

Edgar Filing: BLUE HOLDINGS, INC. - Form 8-K

Assignment, Assumption and Amendment Agreement with Caitac International, Inc., a corporation organized under the laws of Japan ("Caitac"), and Blue Concept, LLC, a California limited liability company ("Blue Concept"), pursuant to which Blue Concept assigned to Taverniti its rights under that certain International Distribution Agreement dated as of May 1, 2005, between Blue Concept and Caitac.

Under the terms of the International Distribution Agreement, Blue Concept, on behalf of Taverniti, granted to Caitac for a term of 42 months the exclusive right to distribute products under the brand name "Taverniti So Jeans" in the territory of Japan. The International Distribution Agreement automatically renews for additional 3-year terms unless either party provides notice to the other of termination thereof or the International Distribution Agreement is terminated by mutual written consent of the parties thereto. Caitac's purchase price for products and salesman samples under the brand name "Taverniti So Jeans" under the International Distribution Agreement is at a discount to the then current United States wholesale price of such products.

Blue Concept also agreed to supply Caitac with samples of all sales aids produced in connection with products under the brand name "Taverniti So Jeans" for use by Caitac in drafting sales aids for marketing in Japan and to provide Caitac with access to technical, sales and service personnel to such degree as Blue Concept deems appropriate.

In addition, Blue Concept granted to Caitac a right of first refusal to distribute products under the brand name "Taverniti So Jeans" in East Asia, including without limitation, the People's Republic of China, the Republic of Korea (South Korea), the Republic of China (Taiwan), Singapore, Malaysia, Vietnam, Indonesia and the Philippines.

Caitac agreed to use its best efforts to achieve minimum sales levels during the term of the International Distribution Agreement.

Blue Concept is co-owned by Paul Guez, the Registrant's Chairman, Chief Executive Officer and President, and majority shareholder. The Assignment, Assumption and Amendment Agreement was approved by a majority of the Registrant's Board of Directors, including all of its independent directors.

SIGNATURES

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

Blue Holdings, Inc.

Date: August 4, 2006

By: /s/ Patrick Chow

Patrick Chow, Chief Financial Officer
and Secretary