

**NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6) AND/OR
UNIFORM LIMITED OFFERING EXEMPTION**



Name of Offering (check if this is an amendment and name has changed, and indicate change.)
GALES INDUSTRIES, INCORPORATED

Filing Under (Check boxes that apply): Rule 504 Rule 505 Rule 506 Section 4(6) ULOE
Type of Filing: New Filing Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer.

Name of Issuer: (check if this is an amendment and name has changed, and indicate change.)
GALES INDUSTRIES, INCORPORATED

Address of Executive Office 333 East 66 th Street, 9 th Floor, New York, New York 10021	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code) (212) 249-2617
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Address of Principal Business Operations 333 East 66 th Street, 9 th Floor, New York, New York 10021	(Number and Street, City, State, Zip Code)	Telephone Number (Including Area Code) (212) 249 -2617
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Brief Description of Business
The Company is in the business of manufacturing aircraft structural parts

Type of Business Organization
 corporation limited partnership, already formed other (please specify)
 business trust limited partnership, to be formed

Actual or Estimated Date of Incorporation or Organization: Month Year
10 04 Actual Estimated

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:
CN for Canada; FN for other foreign jurisdiction) **DE**

GENERAL INSTRUCTIONS

Federal
Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State: This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

PROCESSED
JAN 12 2006
THOMSON FINANCIAL

BT

A. BASIC IDENTIFICATION DATA

A. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

GALES, MICHAEL A.

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

GIUSTO, LOUIS

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

RETTALIATA, PETER

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

PERGALLO, DARIO

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

NAGLER, STEPHEN M.

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

SIEGEL, SEYMOUR G.

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

SCHAUM, ROUNSEVELLE

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

(Use blank sheet, or copy and use additional copies of this sheet, if necessary)

A. BASIC IDENTIFICATION DATA

- A. Enter the information requested for the following:
- Each promoter of the issuer, if the issuer has been organized within the past five years;
 - Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
 - Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
 - Each general and managing partner of partnership issuers.

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

HUNT, IRA A.

Business or Residence Address (Number and Street, City, State, Zip Code)

333 East 66th Street, 9th Floor, New York, New York 10021

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

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Full Name (Last name first, if individual)

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Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, if necessary)

B. INFORMATION ABOUT OFFERING

- 1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? Yes No
 Answer also in Appendix, Column 2, if filing under ULOE. Yes No
- 2. What is the minimum investment that will be accepted from any individual? \$100,000
- 3. Does the offering permit joint ownership of a single unit? Yes No
 Yes No
- 4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in this offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)
GUNNALLEN FINANCIAL INC.

Business or Residence Address (Number and Street, City, State, Zip Code)
5002 West Waters Avenue, Tampa, Florida 33634

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
(Check "All States" or check individual States) All States

- [AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
- [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
- [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
- [RJ] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
(Check "All States" or check individual States) All States

- [AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
- [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
- [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
- [RJ] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers
(Check "All States" or check individual States) All States

- [AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
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- [RJ] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$ _____	\$ _____
Equity <input type="checkbox"/> Common <input type="checkbox"/> Preferred	\$ _____	\$ _____
Convertible Securities (including warrants)	\$ _____	\$ _____
Partnership Interests	\$ _____	\$ _____
Other (Specify SEE EXHIBIT A)	\$ <u>8,000,000</u>	\$ _____
Total	\$ <u>8,000,000</u>	\$ _____

Answer also in Appendix, Column 3, if filing under ULOE

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offering under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

Rule 506 Offering	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors	_____	\$ _____
Non-Accredited	<u>0</u>	\$ <u>0</u>
Total (for filings under Rule 504 only)	_____	\$ _____

Answer also in Appendix, Column 4, if filing under ULOE

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Not Applicable		
Type of Offering	Type of Security	Dollar Amount Sold
Rule 505	_____	\$ _____
Regulation A	_____	\$ _____
Rule 504	_____	\$ _____
Total	_____	\$ _____

4.a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of the expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	<input type="checkbox"/>	\$ <u>0</u>
Printing and Engraving Costs	<input checked="" type="checkbox"/>	\$ <u>5,000</u>
Legal Fees	<input checked="" type="checkbox"/>	\$ <u>404,000</u>
Accounting Fees	<input checked="" type="checkbox"/>	\$ <u>10,000</u>
Engineering Fees	<input type="checkbox"/>	\$ <u>0</u>
Sales Commissions and Management Fee (specify finders' fees separately)	<input checked="" type="checkbox"/>	\$ <u>800,000</u>
Other Expenses (identify) <u>Nonaccountable expense allowance (2%)</u>	<input checked="" type="checkbox"/>	\$ <u>160,000</u>
Total	<input checked="" type="checkbox"/>	\$ <u>1,379,000</u>

