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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) MARCH 22, 2006

HIGHTS CROSS COMMUNICATIONS, INC.  
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE  
(State or Other Jurisdiction of Incorporation)

<TABLE>

|     |                          |     |                                   |
|-----|--------------------------|-----|-----------------------------------|
| <S> | 333-109381               | <C> | 13-4087398                        |
|     | (Commission File Number) |     | (IRS Employer Identification No.) |

</TABLE>

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|     |  |     |            |
|-----|--|-----|------------|
| <S> | 10 NEW KING STREET                       | <C> |            |
|     | WHITE PLAINS, NEW YORK                   |     | 10604      |
|     | (Address of Principal Executive Offices) |     | (Zip Code) |

</TABLE>

(914) 289-9400  
(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 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

On March 22, 2006, the board of directors of Hights Cross Communications, Inc. (the "Company") approved a special incentive plan for fiscal year ending December 31, 2006 entitled the "2006 Expense Savings Incentive Plan" (the "Savings Plan") to promote the identification of business improvements that translate into cost savings across the Company's businesses. A description of the Savings Plan is attached to this Current Report on Form 8-K as Exhibit 10.1 and is incorporated herein by reference.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(D) Exhibits.

<TABLE>

<CAPTION>

| Exhibit No. | Description |
|-------------|-------------|
|-------------|-------------|

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10.1

<C>

Description of Hights Cross Communications, Inc. 2006 Expense Savings Incentive Plan.

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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.

HAIGHTS CROSS COMMUNICATIONS, INC.

Date: March 27, 2006

By: /s/ Peter J. Quandt

-----  
Name: Peter J. Quandt  
Title: Chairman, Chief Executive  
Officer and President



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EXHIBIT INDEX

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<C>

Description of Hights Cross Communications, Inc. 2006 Expense Savings Incentive Plan.

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<DOCUMENT>  
<TYPE> EX-10.1  
<FILENAME> y19085exv10w1.txt  
<DESCRIPTION> DESCRIPTION OF THE 2006 EXPENSE SAVINGS INCENTIVE PLAN  
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HAIGHTS CROSS COMMUNICATIONS, INC.  
2006 EXPENSE SAVINGS INCENTIVE PLAN

For the fiscal year ending December 31, 2006, Haight's Cross Communications, Inc. (together with its direct and indirect subsidiaries, "Haight's Cross") has implemented a special incentive plan to promote the identification of business improvements that translate into cost savings across its businesses. Entitled the 2006 Expense Savings Incentive Plan ("Savings Plan"), management and employees credited with identifying and implementing business improvements leading to future cost savings will be awarded a cash bonus equal to 20% of the annualized cost savings resulting from the implemented improvements. The Chief Financial Officer of Haight's Cross has full authority over all determinations of bonuses to be paid under the Savings Plan, including, without limitation, the authority to (i) determine whether a particular business improvement will have continuing cost savings in future periods, and (ii) make all calculations of the annualized cost savings upon which awards under the Savings Plan will be based. Bonuses payable under the Savings Plan will be allocated as follows: 75% (the "Action Award") will be paid to the individual manager, employee, or group of managers/employees who is/are credited with identifying the business improvement, and 25% (the "Management Award") will be awarded to the relevant business unit management group. With respect to any particular business improvement for which a bonus is payable under the Savings Plan, 50% of the calculated Action Award payout under the Savings Plan will be made within thirty (30) days of the implementation of the business improvement, with the balance to be paid in March 2007. The calculated Management Award will be shared pro rata based on 2006 salary and paid out at the same time as the 2006 Annual Bonus.

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