

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K/A  
(AMENDMENT NO. 1)

CURRENT REPORT

Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported):  
August 2, 2007

AIR INDUSTRIES GROUP, INC.

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(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

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Address of principal executive offices

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

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(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 1.01. Entry into a Material Definitive Agreement.

As previously reported, on March 9, 2007, we, Air Industries Group, Inc. (then known as Gales Industries Incorporated), entered into a Stock Purchase Agreement (the "Purchase Agreement") with John Gantt and Lugenia Gantt, the shareholders (the "Shareholders") of Welding Metallurgy, Inc., a New York corporation ("Welding Metallurgy"). Pursuant to the Purchase Agreement, on the Closing Date, subject to the satisfaction of various terms and conditions, we will acquire from the Shareholders all of the issued and outstanding capital stock of Welding Metallurgy.

On August 2, 2007, we entered into an amendment to the Purchase Agreement. The closing of the Purchase Agreement (the "Closing") is scheduled to occur in early August 2007 or on such other date as the Company and the Shareholders may agree (the "Closing Date"). The purchase price for the shares is \$6,050,000, subject to adjustment for working capital, payable in a combination of cash, a secured promissory note (the "Note") and shares of the Company's common stock (the "Purchase Price Shares").

We intend to finance the cash portion of the purchase price through a junior loan facility with Steel City Capital Funding LLC. Under the credit facility, Steel City will provide us with up to \$4,500,000 to finance the acquisition of Welding Metallurgy. Repayment of amounts borrowed under this credit facility will be junior and subordinate to amounts payable to PNC Bank under our existing credit facility. Although we are highly confident that we will obtain the necessary financing to enable us to purchase the shares by the intended Closing Date, we are unable to assure you that we will be able to obtain the required financing.

The Note will have a term of three years commencing on the Closing Date, accrue

interest at 7% per annum and contain other customary terms and conditions. The amount of Purchase Price Shares to be issued to the Shareholders is equal to \$550,000 divided by 90% of the average closing price of our common stock during the 20 trading days immediately preceding the Closing Date.

Concurrent with the Closing, we will enter into a consulting agreement with John Gantt. The consulting agreement will provide for an initial term of six months, subject to extension for an additional three months upon mutual agreement of the parties, with compensation of \$30,000 per month, a covenant not to compete with us and Welding Metallurgy for a period of five years, and will contain other customary terms and provisions.

The foregoing summary is subject to, and qualified in its entirety by, the terms of the Stock Purchase Agreement, as amended. The amendment to the Stock Purchase Agreement is attached hereto as Exhibit 10.1. The terms of the Stock Purchase Agreement, as amended, are incorporated herein by reference.

EXHIBITS

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10.1 Amendment No 1. to Stock Purchase Agreement, dated August 2, 2007, between Air Industries Group, Inc. and John Gantt and Lugenia Gantt, the Shareholders of Welding Metallurgy, Inc.  
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SIGNATURES

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

Dated: August 2, 2007

AIR INDUSTRIES GROUP, INC.

By: /s/ Louis A. Giusto

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Louis A. Giusto  
Vice Chairman, Chief Financial  
Officer and Treasurer

EXHIBIT INDEX

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10.1 Amendment No. 1 to Stock Purchase Agreement, dated August 2, 2007, between  
Air Industries Group, Inc. and John Gantt and Lugenia Gantt, the Shareholders of  
Welding Metallurgy, Inc.  
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## STOCK PURCHASE AGREEMENT

This AMENDMENT NO.1 to STOCK PURCHASE AGREEMENT is entered into as of August 2, 2007 (the "Amended Agreement") by AIR INDUSTRIES GROUP, INC. (formerly known as GALES INDUSTRIES INCORPORATED), a Delaware corporation (the "Buyer"), and JOHN GANTT AND LUGENIA GANTT, the shareholders (each a "Shareholder," collectively, the "Shareholders") of WELDING METALLURGY, INC., a New York corporation (the "Company").

