

ASSURANCEAMERICA CORP

Form 8-K

May 31, 2005

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**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): **May 24, 2005**

ASSURANCEAMERICA CORPORATION

(Exact Name of Registrant as Specified in Its Charter)

Nevada

0-06334

87-0281240

(State or other jurisdiction
of incorporation)

(Commission File Number)

(IRS Employer
Identification Number)

**RiverEdge One, Suite 600
5500 Interstate North Parkway
Atlanta, Georgia**

30328

(Address of principal executive offices)

(Zip Code)

(770) 933-8911

(Registrant's telephone number, including area code)

N/A

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

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Item 2.02 Results of Operations and Financial Condition

(a) Atlanta based ASSURANCEAMERICA CORPORATION (OTC BB: ASAM.OB), announced unaudited results for April, 2005. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 3.02 Unregistered Sales of Equity Securities

On May 24, 2005, AssuranceAmerica Corporation (the Company) issued 74,000 shares of the Company's Series A Convertible Preferred Stock (Series A Preferred Stock) to Heritage Financial Partners, L.P. (Heritage) for a total investment of \$370,000. The shares purchased by Heritage pursuant to this investment represent approximately 1.17% of the Company's outstanding capital stock on an as-converted-to-common stock basis.

Each share of Series A Preferred Stock is convertible into the number of shares of common stock that results from dividing the per share Conversion Value by the per share Conversion Price in effect at the time of conversion. The number of shares of common stock into which a share of Series A Preferred Stock is convertible is referred to as the Conversion Rate. The per share Conversion Price of Series A Preferred Stock initially in effect is \$0.50 and the per share Conversion Value of Series A Preferred Stock initially in effect is \$5.00. The initial Conversion Price is subject to adjustment in the event of stock splits, stock combinations and certain issuances of capital stock for consideration per share less than the then-current Conversion Price.

The Series A Preferred Stock is convertible at the option of the holder at any time into shares of the Company's common stock. In addition, each share of Series A Preferred Stock will automatically convert into common stock on the second anniversary of the date on which such share was issued. Each share of Series A Preferred Stock will also automatically convert into common stock immediately prior to the closing of any public offering of any of the Company's equity securities with aggregate proceeds to the Company, at the public offering price, of at least \$20 million, before underwriting commissions and expenses, and at a per share price of at least three times the then-current Conversion Price.

The Company's offer and sale of the Series A Preferred Stock pursuant to the private placement described above, including shares of common stock into which the Series A Preferred Stock is convertible (collectively, the Securities), was exempt from the registration requirements of the Securities Act of 1933, as amended, pursuant to the exemptions therefrom provided by Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder. Heritage represented and warranted to the Company that it was an accredited investor as that term is defined in Rule 501 of Regulation D. The private placement was conducted without general solicitation or advertising. All certificates issued representing the Securities will be legended to indicate that they are restricted. No sale of the Securities involved the use of underwriters, and no commissions were paid in connection with the issuance or sale of the Securities.

Item 8.01 Other Events

On May 26, 2005, the Company sent a letter to shareholders and other describing certain results of the business for the month of April 2005. A copy of the letter is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits

(c)

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| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release dated May 24, 2005, issued by Registrant |
| 99.2 | Letter to Shareholders dated May 26, 2005. |

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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.

May 26, 2005

ASSURANCEAMERICA CORPORATION

By: /s/ Renée Pinczes

Renée Pinczes, Senior Vice President and Chief
Financial Officer

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