SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

Current Report Pursuant to Section 13 or 15(d) of

The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 18, 2001

PACEL CORP.

(Exact Name of Registrant as Specified in Charter)

Virginia	000-29459	54-1712558
(STATE OR OTHER JURISDICTION OF INCORPORATION)	(COMMISSION FILE NO.)	(IRS EMPLOYER IDENTIFICATION NO.)

8870 Rixlew Lane
Suite 201
Manassas, Virginia 20109 (703) 257 - 4759
(ADDRESS OF PRINCIPAL (ZIP CODE) (TELEPHONE NUMBER)
EXECUTIVE OFFICES)

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

FINANCIAL STATEMENTS

(a) FINANCIAL STATEMENTS OF BUSINESS ACQUIRED:

Advantage Systems Inc.: Audited Balance sheet for the year ended September 30, 2000; Audited Statements of operations for the year ended September 30, 2000; Audited Statements of Changes in Stockholders' Equity for the year ended September 30, 2000; Audited Statement of cash Flows for the year ended September 30, 2000 and Notes to the Financial Statements.

(b) Pro Forma Financial information

Pacel Corp. and Subsidiaries Unaudited combined Pro Forma Balance Sheet as of June 30, 2001, unaudited combined Pro Forma statement of Operations for the six months ended June 30, 2001; unaudited combined Pro Forma statement of Operations for the year ended December 31, 2000.

UNAUDITED COMBINED PRO FORMA FINANCIAL STATEMENTS

On September 4, 2001, Pacel Corp. (the "Company") acquired all of the stock (90,000 shares) of Advantage Systems Inc. a California corporation (`Advantage"). For $70,000 cash.

The following unaudited pro forma combined financial statements of the Company presents the unaudited combined balance sheet as of June 30, 2001 and the unaudited combined statements of operations for the year ended December 31,2000, and the six months ended June 30, 2001, as if the acquisition of Advantage had occurred January 1, 2000.

The acquisition will be accounted for as a purchase, with the assets acquired and the liabilities assumed recorded at fair values, and the results of Advantage's operations included in the Company's combined financial statements as of January 1, 2000.

The pro forma adjustments represent, in the opinion of management, all adjustments necessary to present the Company's pro forma combined financial position and results of its combined operations in accordance with Article 11 of SEC Regulation S-X based upon available information and certain assumptions considered reasonable under the circumstances.

The unaudited pro forma combined financial statements presented herein do not purport to present what the Company's combined financial position or results of its combined operations would actually have been had the events leading to the pro forma adjustments in fact occurred on the date or at the beginning of the period indicated or to project the Company's combined financial position or results of its combined operations for any future date or period.

The unaudited pro forma combined financial statements should be read in conjunction with the audited financial statements of the Company and the notes thereto.

SIGNATURES

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

Pacel Corp.

Date: December 18, 2001

By; /s/ David Calkins

David Calkins President

ADVANTAGE SYSTEMS INC.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To The Board of Directors
Advantage Systems Inc..

We have audited the accompanying balance sheet of Advantage Systems Inc, as of September 30, 2000 and the related statement of operations, stockholders' equity (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Advantage Systems Inc. as of September 30, 2000, and results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 (K) to the financial statements, the Company has had losses since inception and requires additional capital to continue operations. These conditions raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Peter C. Cosmas Co., CPAs

370 Lexington Ave.
New York, NY 10017

December 12 , 2001

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ADVANTAGE SYSTEMS INC.
BALANCE SHEET
SEPTEMBER 30, 2000

Current assets:	
Cash	$ 12,468
Accounts receivable	73,265
Inventories	17,513
Total Current assets	103,246
Equipment, net of accumulated depreciation of $8,778	7,222
Total assets	$ 110,468

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities:	
Line of Credit	$ 57,273
Accounts payable	124,532
Loans payable officers - Stockholders	29,500
Loans to affiliates	194,636
Accrued expenses	12,570
Total current liabilities	418,511
Commitments:	
Stockholders' equity (deficit)	
Common stock, $.01 par value 10,000,000 shares authorized, 90,000 shares outstanding	900
Additional paid in capital	201,311
Deficit	(510,254)
Total stockholders' equity (deficit)	(308,043)
Total liabilities and stockholders' equity	$ 110,468

See accompanying notes to financial statements

ADVANTAGE SYSTEMS INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 2000

Sales	$ 986,464
Cost of goods sold	820,919
Gross profit	165,545
Operating costs and expenses	

