

Edgar Filing: INNOVO GROUP INC - Form 8-K

As previously disclosed in a Current Report on Form 8-K filed on October 19, 2006, Innoovo Group Inc. and its subsidiary, Joe's Jeans, Inc. (collectively, the "Company") entered into a Collateral Protection Agreement ("CPA") with JD Design, LLC ("JD Design"), a California limited liability company and licensor of the Joe's Jeans brand (the "Brand"). On October 30, 2006, the Company and JD Design entered into a First Amendment to the CPA to amend the methodology by which the amount of shares could potentially be issued in the future to JD Design. The amended now provides that if an Event of Default (as defined in the CPA) occurs, then the amount of shares to be issued would be calculated by dividing the amount owed by the Company to CIT (not to exceed \$2,000,000) by the greater of (i) \$0.52 or (ii) the closing bid price of the Company's shares of common stock as reported by Nasdaq immediately preceding the time upon which JD Design fulfills its obligations to CIT.

ITEM 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On October 20, 2006, the Company filed a Notification Form: Listing of Additional Shares with The NASDAQ Stock Market Inc., ("Nasdaq"), to inform Nasdaq of the transaction with JD Design on October 13, 2006. Upon review of the form by Nasdaq, the Company was verbally notified by Nasdaq that it was not compliant with the shareholder approval requirements set forth in Marketplace Rule 4350(i)(1)(A) (the "Rule").

Subsequently, on October 30, 2006, the Company provided Nasdaq with an amendment to the agreement as described above. As a result, on November 1, 2006, the Company received a letter from Nasdaq informing it that they had determined, based upon their review of the amendment and subject to proper disclosure, that the Company had regained compliance with the Rule and that the matter was now closed.

On November 3, 2006, the Company issued a press release relating to this matter. A copy of the press release is attached hereto as Exhibit 99.1.

ITEM 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated November 3, 2006

SIGNATURES

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 thereunto duly authorized.

INNOVO GROUP INC.
(Registrant)

Edgar Filing: INNOVO GROUP INC - Form 8-K

Date: November 3, 2006

By: /s/ Marc Crossman
Marc Crossman
Chief Executive Officer,
President, Chief Financial
Officer and Director
(Principal Executive Officer
and Principal Financial
Officer)

Exhibit Index

Exhibit Number	Description
99.1	Press Release dated November 3, 2006