

GROUP 1 AUTOMOTIVE INC
Form 8-K
June 23, 2006

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 22, 2006

Group 1 Automotive, Inc.

(Exact name of registrant as specified in its charter)

Delaware

1-13461

76-0506313

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

950 Echo Lane, Suite 100, Houston, Texas

77024

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

713-647-5700

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:

- 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))

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Item 8.01 Other Events.

On June 22, 2006, Group 1 Automotive, Inc. settled its previously-disclosed dispute concerning the termination of the facility lease related to its Dodge dealership in Metairie, Louisiana. In exchange for the payment by Group 1 of \$4,500,000 in cash, the lessor of the dealership facility released Group 1 and its affiliates from any and all claims related to the termination of the lease. The lessor also released all claims with respect to the insurance proceeds Group 1 anticipates receiving as a result of the damage to the dealership facility. On June 23, 2006, Group 1 voluntarily terminated its franchise agreement with DaimlerChrysler related to the Dodge dealership in Metairie, Louisiana.

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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.

Group 1 Automotive, Inc.

June 23, 2006

By: *Jeffrey M. Cameron*

Name: Jeffrey M. Cameron
Title: Vice President, Legal Counsel