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COMPETITIVE TECHNOLOGIES INC
Form 8-K
April 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

FEBRUARY 12, 2007 (FEBRUARY 10, 2007)
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

COMPETITIVE TECHNOLOGIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

(STATE OR OTHER JURISDICTION OF INCORPORATION)

1-8696 36-2664428
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(COMMISSION FILE NUMBER) (IRS EMPLOYER IDENTIFICATION NO.)

777 COMMERCE DRIVE, SUITE 100, FAIRFIELD, CONNECTICUT 06825

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(203) 368-6044

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

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))

Item 1.01. Entry into A Material Definitive Agreement

Effective April 10, 2007 the Registrant entered into a Summary of Terms of Exchange Agreement and Exclusive Stock Purchase Agreement among the Registrant, Betty Rios Valencia and Agrofrut E.U. (the "Terms Sheet"). The Terms Sheet will be followed by a Definitive Purchase Agreement and a Definitive Exclusive

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Marketing Agreement pursuant to which the Registrant will make a strategic investment of \$750,000 for 5% ownership of Agrofrut, with the right to exchange Registrant common stock to acquire up to 100% of Agrofrut's remaining shares within 180 days. The number of Registrant Common Shares that would be delivered at Closing for 100% of Agrofrut will be determined by multiplying an independent

valuation (subject to both an appropriate discount factor based on Agrofrut's stage of business development and on approval by the Registrant's Board of Directors) by .95 and dividing the result by the 110% of the 180-day weighted average price of CTT shares, for the period 90 days before the date of the Term Sheet and the period 90 days beginning on the date of the Term Sheet, as determined by the closing price and trading volume shown on the Consolidated Tape of the American Stock Exchange for each trading day in the 180-day period. The shares would be issuable as restricted shares.

Ms. Rios Valencia, the principal shareholder of Agrofrut, is the spouse of Ben Marcovitch, a director of the Registrant. Mr. Marcovitch did not participate in or vote on approval of the Agreement.

Agrofrut's proprietary technology uses the biomass waste of pineapples, sugar cane, oranges, grapefruits and other agricultural products to produce high quality, low cost nutraceutical ingredients. Agrofrut's valuable extraction technology produces nutraceutical ingredients such as bromelain and xylitol among other important by-products, including ethanol and other alternative fuels. Upon execution of the definitive option agreement and payment of the investment, the Registrant and Agrofrut will share revenue from the sale of products on a 40/60% basis respectively. The Registrant's investment will be utilized by Agrofrut to accelerate expansion of Agrofrut's extraction capacity.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

10.1 Summary of Terms of Exchange Agreement and Exclusive Stock Purchase Agreement among Competitive Technologies, Inc., Betty Rios Valencia and Agrofrut E.U.

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.

COMPETITIVE TECHNOLOGIES, INC.
(Registrant)

Dated: April 13, 2007

By: /s/John B. Nano

John B. Nano
Chairman and Chief Executive Officer