Sales and Marketing	31,007
Intrest expense	9,093
General and administrative	497,004
Total operating costs and expenses	537,104
Net (loss)	$(371,559)

See accompanying notes to financial statements

ADVANTAGE SYSTEMS INC.
STATEMENT OF SHAREHOLDERS' EQUITY
YEAR ENDED SEPTEMBER 30, 2000

	COMMON STOCK SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED DEFICIT
Balance at September 30, 1999	90,000	$ 900	$ 201,311	(138,695)
Net Loss September 30, 2000				(371,559)
Balance September 30, 2000	90,000	$ 900	$ 201,311	$ (510,254)

See accompanying notes to financial statements

ADVANTAGE SYSTEMS INC.
STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2000

Cash flows from operating activities:	
Net loss	$(371,559)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:	
Depreciation and amoritzation	2,717
Allowance for doubtful accounts	110,000
Changes in assets and liabilities:	
Accounts receivable	37,658
Inventories	13,693
Accounts payable	(16,861)
Accrued expenses	12,570
Loans payable officers-stockholders	29,500
Cash used in operating activities	(182,282)
Cash flows from investing activities-	
Equipment purchases	(7,499)
Cash used in investing activities	(7,499)
Cash flows from financing activities:	
Long-term debt	7,613
Loan from affiliate	194,636
Cash provided from financing activities	202,249
Net increase in cash	12,468
Cash at beginning of period	--
Cash at end of period	$ 12,468

Supplemental disclosure of cash flow information	
Cash paid for interest	9,093
Cash paid for taxes	1,682

See accompanying notes to financial statements

ADVANTAGE SYSTEMS INC.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2000

1. Summary of Significant Accounting Policies and Practices

(A) Nature of Business and Basis of Presentation

Advantage Systems Inc. (the "Company) was incorporated on September 3, 1996 to design, manufacture and market customized personal computer products. In September 1998 the Company was acquired by Advantage Technologies, Inc. (formerly Simulator Systems, Inc.)

(B) Cash and Cash Equivalents

The Company considers short-term, highly liquid investment with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents include cash in banks.

(C) Revenue and Cost of Revenue

Revenue from product sales is recognized upon execution of a contract and the completion of all delivery obligations provided that there are no uncertainties regarding customer acceptance and collectibility is deemed probable.

Costs of revenues include the costs of manufacturing the Company's products, inventory obsolescence costs, and overhead related to the Company's manufacturing.

(D) Inventory

Inventory is stated at the lower of cost (first-in, first-out) or market (net realizable value).

(E) Property and Equipment

Equipment is carried at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the depreciable assets, which range from three to seven years.

(F) Recovery of Long-Lived Assets

The Company's policy is to review its long-lived assets, including goodwill and other intangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company recognizes an impairment loss when the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset. The measurement of the impairment losses to be recognized is based upon the difference between the fair value and the carrying amount of the asset.

(H) Research and Development

Research and development costs are expensed as incurred.

(I) Income Taxes

The company accounts for income taxes under the asset and liability method. Deferred income tax assets and liabilities are provided annually for differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future. Deferred income taxes are computed based on enacted tax laws and rates applicable to the periods in which the differences are expected to effect taxable income.

Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expenses is the tax payable or refundable for the period plus or minus the change during the year in deferred tax assets and liabilities.

(J) Uses of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ.

(K) Basis of Financial Statement Presentation

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has had losses from inception to September 30, 2000. These factors indicate that the Company's continuation, as a going concern is dependent upon its ability to obtain adequate financing.

2. Inventory

Raw materials	$17, 513

3. Property and Equipment

Computer Equipment	$16,000
Less accumulated depreciation	8,778
Total Computer equipment	$ 7,222

4. Notes payable Stockholders

A stockholder and officer of the Company, advanced working capital to the Company in exchange for an unsecured note bearing an interest rate of 17%. On September 30, 2000 the amount of the note was $29,500.

5. Line of Credit

The Company has two lines of credit one for $50,000 and the other for $10,000 that bear interest rates of 12.5% and 9.25% respectively. At September 30, 2000 the Company has used $57,273 of the available lines of credit.

6. Income taxes

The Company had net operating loss carryovers of approximately $500,00 as of September 30, 2000 available to offset future taxable income if any. If not utilized against future taxable income, the tax loss carryovers will expire in 2020.

7. Common Stock

The Company has authorized 10,000,000 shares of $.01 par value of which 90,000 shares are outstanding at September 30,2000.