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

4.b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer." \$ 6,621,000

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

		Payments to Officers, Directors & Affiliates		Payments to Others
Salaries and fees	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Purchase of real estate	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Purchase, rental or leasing and installation of machinery and equipment	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Construction or leasing of plant buildings and facilities	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger)	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Repayment of indebtedness	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Working capital	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Other (specify): <u>SEE EXHIBIT B ATTACHED</u>	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Column Totals	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
Total Payments Listed (column totals added)			<input checked="" type="checkbox"/>	\$ <u>6,621,000*</u>

*Assumes maximum offering

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) <i>GATES INDUSTRIES, INCORPORATED</i>	Signature 	Date <i>December 14, 2005</i>
Name of Signer (Print or Type) Michael A. Gales	Title of Signer (Print or Type) Executive Chairman	

ATTENTION

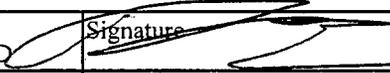
Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001)

F. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262(c), (d), (e) or (f) presently subject to any of the disqualification provisions of such rule? Yes No

See Appendix, Column 5, for state response.
2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform Limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

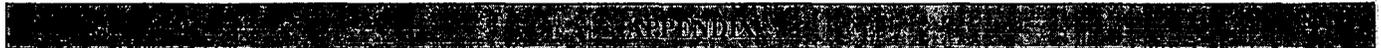
The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) GALES INDUSTRIES, INCORPORATED	Signature 	Date December 13, 2005
Name (Print or Type) Michael A. Gales	Title of Signer (Print or Type) Executive Chairman	

Instruction:
 Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear the type or printed signatures.

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No	UNITS see Exhibit A	Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL		<input checked="" type="checkbox"/>	\$8,000,000	3	\$75,000.00			<input type="checkbox"/>	<input type="checkbox"/>
AK		<input checked="" type="checkbox"/>	\$8,000,000	3	\$75,000.00			<input type="checkbox"/>	<input type="checkbox"/>
AZ		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
AR		<input checked="" type="checkbox"/>	\$8,000,000	31	\$1,450,280.00			<input type="checkbox"/>	<input type="checkbox"/>
CA								<input type="checkbox"/>	<input type="checkbox"/>
CO		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
CT		<input checked="" type="checkbox"/>	\$8,000,000	2	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
DE								<input type="checkbox"/>	<input type="checkbox"/>
DC								<input type="checkbox"/>	<input type="checkbox"/>
FL		<input checked="" type="checkbox"/>	\$8,000,000	24	\$940,720.00			<input type="checkbox"/>	<input type="checkbox"/>
GA		<input checked="" type="checkbox"/>	\$8,000,000	2	\$75,000.00			<input type="checkbox"/>	<input type="checkbox"/>
HI								<input type="checkbox"/>	<input type="checkbox"/>
ID		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
IL		<input checked="" type="checkbox"/>	\$8,000,000	11	\$500,000.00			<input type="checkbox"/>	<input type="checkbox"/>
IN		<input checked="" type="checkbox"/>	\$8,000,000	1	\$100,000.00			<input type="checkbox"/>	<input type="checkbox"/>
IA		<input checked="" type="checkbox"/>	\$8,000,000	2	\$150,000.00			<input type="checkbox"/>	<input type="checkbox"/>
KS		<input checked="" type="checkbox"/>	\$8,000,000	1	\$100,000.00			<input type="checkbox"/>	<input type="checkbox"/>
KY		<input checked="" type="checkbox"/>	\$8,000,000	1	\$38,000.00			<input type="checkbox"/>	<input type="checkbox"/>
LA		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
ME		<input checked="" type="checkbox"/>	\$8,000,000	2	\$125,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MD		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MA		<input checked="" type="checkbox"/>	\$8,000,000	3	\$150,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MI		<input checked="" type="checkbox"/>	\$8,000,000	4	\$100,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MN		<input checked="" type="checkbox"/>	\$8,000,000	3	\$75,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MS								<input type="checkbox"/>	<input type="checkbox"/>

