

PRICESMART INC
Form 8-K
April 22, 2008

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): April 9, 2008

PriceSmart, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

000-22793
(Commission File Number)

9740 Scranton Road, San Diego, CA 92121

(Address of Principal Executive Offices, including Zip Code)

33-0628530
(I.R.S. Employer

Identification No.)

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Registrant's telephone number, including area code: (858) 404-8800

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 and Item 8.01 Other Events.

On February 11, 2008, PriceSmart, Inc. (PriceSmart or the Company) announced that the Company has entered into a Settlement Agreement and Release with PSC, S.A. (PSC), Tecnicard, Inc. and Banco de la Produccion, and their affiliates (collectively PSC Parties), which resolves the previously announced disputes that had been pending between the Company and the PSC Parties. Among other things, the Settlement Agreement and Release calls for PSC to use commercially reasonable efforts to sell, during a 60 day period commencing February 8, 2008, 679,500 shares of the Company s common stock held by PSC at a price at or above \$25 per share. The Settlement Agreement and Release further provides that the Company and PSC will enter into a Put Agreement covering any of the 679,500 shares of the Company s common stock that PSC owns at the end of this 60 day period. A form of the Put Agreement is attached as an exhibit to the Settlement Agreement and Release.

The Put Agreement, made effective as of April 9, 2008, covers 330,708 shares of the Company s common stock, which is the number of shares PSC continued to hold as of April 9, 2008 out of the 679,500 shares it held as of the date of the Settlement Agreement and Release. The Put Agreement requires PSC to use commercially reasonable efforts to sell these remaining shares during a 60 day period commencing as of the date of the Put Agreement. At the conclusion of such period, and subject to the terms and conditions of the Put Agreement, PSC may require the Company to purchase at \$25.00 per share any of those shares that PSC has not successfully sold.

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.

Date: April 22, 2008

PRICESMART, INC.

By:

/s/ JOHN M. HEFFNER
John M. Heffner

Chief Financial Officer