2005, the Fund purchased 5,700 shares of Common Stock through an open market transaction at a price of \$11.0326 per share.

On March 29, 2005, the Fund purchased 32,500 shares of Common Stock through an open market transaction at a price of \$10.9300 per share.

On March 29, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$10.8670 per share.

On March 30, 2005, the Fund purchased 20,000 shares of Common Stock through an open market transaction at a price of \$11.0373 per share.

On March 31, 2005, the Fund purchased 12,900 shares of Common Stock through an open market transaction at a price of \$11.2310 per share.

On April 5, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$10.1515 per share.

On April 5, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$10.4191 per share.

On April 5, 2005, the Fund purchased 3,500 shares of Common Stock through an open market transaction at a price of \$10.3300 per share.

On April 6, 2005, the Fund purchased 4,300 shares of Common Stock through an open market transaction at a price of \$10.0593 per share.

On April 7, 2005, the Fund purchased 20,700 shares of Common Stock through an open market transaction at a price of \$9.7471 per share.

On April 8, 2005, the Fund purchased 9,600 shares of Common Stock through an open market transaction at a price of \$9.2016 per share.

On April 11, 2005, the Fund purchased 2,400 shares of Common Stock through an open market transaction at a price of \$9.3096 per share.

On April 12, 2005, the Fund purchased 9,400 shares of Common Stock through an open market transaction at a price of \$9.3577 per share.

On April 14, 2005, the Fund purchased 11,300 shares of Common Stock through an open market transaction at a price of \$9.8055 per share.

On April 15, 2005, the Fund purchased 3,700 shares of Common Stock through an open market transaction at a price of \$9.9111 per share.

On April 18, 2005, the Fund purchased 10,974 shares of Common Stock through an open market transaction at a price of \$10.0241 per share.

On April 18, 2005, the Fund purchased 3,500 shares of Common Stock through an open market transaction at a price of \$9.9343 per share.

On April 19, 2005, the Fund purchased 14,600 shares of Common Stock through an open market transaction at a price of \$10.1186 per share.

On April 20, 2005, the Fund purchased 4,600 shares of Common Stock

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through an open market transaction at a price of \$9.9333 per share.

On April 21, 2005, the Fund purchased 4,000 shares of Common Stock through an open market transaction at a price of \$10.0103 per share.

On April 21, 2005, the Fund purchased 2,500 shares of Common Stock through an open market transaction at a price of \$10.0360 per share.

On April 22, 2005, the Fund purchased 3,400 shares of Common Stock through an open market transaction at a price of \$10.0947 per share.

On April 25, 2005, the Fund purchased 8,500 shares of Common Stock through an open market transaction at a price of \$10.1236 per share.

On April 26, 2005, the Fund purchased 14,593 shares of Common Stock through an open market transaction at a price of \$10.0259 per share.

On April 27, 2005, the Fund purchased 6,800 shares of Common Stock through an open market transaction at a price of \$9.9026 per share.

On April 28, 2005, the Fund purchased 10,400 shares of Common Stock through an open market transaction at a price of \$9.5889 per share.

On April 29, 2005, the Fund purchased 30,000 shares of Common Stock through an open market transaction at a price of \$9.1631 per share.

On May 2, 2005, the Fund purchased 25,689 shares of Common Stock through an open market transaction at a price of \$8.3483 per share.

On May 3, 2005, the Fund purchased 19,200 shares of Common Stock through an open market transaction at a price of \$8.2380 per share.

On May 3, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.2530 per share.

On May 4, 2005, the Fund purchased 14,900 shares of Common Stock through an open market transaction at a price of \$8.2605 per share.

On May 5, 2005, the Fund purchased 14,124 shares of Common Stock through an open market transaction at a price of \$8.3633 per share.

On May 6, 2005, the Fund purchased 3,000 shares of Common Stock through an open market transaction at a price of \$8.4983 per share.