## RECITALS

WHEREAS, the parties entered into a Stock Purchase Agreement dated as of March 9, 2007 (the "Agreement") under which the Shareholders agreed to sell to Buyer, and the Buyer agreed to purchase from the Shareholders, on the terms and subject to the conditions set forth in the Agreement, one hundred (100) shares of common stock, no par value, of the Company (the "Shares"), which constitute one hundred percent (100%) of the issued and outstanding shares of capital stock of the Company; and

WHEREAS, the parties, intending to be legally bound, desire to amend certain provisions of the Agreement in the manner stated in this Amendment to the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, hereby agree as follows:

1. Definitions. Capitalized terms used, but not defined, in this Amendment shall have the meanings ascribed to those terms in the Agreement.

2. Purchase Price. Subsection (a) of Section 2.3 of the Agreement ("Purchase Price") is hereby amended and restated in its entirety to read as follows:

"Section 2.3. Purchase Price.

(a) Subject to adjustment in accordance with subparagraphs (b) and (c) of Section 2.3 of the Agreement, the consideration payable by the Buyer to the Shareholders for the Shares (the "Purchase Price") shall be (i) three million five hundred thousand dollars (\$3,500,000) in cash or readily available funds payable at the Closing; (ii) two-million dollars (\$2,000,000) to be paid in accordance with a secured promissory note dated the Closing Date, substantially in the form of Exhibit A hereto (the "Note"), of which \$500,000 shall be due on the first anniversary of the Closing Date and \$1,500,000, together with interest accrued thereon, shall be payable in twelve equal quarterly installments of principal and interest commencing at the end of the fifteenth month after the Closing Date; and (iii) the Purchase Price Shares (as defined below). Amounts due under the Note shall not bear interest until the first anniversary of the Closing date and thereafter shall bear interest at the rate of 7% per annum. Payment of the amounts due under the Note shall be secured by a pledge of the Shares evidenced by a Pledge Agreement. The

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Shareholders acknowledge that the lien created by the Pledge shall be second to the lien securing the Senior Indebtedness, as such term is defined in the Note. Unless jointly directed otherwise by the Shareholders, the Buyer shall pay one-half of each form of the consideration to each Shareholder.

The number of the "Purchase Price Shares" shall be equal to the result obtained by dividing \$550,000 by nine-tenths of the average closing price of the Buyer's Common Stock (the "Deemed Market Price") as quoted by the OTC Bulletin Board during the 20 trading days immediately preceding the Closing Date."

3. Financial Statements. Section 4.9 of the Agreement ("Financial Statements"), hereby amended in its entirety to read as follows:

Section 4.9 Financial Statements

Copies of the unaudited Balance Sheets and Income Statements of the Company as of, and for the fiscal years ended, December 31, 2006 ("FY'06") and December 31, 2005 ("FY '05") (the "Financial Statements") have been made available to the Buyer and have been prepared from the books and records of the Company on a consistent basis. December 31, 2006 is referred to herein as the "Cutoff Date." The Company's Sales for FY '06 and FY '05 were no less than \$4,400,000 and \$5,200,000, respectively, the Company's Distributions for FY '06

and FY '05 were no less than \$972,000 and \$2,500,000, respectively and the wages and salaries paid to members of the Gantt family by the Company for FY '06 and FY '05 were no less than \$1,200,000 and \$847,000, respectively.

4. Assignment; Delegation . Section 12.4 of the Agreement ("Assignment; Delegation") is hereby amended in its entirety to read as follows: "Section 12.4. Assignment; Delegation.

No party to this Agreement may assign its rights or delegate its obligations hereunder without the prior written consent of all of the other parties; provided, however, that at Closing Buyer may assign this Agreement to an entity in which Buyer directly or through one or more intermediary entities holds and continues to hold a greater than ninety percent (90%) equity interest, without the prior written consent of the Company and the Shareholders, provided, however, Buyer shall remain liable for the performance of its obligations under this Agreement. My assignment or delegation in violation of this Section 12.4 shall be null and void."

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute and deliver this Agreement as of the first date written above.

AIR INDUSTRIES GROUP, INC.

By: /s/ Louis A. Giusto

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Louis A. Giusto  
Vice Chairman, Chief Financial Officer  
and Treasurer

/s/ LUGENIA GANTT

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LUGENIA GANTT

/s/ JOHN GANTT

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JOHN GANTT