8. Subsequent events

On September 4, 2001 the Company was acquired by Pacel Corp. for $70,000.

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PACEL CORP. AND SUBSIDIARIES
PRO FORMA COMBINED STATEMENTS OF OPERATIONS
YEAR ENDED DECEMBER 31, 2000

	PACEL AUDITED	ADVANTAGE UNAUDITED	ADJUSTMENTS	PROF COMB
Sales	$ 244,971	$ 1,082,393		$ 1,32
Cost of Goods Sold	0	840,509		84
Gross Profit	244,971	241,884	0	48
Operating costs and expenses:				
Research and development	969,971	0		96
Depreciation & Amortization	30,530	2,894		3

Interest expense	63,284	24,111	13,600	10
Sales and Marketing	622,525	30,998		65
Financing Expenses	--			
General and Administrative	1,895,948	514,362	200,000	2,61
Total operating costs and expenses	3,582,258	572,365	213,600	4,36
Other Income	5,093	0	0	
Net (loss)	$ (3,332,194)	$ (330,481)	$ (213,600)	(3,87
Net (loss) per common share				
Basic				
Diluted				
Weighted Average shares outstanding				
Basic				26,60
Diluted				26,60

See accompanying note to combined financial statements

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PACEL CORP. AND SUBSIDIARIES
PRO FORMA COMBINED BALANCE SHEETS
JUNE 30, 2001

ASSETS

	PACEL UNAUDITED	ADVANTAGE UNAUDITED	PRO FORMA ADJUSTMENTS
Current assets:			
Cash and cash equivalents	$ 1,867	$ 9,988	$ 100,000
Accounts receivable, net	131,570	45,161	
Inventory	18,699	48,384	
Other receivables	60,003	3,982	
Prepaid expenses	4,267	--	
Total current assets	216,406	107,515	100,000
Property and equipment, net	132,723	5,051	
Non-current assets:			
Note receivable	71,000	--	
Goodwill	7,565	--	493,018

Security deposits	9,089	1,500	
Total non-current assets	87,654	1,500	493,018
Total assets	$ 436,783	$ 114,066	$ 593,018

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current liabilities:			
Accounts payable	$ 757,630	$ 126,407	$
Accrued expenses	71,093	76,562	170,945
Loans payable officers-Stockholders	142,969	45,000	
Notes payable convertible debenture	1,049,690	--	170,000
Notes payable bank	50,000		
Lines of credit	--	51,912	
Loan from affiliate	202,504		
Total current liabilities	2,071,382	502,385	340,945
Long term liabilities:			
Equipment leases	--	73,563	--
Total long term liabilities	--	73,563	--
Total liabilities	2,071,382	575,948	340,945
Minority interest			
Commitments:			
Stockholders' equity (deficit)			
Preferred stock, no par value, no liquidation value, 5,000,000 shares authorized, issued 1,000,000 shares 1997 class A convertible preferred stock	11,320		
Common stock - no par value, 150,000,000 shares authorized, 55,936,220 shares outstanding	5,625,346	202,211	(102,211)
Cumulative currency translation adjustment	(9,921)		
Deficit	(7,261,344)	(664,093)	354,284
Total stockholders' equity (deficit)	(1,634,599)	(461,882)	252,073
Total liabilities and stockholders' equity	$ 436,783	$ 114,066	$ 593,018

See accompanying note to combined financial statements

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PACEL CORP. AND SUBSIDIARIES

PRO FORMA COMBINED STATEMENTS OF OPERATIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2001

	PACEL UNAUDITED	ADVANTAGE UNAUDITED	ADJUSTMENTS	PROFO COMBI
Sales	$ 429,088	$ 556,396		$ 985
Cost of Goods Sold	299,107	437,654		736
Gross Profit	129,981	118,742		248
Operating costs and expenses:				
Research and development	219,285	0		21
Depreciation & Amortization	13,041	1,447		1
Interest expense	25,634	22,546	7,345	5
Sales and Marketing	68,091	10,615		7
Financing Expenses	81,100	--		8
General and Administrative	981,268	218,392	50,000	1,24
Total operating costs and expenses	1,388,419	253,000	57,345	1,69
Other Income	1,864	0	0	
Net (loss)	$ (1,256,574)	$ (134,258)	$ (57,345)	$ (1,44
Net (loss) per common share				
Basic				
Diluted				
Weighted Average shares outstanding				
Basic				46,44
Diluted				46,44

See accompanying note to combined financial statements