

**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) **September 19, 2005**

Appliance Recycling Centers of America, Inc.

(Exact name of registrant as specified in its charter)

Minnesota
(State or other jurisdiction
of incorporation)

000-19621
(Commission
File Number)

41-1454591
(IRS Employer
Identification No.)

7400 Excelsior Blvd., Minneapolis, MN
(Address of principal executive offices)

55426-4517
(Zip Code)

Registrant's telephone number, including area code **(952) 930-9000**

(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 8.01: OTHER EVENTS

On September 19, 2005, Appliance Recycling Centers of America, Inc. issued a press release announcing that it had received a legally binding document from JACO Environmental, Inc. that JACO will not enforce its recycling patent that ARCA alleges in a court action to be fraudulently obtained. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

ITEM 9.01: FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated September 19, 2005.

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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.

APPLIANCE RECYCLING CENTERS OF AMERICA, INC.

Date: September 22, 2005

/s/Linda Koenig

Linda Koenig, Chief Financial Officer

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Appliance Recycling Centers of America, Inc.
7400 Excelsior Boulevard, Minneapolis MN 55426 (952) 930-9000

For Immediate Release

For Additional Information Contact:
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**Appliance Recycling Centers of America Receives Legally Binding Document From
JACO Environmental, Inc. That JACO Will Not Enforce Recycling Patent That
ARCA Alleges in Court Action To Be Fraudulently Obtained**

**ARCA Intends to Continue Legal Efforts to Bar JACO From Using Patent
To Market Its Recycling Services**

Minneapolis, MN—September 19, 2005—Appliance Recycling Centers of America, Inc. (OTC BB: ARCI), the nation’s largest recycler of major household appliances for the energy conservation programs of electric utilities, today announced it has received a legally binding document in which JACO Environmental, Inc. states it will not sue ARCA or any of ARCA’s customers for violating JACO’s recycling patent (U.S. Patent No. 6,732,416) that ARCA alleges was fraudulently obtained. In December 2004, as previously reported, ARCA filed suit in U.S. District Court for the Central District of California alleging that JACO’s patent covers appliance recycling methods and systems ARCA originally developed beginning in 1987 and has used in serving more than 40 electric utility appliance recycling programs since that time.

A formal court document incorporating the terms of the JACO commitment is being negotiated, and is expected to be finalized within the next month.

ARCA intends to continue seeking a permanent injunction barring JACO from using the patent to market JACO’s recycling services, due to ARCA’s belief that the patent is invalid and unenforceable since it is based on methods and processes ARCA invented. ARCA is also asking the court for unspecified damages related to charges that JACO, in using the patent to promote its services, has engaged in unfair competition and false and misleading advertising under Federal and California statutes.

Edward R. (Jack) Cameron, ARCA’s president and chief executive officer, commented: “JACO’s legally binding decision not to enforce its recycling patent against ARCA removes any potential threat to our business. It is also a direct, positive outcome of the aggressive litigation stance that ARCA has taken with JACO.”

Cameron continued: “ARCA has been engaged in recycling appliances and disposing of hazardous components for nearly 20 years, and has developed and implemented many recycling methods and processes. Over the years we have made many presentations to industry symposia, published numerous articles in trade publications and provided information to the general news media about our recycling processes. Reflecting our belief that the JACO patent is based on methods and processes that ARCA developed, we will continue legal efforts to bar JACO from using its patent in the course of its business and to seek damages related to JACO’s use of that fraudulently obtained patent to market its recycling services.”

About ARCA

ARCA is the nation’s largest recycler of major household appliances for the energy conservation programs of electric utilities. Through its ApplianceSmart (www.ApplianceSmart.com) operation, ARCA is also one of the nation’s leading retailers of special-buy household appliances, primarily those manufactured by Maytag, GE, Frigidaire and Whirlpool. These special-buy appliances, which include close-outs, factory overruns and scratch-and-dent units, typically are not integrated into the manufacturer’s normal distribution channel. ApplianceSmart sells these virtually new appliances at a discount to full retail, offers a 100% money-back guarantee and provides warranties on parts and labor. As of September 2005, ApplianceSmart was operating 12 factory outlets: five in the Minneapolis/St. Paul

market; three in the Columbus, Ohio, market; two in the Atlanta market; one in San Antonio, Texas and one in Los Angeles.

Statements about ARCA’s outlook are forward-looking and involve risks and uncertainties, including but not limited to: the strength of recycling programs, the growth of appliance retail sales, the speed at which individual retail stores reach profitability, and other factors discussed in the Company’s filings with the Securities and Exchange Commission.

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