

INNOVO GROUP INC

Form 4

May 16, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB
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Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Quiroga Richard Allan JR

(Last) (First) (Middle)

5804 EAST SLAUSON AVE

(Street)

COMMERCE, CA 90040

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
INNOVO GROUP INC [INNO]

3. Date of Earliest Transaction
(Month/Day/Year)
05/12/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
__X__ Officer (give title below) ____ Other (specify
below)

Principal Accounting Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities Acquired (A) or	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Underlying S (Instr. 3 and 4)
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(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8) Code	Disposed of (D) (Instr. 3, 4, and 5)	(A)	(D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (right to buy)	\$ 1.55	05/12/2006	D ⁽¹⁾		100,000		⁽¹⁾	08/02/2014	Common Stock
Employee Stock Option (right to buy)	\$ 1.02	05/12/2006	A ⁽¹⁾	100,000			⁽¹⁾	08/02/2014 ⁽³⁾	Common Stock
Employee Stock Option (right to buy)	\$ 2.22	05/12/2006	D ⁽⁴⁾		100,000		⁽⁴⁾	08/04/2015	Common Stock
Employee Stock Option (right to buy)	\$ 1.02	05/12/2006	A ⁽⁴⁾	100,000			⁽⁴⁾	08/04/2015 ⁽³⁾	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Quiroga Richard Allan JR 5804 EAST SLAUSON AVE COMMERCE, CA 90040			Principal Accounting Officer	

Signatures

/s/ Richard
Quiroga 05/16/2006

Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Pursuant to the terms of the Innovo Group Inc. 2004 Stock Incentive Plan ("2004 Plan"), the Compensation Committee of the Board of Directors elected to amend the outstanding option to provide for a lower exercise price. The amendment of the outstanding option results in the deemed cancellation of the option and the grant of a replacement option. The option was originally granted on August 2, 2004 and vested on a montly basis over a two year period beginning August 2, 2004. The replacement option continues to be subject to the

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remainder of the vesting period.

- (2) These options were granted pursuant to the 2004 Plan.
- (3) Except for the amendment to the exercise price, the terms of the original grant remain the same for what is deemed to be the replacement grant.

Pursuant to the terms of the 2004 Plan, the Compensation Committee of the Board of Directors elected to amend the outstanding option to
- (4) provide for a lower exercise price. The amendment of the outstanding option results in the deemed cancellation of the option and the grant of a replacement option. The option was originally granted on August 4, 2005 and was exercisable in full as of the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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