On May 9, 2005, the Fund purchased 1,000 shares of Common Stock through an open market transaction at a price of \$8.5000 per share.

On May 10, 2005, the Fund purchased 3,300 shares of Common Stock through an open market transaction at a price of \$8.0539 per share.

On May 11, 2005, the Fund purchased 2,900 shares of Common Stock through an open market transaction at a price of \$8.1076 per share.

On May 16, 2005, the Fund purchased 800 shares of Common Stock through an open market transaction at a price of \$8.2055 per share.

On May 17, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.9426 per share.

On May 18, 2005, the Fund purchased 4,000 shares of Common Stock

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through an open market transaction at a price of \$9.0725 per share.

On May 20, 2005, the Fund purchased 3,000 shares of Common Stock through an open market transaction at a price of \$9.0333 per share.

On May 23, 2005, the Fund purchased 4,500 shares of Common Stock through an open market transaction at a price of \$9.0606 per share.

On May 26, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.9906 per share.

On June 1, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$8.6765 per share.

On June 2, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.2315 per share.

On June 2, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$7.9310 per share.

On June 2, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.5030 per share.

On June 15, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$8.1580 per share.

On June 24, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$7.6067 per share.

On June 29, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$6.5515 per share.

On June 29, 2005, the Fund purchased 2,000 shares of Common Stock through an open market transaction at a price of \$6.0375 per share.

On June 30, 2005, the Fund purchased 9,000 shares of Common Stock through an open market transaction at a price of \$6.4532 per share.

On July 05, 2005, the Fund purchased 200 shares of Common Stock through an open market transaction at a price of \$6.9350 per share.

On July 06, 2005, the Fund purchased 3,700 shares of Common Stock through an open market transaction at a price of \$6.8195 per share.

On July 12, 2005, the Fund purchased 50,000 shares of Common Stock through an open market transaction at a price of \$3.4399 per share.

On July 13, 2005, the Fund purchased 190,300 shares of Common Stock through an open market transaction at a price of \$3.4124 per share.

On July 15, 2005, the Fund purchased 2,500 shares of Common Stock through an open market transaction at a price of \$3.6200 per share.

On July 19, 2005, the Fund purchased 50,000 shares of Common Stock through an open market transaction at a price of \$3.4503 per share.

On July 28, 2005, the Fund purchased 10,000 shares of Common Stock through an open market transaction at a price of \$3.3980 per share.

On July 29, 2005, the Fund purchased 20,000 shares of Common Stock

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through an open market transaction at a price of \$3.3489 per share. On July 29, 2005, the Fund purchased 15,000 shares of Common Stock through an open market transaction at a price of \$3.3810 per share.

On July 29, 2005, the Fund purchased 11,319 shares of Common Stock through an open market transaction at a price of \$3.3543 per share.

On August 10, 2005, the Fund purchased 3,000 shares of Common Stock through an open market transaction at a price of \$2.9133 per share.

On August 11, 2005, the Fund purchased 11,700 shares of Common Stock through an open market transaction at a price of \$2.7568 per share.

On August 15, 2005, the Fund purchased 5,000 shares of Common Stock through an open market transaction at a price of \$2.7756 per share.

On August 16, 2005, the Fund purchased 7,500 shares of Common Stock through an open market transaction at a price of \$2.8525 per share.

On August 22, 2005, the Fund purchased 2,500 shares of Common Stock through an open market transaction at a price of \$2.6400 per share.

On August 30, 2005, the Fund purchased 6,400 shares of Common Stock through an open market transaction at a price of \$2.6353 per share.

On August 31, 2005, the Fund purchased 11,570 shares of Common Stock through an open market transaction at a price of \$2.6198 per share.

On September 6, 2005, the Fund purchased 1,000 shares of Common Stock through an open market transaction at a price of \$2.6500 per share.

On September 8, 2005, the Fund purchased 3,000 shares of Common Stock through an open market transaction at a price of \$2.5067 per share.

