

TARRANT APPAREL GROUP
Form 8-K
November 01, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): October 31, 2005

TARRANT APPAREL GROUP

(Exact Name of Registrant as Specified in Charter)

CALIFORNIA
(State or Other Jurisdiction
of Incorporation)

0-26006
(Commission
File Number)

95-4181026
(I.R.S. Employer
Identification No.)

3151 EAST WASHINGTON BOULEVARD
LOS ANGELES, CALIFORNIA
(Address of Principal Executive Offices)

90023
(Zip Code)

(323) 780-8250

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On October 31, 2005, we amended our letter of credit facility with UPS Capital Global Trade Finance Corporation, or UPSC. Our subsidiaries in Hong Kong, Tarrant Company Limited, Marble Limited and Trade Link Holdings Limited (each, a HK Subsidiary and collectively, the HK Subsidiaries), entered into a Fifteenth Deed of Variation to Syndicated Letter of Credit Facility with UPSC on October 31, 2005 (the Facility Amendment).

The Facility Amendment amended the HK Subsidiaries' previously existing letter of credit facility with UPSC, pursuant to which our HK Subsidiaries may arrange for the issuance letters of credit and acceptances, to, among other things, extend the expiration date of the facility from October 31, 2005 to January 31, 2006 and amend the interest rate under the facility to the prime rate plus 3%. The Facility Amendment also provides for reductions in the maximum amount of borrowings under the facility to \$13.5 million commencing on November 1, 2005, to \$13.0 million commencing on December 1, 2005 and to \$12.5 million commencing on January 1, 2006. Additionally, Gerard Guez, our Chairman, pledged to UPSC 4.6 million shares of our common stock held by Mr. Guez as additional collateral to secure the obligations under the credit facility with UPSC. In connection with this amendment, we paid UPSC a fee of \$30,000.

Item 1.01 Entry into a Material Definitive Agreement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TARRANT APPAREL GROUP

By:

Date: November 1, 2005

/s/ Corazon Reyes

Corazon Reyes, Chief Financial Officer