

PRICESMART INC
Form 8-K
June 17, 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): June 11, 2008

PriceSmart, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

000-22793
(Commission File Number)

33-0628530
(I.R.S. Employer
Identification No.)

9740 Scranton Road, San Diego, CA 92121

(Address of Principal Executive Offices, including Zip Code)

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

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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 8.01 Other Events.

On February 11, 2008, PriceSmart, Inc. (PriceSmart or the Company) announced that the Company had 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) to resolve the previously announced disputes that had been pending between the Company and the PSC Parties. Among other things, the Settlement Agreement and Release required 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 would enter into a Put Agreement covering any of the 679,500 shares of the Company s common stock that PSC owned at the end of this 60 day period.

As of April 9, 2008, the date of the Put Agreement, PSC held 330,708 shares of the Company s common stock. The Put Agreement required 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 could require the Company to purchase at \$25.00 per share any of those shares that PSC had not successfully sold. On June 11, 2008, PSC notified the Company that 64,739 shares remained unsold and it intended to exercise its right under the Put Agreement with respect to those remaining shares. The aggregate purchase price for the 64,739 shares subject to the put will be \$1,618,475, and the Company intends to complete the purchase of such shares by July 2, 2008.

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: June 17, 2008

PRICESMART, INC.

By:

/s/ JOHN M. HEFFNER
John M. Heffner

Chief Financial Officer