



## Edgar Filing: INNOVO GROUP INC - Form 8-K

period ending August 28, 2004, on September 14, 2004, an action was filed in the United States District Court for the Central District of California alleging that certain transactions of our common stock during September and October 2003 and March 2004 between Innovo Group Inc ("Innovo"). on the one hand and Azteca Production International, Inc., SHD Investments, LLC, Integrated Apparel Resources, LLC, Commerce Investment Group, LLC, the Stephan Avner Guez Trust and the Griffin James Aron Guez Trust on the other hand violated Section 16(b) of the Securities Exchange Act of 1934 (the "Complaint"). We were named as a nominal defendant in the Complaint. On January 31, 2005, Azteca, SHD, Integrated, Commerce, the Trusts and other defendants filed a motion to dismiss the Complaint. The Motion to Dismiss was granted without leave to amend on April 18, 2005. The Innovo shareholder who brought the action appealed from the District Court's ruling.

On February 7, 2006, the Innovo shareholder agreed to dismiss her appeal with prejudice in exchange for a cash settlement from Azteca, SHD, Integrated, Commerce and the Trusts. We did not have to contribute to any part of the cash settlement. We expect the dismissal to become effective on March 20, 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)

Date: February 20, 2006

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