

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, 2007

GALES INDUSTRIES INCORPORATED

(Exact Name of Registrant as Specified in its Charter)

Delaware	000-29245	20-4458244
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State of	Commission	IRS Employer
Incorporation	File Number	I.D. Number

1479 North Clinton Avenue, Bay Shore, NY 11706

Address of principal executive offices

Registrant's telephone number: (631) 968-5000

(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))

Item 3.02. Unregistered Sales of Equity Securities.

On November 30, 2005, in connection with the acquisition by Gales Industries Incorporated (the "Company") of its wholly-owned subsidiary, Air Industries Machining, Corp. ("AIM"), the Company issued \$332,631 principal amount convertible promissory notes to each of Peter Rettaliata, our President, Chief Executive Officer and a Director, and Dario Peragallo, our Executive Vice President and a Director, convertible into shares of our common stock at the conversion price of \$0.40 per share.

On January 26, 2007, each of Mr. Rettaliata and Mr. Peragallo exercised their right of conversion of the convertible promissory notes and converted the entire \$359,886.22 of principal and interest outstanding under the convertible promissory notes into 899,716 shares of common stock at a conversion price of \$0.40 per share. These shares of common stock were issued pursuant to an exemption under Section 4(2) under the Securities Act.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

99.1 Press Release, dated January 30, 2007, of Gales Industries Incorporated.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: January 29, 2007

GALES INDUSTRIES INCORPORATED

By: /s/ Michael A. Gales

Michael A. Gales, Executive Chairman

EXHIBIT INDEX

99.1 Press Release, dated January 30, 2007, of Gales Industries Incorporated.

Gales Industries Incorporated Executive Management
Converts Debt into Common Shares

Demonstrates Ongoing Support and Commitment

BAY SHORE, NY -- January 30, 2007 -- Gales Industries Incorporated (OTCBB: GLDS) (the "Company"), a holding company established to consolidate manufacturers, engineering integrators and specialized service providers to the aerospace/defense industry, today announced that Peter D. Rettaliata and Dario A. Peragallo, President and Executive Vice President respectively, have agreed to convert \$719,772.44 in principal amount of notes plus accrued interest due from the Company into 1,799,431 shares of Gales common stock.

On November 30, 2005, as part of the stock purchase between the Company and Air Industries Machining Corp. ("AIM"), the Company issued notes payable for an aggregate of \$1,627,262 to three former AIM shareholders, two of whom have become part of the Company's senior management and are also stockholders in the Company. The notes payable to the two senior management members, Messrs. Rettaliata and Peragallo, aggregated \$665,262 and would have matured on November 30, 2010, along with accrued interest. The outstanding principal amount of these notes together with interest accrued thereon has been converted in total at the holders' option into the Company's common stock.

"We appreciate the continued commitment of our senior executives," said Gales Industries' Executive Chairman Michael A. Gales. "They have through this transaction demonstrated their support for and confidence in the future of the Company. As a result of this conversion, the Company has reduced its debt significantly and eliminated interest obligations that had approximated \$50,000 per year, thus enhancing and strengthening the Company's balance sheet."

ABOUT GALES INDUSTRIES INCORPORATED

Gales Industries Incorporated (OTCBB: GLDS) is a holding company established to engage in the consolidation of manufacturers, engineering integrators and related service providers to the aerospace/defense and commercial aviation industries. The Company is focused on flight safety and other critical componentry. The Company's first acquisition was of Air Industries Machining Corp., a leading aerospace/defense manufacturer and engineering integrator based in Bay Shore, Long Island, NY. Consolidation opportunities include companies operating within highly synergistic disciplines of manufacturing, technical services and strategic products distribution. The Company's strategy and attendant tactical plan is to execute its consolidation principally amongst Tier III, IV and V aerospace/defense subcontractors. Gales offers a tailored exit strategy or management continuity strategy in exchange for qualified acquisitions, and targets technically superior middle market organizations with revenues of up to \$100 million annually. Information on the Company and its products may be found online at www.airindmc.com.

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Certain matters discussed in this press release are 'forward-looking statements' intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. In particular, the Company's statements regarding trends in the marketplace, firm backlog, projected backlog, potential future results and acquisitions, are examples of such forward-looking statements. The forward-looking statements include risks and uncertainties, including, but not limited to, the timing of projects due to the variability in size, scope and duration of projects, estimates, projections and forecasts made by management with respect to the Company's critical accounting policies, firm backlog, projected backlog, regulatory delays, government funding and budgets, matters pertaining to potential and pending acquisitions subject to and after closings, and other factors, including results of financial audits and general economic conditions, not within the Company's control. Certain of the Company's forward looking statements, with the projected backlog in particular, are formulated based on management's extensive industry experience and understanding and assessment of industry trends, customer requirements, and related government spending. Projected backlog may be subject to variability and may increase or decrease at any time based on a variety of factors, including but not limited to modifications of previously released orders, acceleration of orders under general purchase agreements, etc. The factors discussed herein and expressed from time to time in the Company's filings with the Securities and Exchange Commission could cause actual results and developments to be materially different from those expressed in or implied by such statements. The forward-looking statements are made only as of the date of this press release and the Company undertakes no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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