On September 22, 2005, the Fund purchased 45,106 shares of Common Stock through an open market transaction at a price of \$1.3003 per share.

On September 23, 2005, the Fund purchased 104,894 shares of Common Stock through an open market transaction at a price of \$1.3902 per share.

On September 23, 2005, the Fund purchased 50,000 shares of Common Stock through an open market transaction at a price of \$1.4403 per share.

On September 26, 2005, the Fund purchased 100,000 shares of Common Stock through an open market transaction at a price of \$1.4382 per share.

### SIGNATURES

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

Dated: September 29, 2005

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TRINAD CAPITAL MASTER FUND LTD.

By: Trinad Capital L.P.

By: Trinad Advisors GP, LLC

By: /s/ Robert S. Ellin

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Robert. S. Ellin, Managing Member

/s/ Robert S. Ellin

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Robert S. Ellin

/s/ Nancy J. Ellin

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Nancy J. Ellin

ATLANTIS EQUITIES, INC.

/s/ Nancy J. Ellin

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By: Nancy J. Ellin, President

ROBERT S. ELLIN PROFIT SHARING PLAN

/s/ Robert S. Ellin, Trustee

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By: Robert S. Ellin, Trustee

ROBERT ELLIN FAMILY 1997 TRUST

/s/ Sophia Wakehan, Trustee

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By: Sophia Wakeham, Trustee

TRINAD CAPITAL MASTER FUND LTD.

By: Trinad Capital L.P.

By: Trinad Advisors GP LLC

By: /s/ Robert S. Ellin

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Name: Robert S. Ellin  
Title: Managing Member

Trinad Capital Master Fund Ltd.  
153 East 53rd Street  
48th Floor  
New York, NY 10019

September 27, 2005

Majesco Entertainment Company  
160 Raritan Center Parkway  
Suite 1  
Edison, New Jersey 08837

Attention: Board of Directors of Majesco Entertainment Company

Gentlemen:

As you know, Trinad Capital Master Fund Ltd. and its affiliates ("Trinad" or "we"), which has been a long-time shareholder of Majesco Entertainment Company ("Majesco" or the "Company"), have made repeated requests for fundamental changes in the Company's management structure, corporate governance, executive compensation and board composition in our letters to you over the past several months. Based on our analysis of the Company's publicly-available information and filings, we believe that the Company now faces danger to its continued existence and prosperity due to a number of factors, including its declining business, a disruption of its customer relationships, an immediate need for additional capital and a total lack of investor confidence in the Company. It is conceivable that the Company will not have sufficient liquidity to fund current and anticipated operations, considering that the Company had only \$10.3 million in cash at the end of the quarter, and that the Company will likely face significant challenges in maintaining its existing financing or obtaining new financing at satisfactory levels and upon reasonable terms.

We have long been proponents of, and believers in, the significant potential of the Company. With this in mind, and considering the Company's impending liquidity crisis, we are prepared to make an equity investment in the Company of five million dollars (\$5,000,000), at a price of \$1.50 per share, in the Company's common stock ("Common Stock"), upon the terms, and subject to the satisfaction of each of the conditions, hereinafter set forth.

1. Cash Investment. The Company shall issue and sell to Trinad or its designees, and Trinad or its designees shall purchase from the Company, an aggregate of 3,333,333 shares of Common Stock at a price of \$1.50 per share, or an aggregate of five million dollars. We refer to the purchase and sale of Common Stock as set forth above as the "Investment." The Company shall cause the shares to be registered under the Securities Act of 1933 within 30 days following the completion of the Investment.
2. Due Diligence. The Investment is subject to the completion to our satisfaction, in our sole and absolute discretion, of a due diligence review of the Company. Majesco shall permit Trinad and its authorized employees and agents, at Trinad's expense, to have access to the operations and facilities, customers, books, records, employees, counsel, accountants and other representatives of Majesco for the purpose of evaluating the transaction contemplated hereby.

