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"Initial Shares") to William Adams, aka will.i.am, of the Black Eyed Peas, pursuant to that certain Letter of Intent dated May 11, 2007 between the Registrant and Mr. Adams. The Letter of Intent provided, in part, for Mr. Adams to render certain design, marketing and promotional services to the Registrant in consideration of the issuance of shares of the Registrant's common stock. In accordance with the Nasdaq shareholder approval rules, the Registrant is required to obtain shareholder approval prior to its entry into a compensation arrangement pursuant to which stock may be acquired by a consultant. The Registrant did not obtain shareholder approval for the Letter of Intent with Mr. Adams.

On June 12, 2007, the Registrant provided supplemental documents to Nasdaq which restricted (a) the sale, disposition or transfer of the Initial Shares; (b) the voting power of the Initial Shares; and (c) the Initial Shares' participation in any economic distribution by the Registrant unless and until shareholder approval is obtained. Additionally, the supplemental documents provided for no future issuance of shares unless and until shareholder approval is obtained. Accordingly, the staff of Nasdaq has determined that the Registrant has regained compliance with the Rule and the matter is now closed.

The Registrant expects to receive formal shareholder approval of the Letter of Intent and the transactions contemplated thereunder, including the issuance of shares of the Registrant's common stock to Mr. Adams, on June 21, 2007 at the Registrant's annual shareholder meeting.

The Registrant issued a press release regarding the Nasdaq notification. A copy of the press release is being furnished as Exhibit 99.1 to this report and is incorporated herein by reference. The registrant has also included a copy of the Nasdaq notification as Exhibit 99.2.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

- (a) Financial statements of business acquired. Not applicable.

- (b) Pro forma financial information. Not applicable.

- (c) Shell company transactions. Not applicable

- (d) Exhibits.

- 99.1 Press Release issued by the Registrant on June 19, 2007.
- 99.2 Notification of Deficiency/Compliance issued by the NASDAQ Stock Market on June 18, 2007.

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: June 19, 2007

By: /s/ Larry Jacobs

Larry Jacobs, Chief Financial

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Officer and Secretary

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
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