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ADVANTAGE TECHNOLOGIES GROUP INC

Form 8-K

March 16, 2001

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 2, 2001

ADDvantage Technologies Group, Inc.
(Exact name of Registrant as specified in its charter)

Oklahoma	1-10799	73-1351610
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1605 E. Iola
Broken Arrow, Oklahoma
(Address of principal executive offices)

74012
(Zip code)

(918) 251-9121
(Registrant's telephone number, including area code)

ITEM 5. ACQUISITION OR DISPOSITION OF ASSETS.

On March 2, 2001, ADDvantage Technologies Group, Inc. (the "Registrant") entered into a Purchase and Sale Agreement with Richard S. Grasso (the "Shareholder") and NCS Industries, Inc., a Pennsylvania corporation ("NCS"), to purchase from the Shareholder all of the issued and outstanding common stock of NCS. The consideration for the acquisition was negotiated

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between the parties at arm's length and included: (i) \$800,000 in cash, (ii) a promissory note payable to the Shareholder in the amount of \$200,000, and (iii) the assumption of Shareholder's obligation under a promissory note issued to a prior owner of NCS. As contemplated by the Purchase and Sale Agreement, the Shareholder entered into a three-year consulting agreement with NCS. On March 2, 2001, the Shareholder also entered into a non-competition agreement with the Registrant and NCS. The Registrant financed the purchase price through borrowings under its line of credit agreement with Bank of Oklahoma. As a result of this transaction, NCS became a wholly owned subsidiary of the Registrant.

NCS was established in 1973 as a full service repair and sales center, selling new and refurbished cable equipment and has been a leading distributor of telecommunication equipment and a solutions provider to cable operators and other related businesses since the market's infancy. The principal place of business of NCS is located in Willow Grove, Pennsylvania. The Registrant intends for NCS to continue with its existing operations.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements.

None required.

(b) Pro Forma Financial Information.

None required.

(c) Exhibits.

2.1 The Sale and Purchase Agreement, dated as of March 2, 2001, by and among ADDvantage Technologies Group, Inc., NCS Industries, Inc. and Richard S. Grasso. The Registrant undertakes to furnish supplementally to the Commission upon request a copy of any omitted schedule or exhibit listed in the Exhibit Index set forth elsewhere herein.

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 thereunto duly authorized.

ADDvantage Technologies Group, Inc.

Dated: March 15, 2001

By: /s/ Kenneth A. Chymiak

Kenneth A. Chymiak, President

EXHIBIT INDEX

Exhibit Number	Description
2.1	The Sale and Purchase Agreement, dated as of March 2, 2001, by and among ADDvantage Technologies Group, Inc., NCS Industries, Inc. and Richard S. Grasso

The following exhibits and schedules to the Sale and Purchase Agreement have been omitted:

- Exhibit A - Form of Promissory Note
 - Exhibit B - Form of Letter of Credit
 - Exhibit C - Form of Employment Agreement
 - Exhibit D - Form of Non-Competition Agreement
 - Exhibit E - Form of Opinion of Seller's Legal Counsel
 - Exhibit F - Form of Consulting Agreement
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- Schedule 2.02 - Retained Assets
 - Schedule 2.03 - Assumed Obligations
 - Schedule 4.05 - Contracts
 - Schedule 4.06 - Trade Names, Fictitious Names
 - Schedule 4.08 - Leases and Other Agreements
 - Schedule 4.09 - Financial Statements
 - Schedule 4.12 - Tax Representations
 - Schedule 4.13 - Litigation
 - Schedule 4.14 - Insurance
 - Schedule 4.24 - Employee Matters
 - Schedule 4.18 - Customers and Suppliers
 - Schedule 9.08 - Working Capital