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3. Board Representation. As a condition to closing, the Company and the board shall take all necessary and desirable action, as reasonably requested by Trinad, to cause a majority of the Company's board of directors to be comprised of individuals nominated by Trinad. We recognize that this may be effected in a number of ways including, without limitation, through the resignation of certain existing board members or by increasing the size of the existing board and, in each case, filling vacancies with our nominees. We are prepared to propose as nominees individuals that we strongly believe will add value to the Board's decision-making process and enhance the Board's ability to maximize shareholder value.
4. Board Approval; Compliance with Applicable Laws. The Investment and the other actions contemplated hereby shall be approved in advance by the Board of Directors of Majesco in a manner to render inapplicable any and all laws, regulations and agreements that would prevent, or impose material conditions upon, the Investment. Further, Majesco shall execute and deliver any further instruments or documents and take all such necessary action that may be reasonably requested by Trinad to carry out the purpose of this letter.
5. Miscellaneous.

(a) Attorneys' Fees. In the event any of the parties hereto shall institute any action or proceeding against any other party or parties hereto relating to this letter, the unsuccessful party in such action or proceeding shall reimburse the successful party or parties for its reasonable expense incurred in connection herewith, including reasonable attorneys' fees.

(b) Governing Law. This letter shall be governed by, construed and enforced in accordance with the laws of the State of New York, United States of America, without regard to conflict of law principles.

(c) Entire Letter; Modification. This letter sets forth the entire understanding among the parties and supersedes all agreements made prior to or contemporaneously herewith, written or oral, with respect to the subject matter hereof. Any modification of this letter must be in writing and signed by all of the parties hereto in an instrument which makes specific reference to this letter.

(d) Termination. In the event that this letter is not accepted in writing by Majesco and returned to Trinad before 5:00 p.m., New York time, on October 4, 2005, this letter shall automatically terminate and be null and void without any obligation of Trinad. Further, this letter may be terminated by Trinad by the delivery of written notice to Majesco of its desire to so terminate this letter.

(e) Counterparts. This letter may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

(f) Non-Binding Letter. Your acceptance and execution of this letter will affirm our mutual intent as set forth herein. This letter expresses only the intention of Trinad to make the Investment contemplated hereby upon the terms and subject to the conditions contained herein, and does not constitute a binding agreement, or create any legal obligation on the part of, Trinad. Any such agreement or legal obligation shall be created solely through the execution and delivery of a definitive purchase or investment agreement in form and



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substance mutually satisfactory to each of Trinad and Majesco. If such a definitive agreement is not executed, our respective obligations under this letter of intent shall be terminated.

We are confident that our proposal is generous, reasonable and serves the interests of the Company's shareholders. The time has clearly come for the board to take decisive and aggressive action

to begin to deal with the enormity of problems that now face the Company. Given the Company's continued poor performance and current and deteriorating financial position, your failure to agree to our generous proposal could only be deemed to have been made for the purpose of entrenching the current management of the Company and the existing board of directors. This, of course, is completely unacceptable to shareholders and the investment community, and would be in clear violation of your fiduciary and other duties as members of the board. Time is clearly of the essence, as any further diminution in shareholder value is simply unacceptable. Subject to compliance with applicable law, we may seek to accumulate additional shares to bring our interest to more than 10% of the Company's issued and outstanding shares of common stock, and become more actively involved in the Company.

If the foregoing correctly reflects our understanding with respect to the subject matter thereof, please so indicate by signing this letter in the space provided below for your signature.

Very truly yours,

TRINAD CAPITAL MASTER FUND LTD.

By: Trinad Capital L.P.

By: Trinad Advisors GP LLC

By: /s/ Robert S. Ellin

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Name: Robert S. Ellin  
Title: Managing Member

AGREED TO AND ACCEPTED  
THIS \_\_ DAY OF \_\_\_\_\_, 2005:

MAJESCO ENTERTAINMENT COMPANY

By: \_\_\_\_\_  
Name:  
Title: