

VESTA INSURANCE GROUP INC
Form 8-K
June 07, 2005

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

June 1, 2005

(Date of earliest event reported)

VESTA INSURANCE GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

63-1097283
*(I.R.S. Employer
Identification No.)*

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3760 River Run Drive
Birmingham, Alabama
(Address of principal executive offices)

35243
(Zip Code)

(205) 970-7000

(Registrant's telephone number, including area code)

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))
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Item 1.01 Entry into Amendment of a Material Definitive Agreement

On Wednesday, June 1, 2005, the Registrant's wholly owned subsidiary, American Founders Financial Corporation, entered into a definitive agreement with Sagikor, USA, Inc. related to American Founders' sale of, and Sagikor's purchase of, 100% of the stock of its subsidiary, Laurel Life Insurance Corporation. Other than the definitive agreement, neither the registrant nor any of its affiliates have any relationship with Sagikor.

Under the agreement, Sagikor will pay approximately \$58.0 million in cash to American Founders at closing, \$15.0 million of which will be deposited in an escrow account pending expiration of Sagikor's rights of indemnification under the agreement. The transaction is subject to regulatory approval and is expected to close in the third quarter of 2005.

Item 9.01 Financial Statement and Exhibits

(c) Exhibits.

Exhibit 10.1 Stock Purchase Agreement dated June 1, 2005

SIGNATURE

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, thereto duly authorized.

Dated as of June 7, 2005.

VESTA INSURANCE GROUP, INC.

By: /s/ John W. McCullough

Its: Vice President Associate General Counsel