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ADVANTAGE TECHNOLOGIES GROUP INC
Form 10KSB/A
February 05, 2001

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB/A
Amendment No. 1

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended September 30, 2000

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-10799

ADVANTAGE TECHNOLOGIES GROUP, INC.
(Name of small business issuer in its charter)

Oklahoma

(State or other jurisdiction of
incorporation or organization)

73-1351610

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

1605 East Iola
Broken Arrow, Oklahoma

(Address of principal executive offices)

74012

(Zip code)

Issuer's telephone number: (918) 251-9121

Securities registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act:
Common Stock, \$.01 par value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

The issuer's revenues for its most recent fiscal year are \$22,002,543.

The aggregate market value of the shares of common stock, par value \$.01 per share, held by non-affiliates of the issuer was \$2,542,874 as of December 27, 2000.

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As of the latest practicable date, the number of the registrant's common stock, \$.01 par value per share, outstanding was 9,992,956 as of December 27, 2000.

The definitive Proxy Statement to be filed pursuant to Regulation 14A in connection with the Registrant's 2001 annual meeting of shareholders is incorporated by reference in Part III, Items 9, 10, 11 and 12 of this Form 10-KSB. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the close of the registrant's most recent calendar year.

TRANSITIONAL SMALL BUSINESS DISCLOSURE
FORMAT (CHECK ONE): Yes [] No X

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Directors, Executive Officers, Promoters, and Control Persons

The following persons are currently serving as directors or have been selected as director nominees to serve upon their election to the Board at the upcoming annual meeting of stockholders. Executive officer positions are noted in the biographical descriptions.

David E. Chymiak Director since 1999

David E. Chymiak, 55, has been the Chairman of our board since 1999. He is also the President and a director of our wholly owned subsidiary, TULSAT Corporation, which he and Kenneth A. Chymiak acquired in 1985.

Kenneth A. Chymiak Director since 1999

Kenneth A. Chymiak, 54, has been our President and Chief Executive Officer since 1999. He is also the Executive Vice President and a director of TULSAT Corporation which he acquired with David E. Chymiak in 1985.

Freddie H. Gibson Director since 1999

Freddie H. Gibson, 53, has been the president and chairman of the board of directors of Heat Transfer and Equipment, a manufacturer of shell and turbo heat exchangers for oil and petroleum industries, since 1992.

Stephen J. Tyde Director since 1999

Stephen J. Tyde, 53, is the owner, president and chief executive officer of The Pump & Motor Works, Inc., an electric motor and turbo machinery manufacturing company, which he founded in 1991. He is also the co-owner and chief operating officer of P&MW Holdings, Inc.

Gary W. Young Director since 1990

Gary W. Young, 59, served as our Executive Vice President - Finance and Administration from 1990-1999. He is also the owner and president of Young Ideas Inc., a financial consulting and investment company, he founded in 1987.

Randy L. Weideman Director since 1999

Randy L. Weideman, 44, founded Diamond W Investments, Inc. in 1985 and has served as its president since that time. We acquired Diamond W Investments, Inc. in 1999 and changed its name to Lee CATV Corporation.

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Section 16(a) Beneficial Ownership Reporting Compliance.

Section 16(a) of the Securities Exchange Act of 1934 requires our directors and executive officers, and persons who own more than 10% of our common stock to report their initial ownership of our common stock and any subsequent changes in that ownership to the Securities and Exchange Commission or the SEC and to furnish us with a copy of each of these reports. SEC regulations impose specific due dates for these reports, and we are required to disclose in this proxy statement any failure to file by these dates during fiscal 2000.

To our knowledge, based solely on the review of the copies of these reports furnished to us and written representations that no other reports were required, during and with respect to fiscal 2000, all Section 16(a) filing requirements applicable to our executive officers, directors and more than 10% shareholders were complied with.

ITEM 10. EXECUTIVE COMPENSATION

Summary Compensation Table
Executive Officers

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation		
		Salary (\$)(1)	Bonus (\$)	Other Annual Compen- sation (\$)(2)	Restricted Stock Awards (\$)	Number of Shares Under- lying Options Granted	Long-Term Incentive Payouts (\$)
David E. Chymiak Chairman	2000	150,000	-0-	6,837	-0-	1,000	-0-
	1999	124,094	-0-	4,680	-0-	-0-	-0-
	1998	95,516	-0-	2,920	-0-	-0-	-0-
Kenneth A. Chymiak President and Chief Executive Officer	2000	150,000	-0-	6,837	-0-	1,000	-0-
	1999	124,094	-0-	4,680	-0-	-0-	-0-
	1998	95,516	-0-	2,920	-0-	-0-	-0-

(1) These amounts represent the salaries paid to these officers by TULSAT Corporation but does not reflect distributions made to them as shareholders. Prior to year 2000, TULSAT Corporation was an S corporation for tax purposes before it was acquired by ADDvantage and distributions were routinely made to the shareholders in at least the amounts necessary for them to pay the federal income tax liability they incurred personally as a result of the net income realized by TULSAT Corporation.

(2) Other annual compensation represents, in 2000, 1999 and 1998, our contributions on behalf of each of the individuals to our 401(k) Plan.

Option Grants During Fiscal 2000

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The following table sets forth information regarding options granted during fiscal 2000 to named executive officers.

