

STONEPATH GROUP INC

Form 8-K

October 25, 2006

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): October 19, 2006

Stonepath Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-16105

(Commission
File Number)

65-0867684

(IRS Employer
Identification No.)

2200 Alaskan Way, Suite 200

Seattle, Washington

(Address of Principal Executive Offices)

98121

(Zip Code)

Registrant's telephone number, including area code: **(206) 336-5400**

(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 2.03 Creation of a Direct Financial Obligation.

On October 19, 2006, Stonepath Group, Inc. (Stonepath) entered into an understanding regarding its outstanding credit facility with its lender, Laurus Master Fund, Ltd. (Laurus), wherein Laurus agreed to make a loan to Stonepath in excess of the current amounts available under the Security Agreement dated August 31, 2005 (the Overadvance). The Overadvance is in the amount of up to \$1,250,000 bearing interest at the rate provided for in the Security Agreement of 2% per month of the amount of the Overadvance, and is available to Stonepath until December 18, 2006.

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 thereunto duly authorized.

STONEPATH GROUP, INC.

Date: October 25, 2006

By: /s/ Robert T. Christensen
Name: Robert T. Christensen
Title: Chief Financial Officer