

COACH INDUSTRIES GROUP INC
Form 8-K
December 20, 2006

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) December 5, 2006

Coach Industries Group, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction

of incorporation)

000-19471
(Commission File Number)

91-1942841
(IRS Employer

Identification No.)

12330 SW 53rd Street, Suite 703 Cooper City, Florida
(Address of principal executive offices)

33330
(Zip Code)

Registrant's telephone number, including area code: (954) 602-1400

(Former name or former address, if changed since last report.)

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):

Edgar Filing: COACH INDUSTRIES GROUP INC - Form 8-K

- .. 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 December 5, 2006, Coach Industries Group, Inc. (the Company), Sub-contracting Concepts, Inc. (Connecticut) (SCI-CT), Subcontracting Concepts, Inc. (New York) (SCI-NY) and SCI Two-Wheel, Inc. (SCI-2) (collectively, the Defendants), entered into a Release and Settlement Agreement (the Settlement Agreement) with Transguard Insurance Company of America, Inc. (TGIA), National Association of Independent Truckers, LLC (NAIT) (collectively, the Plaintiffs), and Transguard General Insurance Agency, Inc. (TGG).

The Settlement Agreement was entered into in connection with a complaint filed on June 29, 2006 by the Plaintiffs against the Defendants in the United States District Court for the Northern District of Illinois. The complaint alleged breach of fiduciary duty, breach of contract (implied and in fact) and an account stated and sought relief in the amount of \$1,054,000. The Defendants filed a counterclaim against Plaintiffs and a third-party claim against TGG alleging that said entities breached the December 4, 2004 Insurance Program Marketing Agreement (the Marketing Agreement) entered into between the Defendants and TGG/NAIT. Defendants claimed that the Plaintiffs failed to provide insurance coverage for the duration of the Marketing Agreement thereby causing the Defendants to expend substantial time and resources procuring alternative insurance coverage. The foregoing narrative description is referred to herein as the Litigation.

As consideration for the settlement, the Defendants

Paid the Plaintiffs \$400,000 on December 12, 2006;

Agreed that TGIA could retain \$80,000 held in escrow on behalf of the Defendants; and

Waived a claim that Defendants had made premium overpayments to TGIA of \$47,000.

In addition, the Defendants agreed to pay Creative Insurance Managers, Inc. (CIM) \$53,000 to discharge claims by CIM against TGIA and TGG for unpaid brokerage commissions. CIM has waived this obligation. The Defendants further agreed to indemnify the Plaintiffs and TGG against any claims made by CIM against them for premiums under the Marketing Agreement.

Item 9.01 Financial Statements and Exhibits.

Exhibit

Number	Description
99.1	Press release dated December 19, 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 hereunto duly authorized.

COACH INDUSTRIES GROUP, INC.

(Registrant)

Date December 19, 2006

By: /s/ Robert L. Lefebvre
Name: Robert L. Lefebvre
Title: Chief Executive Officer

Exhibit Index

Exhibit

Number	Description
99.1	Press release dated December 19, 2006