Name	Number of Shares Underlying Options Granted	% of Total Options Granted to Employees in Fiscal Year	Exercise Price (\$/Sh)	Expiration Date
Kenneth A. Chymiak	1,000	2.6%	\$ 3.125	4/4/10
David E. Chymiak	1,000	2.6%	\$ 3.125	4/4/10

Option Exercises and Year-End Value Table

There were no stock options exercised by the named executive officers during fiscal 2000. The following table sets forth information regarding the value of unexercised stock options held by each of the named executive officers as of the year ended September 30, 2000.

Name	Shares Acquired on Exercise	Value Realized	Number of Shares of Common Stock Underlying at September 30, 2000		Value of Unexercised In-the-Money Options at September 30, 2000
-----	-----	-----	Exercisable	Unexercisable	-----
Kenneth A. Chymiak	-	-	1,000	-	\$1,625
David E. Chymiak	-	-	1,000	-	\$1,625

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the number of shares of common stock or preferred stock beneficially owned (as of January 25, 2001) by:

- each person who we know beneficially owns more than 5% of our common stock;
- each director;
- each executive officer named in the Summary Compensation Table on page 7; and
- our directors and executive officers as a group.

Except as otherwise indicated, the beneficial owners listed in the table have sole voting and investment powers of their shares.

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Beneficial Ownership

Name and Address of Beneficial Owner -----	Number of Shares of Common Stock Beneficially Owned (1) -----	Percent of Class -----	Number of Shares of Series A Preferred Stock Beneficially Owned (2) -----	Percent of Class -----	Number of Shares of Series B Preferred Stock Beneficially Owned -----	Percent of Class -----
Gary W. Young 5905 S. Knoxville Ave. Tulsa, OK 74135	164,708 (3)	1.7%	-0-	-0-	-0-	-0-
David E. Chymiak 1605 E. Iola Broken Arrow, OK 74012	4,132,000 (4)	41.4%	100,000	50.0%	150,000	50.0%
Kenneth A. Chymiak 1605 E. Iola Broken Arrow, OK 74012	4,001,000 (4)	40.0%	100,000	50.0%	150,000	50.0%
Stephen J. Tyde 8008 S. Fulton Ave. Tulsa, OK 74136	6,000 (4)	*	-0-	-0-	-0-	-0-
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Freddie H. Gibson 808 S. Erie Avenue Tulsa, OK 74136	1,000 (4)	*	-0-	-0-	-0-	-0-
Randy L. Weideman Highway 136 West Deshler, NE 68340	136,780 (4)	1.4%	-0-	-0-	-0-	-0-
All Executive Officers Directors as a group (6 persons)	8,441,488 (3,4)	84.5%	200,000	100%	300,000	100%

* Less than one percent.

(1) Shares which an individual has the right to acquire within 60 days pursuant to the exercise of options are deemed to be outstanding for the purpose of computing the percentage ownership of such individual, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person shown in the table or the percentage ownership of all officers and directors as a group.

(2) Each share of Series A Cumulative Convertible Preferred Stock is convertible into 10 shares of our common stock.

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- (3) Includes 26,000 shares subject to a stock option which is fully exercisable.
- (4) Includes 1,000 shares subject to a stock option which is fully exercisable.
- (5) All of the shares beneficially owned by Mr. Young are held of record by the GWYSEY General Partnership jointly owned by Mr. Young and his wife.
- (6) All of the shares beneficially owned by Mr. Chymiak are held of record 50% by him as trustee of the Ken Chymiak Revocable Trust and 50% by his wife as trustee of the Susan Chymiak Revocable Trust. Mr. Chymiak disclaims beneficial ownership of the shares held by his wife.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In fiscal 1999, Chymiak Investments, L.L.C., which is owned by David E. Chymiak and Kenneth A. Chymiak, purchased from TULSAT Corporation on September 30, 1999 the real estate and improvements comprising the headquarters and a substantial portion of the other office and warehouse space of TULSAT Corporation for a price of \$1,286,000. The price represents the appraised value of the property less the sales commission and other sales expenses that would have been incurred by TULSAT Corporation if it had sold the property to a third party in an arm's-length transaction. TULSAT Corporation has entered into a five-year lease commencing October 1, 1999 with Chymiak Investments, L.L.C. covering the property under which the annual rental due to Chymiak Investments, L.L.C. is \$180,000. TULSAT Corporation is leasing other property from Chymiak Investments, L.L.C. and paid that company \$72,000 in 1999 and \$91,500 in 2000, as rental under those leases. The amounts of the rental due in future years are \$150,000 in 2001 and 2002, \$126,500 for 2003, and \$78,000 for 2004.

Chymiak Investments Inc., which is owned by Kenneth A. Chymiak and his wife, Susan C. Chymiak, own three other properties leased to TULSAT Corporation for five-year terms (all ending in 2003) at rentals of \$3,000 per month each (aggregate rentals per year of \$108,000 for all three buildings).

The Company has outstanding stockholder loans of \$1,550,000. Of this amount, \$1,150,000 is payable to revocable trusts for the benefit of Kenneth A. Chymiak and his wife and \$400,000 is payable to David E. Chymiak. The interest rate on the notes is one-half percentage point below the Chase Manhattan Bank Prime, which is the same rate as the Company's bank line of credit. The current rate on the notes is 8.5% and the total interest paid on the notes was \$124,574 in 1999 and \$118,344 in 2000.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ADDvantage Technologies Group, Inc.

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Date: January 31, 2001

By: /S/ Kenneth A. Chymiak

Kenneth A. Chymiak, President