

IMPERIAL INDUSTRIES INC  
Form 8-K  
September 30, 2004

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

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**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) **September 27, 2004**

**IMPERIAL INDUSTRIES, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**1-7190**  
(Commission  
File Number)

**65-0854631**  
(I.R.S. Employer  
Identification No.)

**1259 Northwest 21st Street**

**Pompano Beach, Florida 33069**

(Address of Principal Executive Office) (Zip Code)

**(954) 917-7665**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former Name or Former Address, If Changed Since Last Report.)

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))

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Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 1.01 Entry into a Material Definitive Agreement.**

On September 27, 2004, the Company's subsidiary, Just-Rite Supply, Inc. ( Just-Rite ) completed a settlement ( Settlement ) of its litigation against a former employee and others ( Settling Defendants ), case styled Just-Rite Supply, Inc. v. Dennis Robertson, Sr. et al, Case No. 1:03 CV214 GuRo in the United States District Court of the Southern District of Mississippi, Southern Division. The former employee was previously employed at Just-Rite's Gulfport, Mississippi distribution facility. Just-Rite alleged violations by the employee of his non-compete agreements related to the acquisition of the business at that location. Under the terms of the Settlement, the former employee and certain of the Settling Defendants entered into three-year non-compete agreements with Just-Rite. In addition, as part of the Settlement, Just-Rite received four real properties, including two warehouse buildings utilized by Just-Rite's Gulfport, Mississippi distribution facility previously leased from the former employee, and two delivery trucks. Further, a promissory note with a remaining principal balance and accrued interest of approximately \$144,000 due from Just-Rite associated with the acquisition of the business was cancelled.

As part of the Settlement, Just-Rite paid cash consideration of approximately \$45,000, and incurred equipment debt and mortgage indebtedness in the aggregate amount of approximately \$1,013,000 associated with the acquisition of these assets. The liabilities are secured by the equipment and real property acquired in the Settlement. The indebtedness includes approximately \$97,000 in contingent liabilities which is expected to be satisfied from the liquidation of the assets of a Settling Defendant which were not transferred to Just-Rite. The assumed indebtedness requires aggregate monthly payments of approximately \$9,700 including interest, with a balloon payment for the remaining principal balance, plus accrued interest due and payable in 2008.

The Settlement Agreement will be filed as an exhibit to the Form 10-Q for the quarter ended September 30, 2004.

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an**

**Off-Balance Sheet Arrangement of a Registrant**

The information described above under Section 1 Registrant's Business and Operations Item 1.01 Entry into a Material Definitive Agreement is hereby incorporated herein by reference.



**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.

**IMPERIAL INDUSTRIES, INC.**

Date: September 30, 2004

By: /s/ HOWARD L. EHLER, JR.

Howard L. Ehler, Jr.

Principal Executive Officer/

Chief Financial Officer