

COAST DISTRIBUTION SYSTEM INC

Form 8-K

March 13, 2007

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): March 8, 2007

THE COAST DISTRIBUTION SYSTEM, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

1-9511
(Commission File Number)

94-2490990
(IRS Employer

Identification No.)

350 Woodview Avenue, Morgan Hill, California
(Address of principal executive offices)

95037
(Zip Code)

Registrant's telephone number, including area code: (408) 782-6686

N/A

(Former name or former address, if changed since last report.)

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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 1.01 Entry into a Material Definitive Agreement

Fiscal 2006 Bonus Awards to Executive Officers. On March 8, 2007, the Compensation Committee of the Board of Directors of The Coast Distribution System, Inc. (Coast or we), granted the following discretionary bonuses to Company s executive officers for 2006:

| Name and Position of Officer | 2006 Bonus Award |
|--|------------------|
| Thomas R. McGuire, Chairman & CEO | \$ 85,000 |
| Sandra A. Knell, Executive Vice President & CFO | 58,000 |
| Dennis Castagnola, Executive Vice President Proprietary Products | 43,000 |
| David A. Berger, Executive Vice President Operations | 43,000 |

Adoption of 2007 Management Bonus Plan. On March 8, 2007, the Compensation Committee of the Board of Directors also adopted a Management Bonus Plan for the Company s executive officers for the fiscal year ending December 31, 2007 (the 2007 Bonus Plan). A description of the 2007 Bonus Plan is attached as Exhibit 99.1 to this report and is incorporated into this report by this reference.

Item 7.01 Regulation FD Disclosure

In the press release issued on March 12, 2007, we reported that our Board of Directors had, pursuant to its dividend policy, declared the quarterly cash dividend, for the quarter ending March 31, 2007, in the amount of \$0.07 per share. That dividend is payable on March 30, 2007 to all stockholders of record as of March 16, 2007. A copy of that press release is attached as Exhibit 99.2 to, and incorporated by reference into, this Current Report on Form 8-K.

As stated in its press release, the declaration of cash dividends in the future, pursuant to the Company s dividend policy, is subject to determination each quarter by the Board of Directors based on a number of factors, including the Company s financial performance and its available cash resources. Also, it could become necessary for the Company to obtain the consent of its lender under its secured bank loan agreement in order to pay cash dividends in the future and for these reasons, as well as others, there can be no assurance that that the Board of Directors will not decide to reduce the amount, or suspend or discontinue the payment, of cash dividends in the future.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 701 of this Current Report on Form 8-K, together with Exhibit 99.2, are being furnished and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and such information and Exhibits shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

| Exhibit No. | Description of Exhibit |
|-------------|---|
| 99.1 | Description of Coast Distribution System, Inc. 2007 Management Bonus Plan. |
| 99.2 | Press Release issued March 12, 2007 announcing the declaration of a \$0.07 per share cash dividend for the quarter ending March 31, 2007. |

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.

THE COAST DISTRIBUTION SYSTEM, INC.

Date: March 13, 2007

By: /s/ SANDRA A. KNELL
Sandra A. Knell, Executive Vice President and Chief Financial Officer

INDEX TO EXHIBITS

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