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MO		<input checked="" type="checkbox"/>	\$8,000,000	1	\$100,000.00			<input type="checkbox"/>	<input type="checkbox"/>
MT		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NE		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NV		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NH		<input checked="" type="checkbox"/>	\$8,000,000	1	\$50,000.00			<input type="checkbox"/>	<input type="checkbox"/>
NJ		<input checked="" type="checkbox"/>	\$8,000,000	7	\$244,000.00			<input type="checkbox"/>	<input type="checkbox"/>
NM		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
NY		<input checked="" type="checkbox"/>	\$8,000,000	36	\$2,329,520.00			<input type="checkbox"/>	<input type="checkbox"/>
NC		<input checked="" type="checkbox"/>	\$8,000,000	1	\$25,000.00			<input type="checkbox"/>	<input type="checkbox"/>
ND		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
OH		<input checked="" type="checkbox"/>	\$8,000,000	2	\$225,000.00			<input type="checkbox"/>	<input type="checkbox"/>
OK		<input checked="" type="checkbox"/>	\$8,000,000	4	\$250,000.00			<input type="checkbox"/>	<input type="checkbox"/>
OR		<input checked="" type="checkbox"/>	\$8,000,000	1	\$25,000.00			<input type="checkbox"/>	<input type="checkbox"/>
PA		<input checked="" type="checkbox"/>	\$8,000,000	4	\$125,000.00			<input type="checkbox"/>	<input type="checkbox"/>
RI		<input checked="" type="checkbox"/>	\$8,000,000	1	\$12,500.00			<input type="checkbox"/>	<input type="checkbox"/>
SC		<input checked="" type="checkbox"/>	\$8,000,000	1	\$25,000.00			<input type="checkbox"/>	<input type="checkbox"/>
SD		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TN		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
TX		<input checked="" type="checkbox"/>	\$8,000,000	6	\$310,000.00			<input type="checkbox"/>	<input type="checkbox"/>
UT		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VT		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
VA		<input checked="" type="checkbox"/>	\$8,000,000	3	\$200,000.00			<input type="checkbox"/>	<input type="checkbox"/>
WA		<input checked="" type="checkbox"/>	\$8,000,000	2	\$75,000.00			<input type="checkbox"/>	<input type="checkbox"/>
WV		<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
WI		<input checked="" type="checkbox"/>	\$8,000,000	1	\$25,000.00			<input type="checkbox"/>	<input type="checkbox"/>



1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
WY	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>
PR	<input type="checkbox"/>	<input type="checkbox"/>						<input type="checkbox"/>	<input type="checkbox"/>

EXHIBIT A

DESCRIPTION OF SECURITIES

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

Gales Industries Incorporated, a Delaware corporation (the "Company", "Gales" or "we"), is offering for sale in a private placement offering (the "Offering"), a minimum of 65 Units (gross proceeds of \$6,500,000; sometimes referred to as the "Minimum Offering") and a maximum of 80 Units (gross proceeds of \$8,000,000; sometimes referred to as the "Maximum Offering"), each Unit consisting of 10 shares of the Company's Series A Convertible Preferred Stock, par value \$.0001 per share ("Preferred Stock"). The Maximum Offering may be increased by up to 10 Units (\$1,000,000) to cover any over-subscriptions (the "Over-Allotment Option").

The Preferred Stock will bear a dividend of 8% per annum payable in kind until such time as the Preferred Stock is converted into common stock; provided that if the Company fails to timely file (as described elsewhere in this Memorandum) or process to effectiveness a registration statement for the resale of the common stock issuable upon conversion of the Preferred Stock, the 8% per annum dividend will be payable in cash. Subject to adjustment as more fully described herein, each share of Preferred Stock is convertible at the option of the holder into 45,455 shares of the Company's common stock ("Common Stock") and is subject to mandatory conversion upon registration for sale under the Securities Act of the Common Stock underlying the Preferred Stock.

The Offering is intended to be exempt from registration under the Securities Act and is intended to comply with Regulation D promulgated by the SEC. The Offering is being made solely to "accredited investors" as defined in Regulation D. The minimum investment is \$100,000 (one Unit) but the Company and the Placement Agent may accept lesser investments at their discretion. The Company has retained GunnAllen Financial, Inc. as its exclusive placement agent (the "Placement Agent") for the Offering.

EXHIBIT B
USE OF PROCEEDS

The net proceeds from the Offering are estimated to be approximately \$5,301,000 in the case of the Minimum Offering and \$6,621,000 in the case of the Maximum Offering, after deducting the Placement Agent's 10% commission and 2% non-accountable expense allowance and all other expenses (estimated at \$419,000) of the Offering. The net proceeds of this Offering will be used to pay the cash portion of the consideration for an Acquisition and other amounts due the shareholders of the target company pursuant to the Acquisition Agreement, to pay a portion of the fees and expenses incurred in connection with the closing transactions and for working capital purposes, including, if demanded, repayment of certain bridge notes.