

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): **January 26, 2011**

CDSI Holdings Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation)

001-22563

(Commission File Number)

95-4463937

(I.R.S. Employer Identification No.)

100 S.E. Second Street, Miami, Florida

(Address of Principal Executive Offices)

33131

(Zip Code)

(305) 579-8000

(Registrant's Telephone Number, Including Area Code)

(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 January 26, 2011, CDSI Holdings Inc., entered into an Amendment (the “Amendment”), dated as of January 26, 2011, to increase the Commitment Amount (as defined) in its Revolving Credit Promissory Note with Vector Group Ltd., which owns 45.6% of its common stock, from \$50,000 to \$100,000.

The foregoing description of the amendments to the credit facility is qualified in its entirety by reference to the Amendment, which is included as Exhibit 4.1 hereto and incorporated herein by reference.

Item 2.03. *Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant*

See Item 1.01, which is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following Exhibit is filed herewith:

Exhibit 4.1 Amendment, dated as of January 26, 2011, to the Revolving Credit Promissory Note dated as of March 2, 2009 by and between Vector Group Ltd., as lender, and CDSI Holdings Inc., as borrower.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VECTOR GROUP LTD.

By: /s/ J. Bryant Kirkland III

J. Bryant Kirkland III

Vice President and Chief Financial Officer

Date: January 27, 2011

January 26, 2011

CDSI Holdings Inc.
100 SE 2nd Street; 32nd Floor
Miami, FL 33131

Re: Amendment No. 1 to Revolving Credit Promissory Note

Reference is made to the Revolving Credit Promissory Note (the "Revolver") dated March 26, 2009. In consideration of the mutual agreements and covenants contained therein and other good and valuable consideration, the parties hereto agree to increase the Commitment Amount, as defined in the Revolver, from \$50,000 to \$100,000.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to the Revolving Credit Promissory Note to be duly executed and attested, all as of the date first above written.

BORROWER:

CDSI HOLDINGS INC., a Delaware Corporation

By: /s/ Robert M. Lundgren

Name: Robert M. Lundgren
Director

LENDER

VECTOR GROUP LTD., A Delaware Corporation

By: /s/ Marc N. Bell

Name: Marc N. Bell
Vice President, General Counsel and Secretary
