

SPAR GROUP INC  
Form 10-K/A  
April 17, 2007

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-K/A - Amendment No. 1**

FOR ANNUAL AND TRANSITIONAL REPORTS  
PURSUANT TO SECTIONS 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

**(Mark One)**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the fiscal year ended **December 31, 2006**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 for the transition period from to

Commission file number 0-27824

**SPAR GROUP, INC .**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**33-0684451**

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

**555 White Plains Road, Suite 250, Tarrytown, New York**

(Address of principal executive offices)

**10591**

(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

Securities registered pursuant to Section 12(b) of the Act: Common Stock, par value \$.01 per share

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES      NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES      NO

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve 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      NO

**(Mark One)**

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not 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-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. (See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act.)

Large Accelerated Filer      Accelerated Filer      Non-Accelerated Filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) YES      NO

The aggregate market value of the Common Stock of the Registrant held by non-affiliates of the Registrant on June 30, 2006, based on the closing price of the Common Stock as reported by the Nasdaq Capital Market on such date, was approximately \$4,645,410.

The number of shares of the Registrant's Common Stock outstanding as of December 31, 2006, was 18,934,182 shares.

### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement, which will be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of our fiscal year, for our Annual Meeting of Shareholders, presently scheduled to be held on May 24, 2007, are incorporated by reference into Part III of this Form 10-K.

## Introduction

This Form 10-K/A (Amendment No. 1) amends the Annual Report for the Fiscal Year ended December 31, 2006 on Form 10-K filed on April 2, 2007 by amending and restating certain portions of the Notes to the Consolidated Financial Statements to correct certain immaterial typographical and clerical errors (by substituting the indicated restatements that include such corrections) for general cleanup purposes, including use in the registrant's annual report to its shareholders.

The first sentence of the second paragraph of page F-14 is amended, restated and completely replaced to remove a comma following the word control from the end of the sentence to read as follows:

On September 10, 2004, the Company terminated the SPGI Revolver and the Term Loans in consideration for a new Promissory Note totaling \$764,271 (which represented the amount outstanding under the SPGI Revolver at that time) and in the event of a change in control of STIMULYS, a share in the net proceeds resulting from such change in control.

The last paragraph on page F-22 is hereby deleted in its entirety and replaced with the following new paragraph:

Because of the requirement to maintain a lock box arrangement with Webster and Webster's ability to invoke a subjective acceleration clause at its discretion, borrowings under the Credit Facility are classified as current at December 31, 2006 and 2005, in accordance with EITF 95-22, *Balance Sheet Classification of Borrowings Outstanding Under Revolving Credit Agreements That Include Both a Subjective Acceleration Clause and a Lock-Box Agreement*.

The last sentence of the third paragraph of page F-29 is amended, restated and completely replaced to correct a typographical error to read as follows:

At December 31, 2006, options to purchase 2,221,534 shares of SGRP's common stock remain outstanding under this plan and options to purchase 577,108 shares of SGRP's common stock were available for grant under this plan.

The fourth sentence of the first paragraph of page F-32 is amended, restated and completely replaced to remove a comma following the word respectively from the end of the sentence to read as follows:

The South African subsidiary contributed 4%, 7% and 8% to the consolidated net revenue of the Company for the twelve months ended December 31, 2006, 2005 and 2004, respectively.

## Index of Exhibits

Exhibits.

### Exhibit

<b>Exhibit Number</b>	<b>Description</b>
31.1	<u>Certification of the CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and filed herewith.</u>
31.2	<u>Certification of the CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and filed herewith.</u>
32.1	<u>Certification of the CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and filed herewith.</u>
32.2	

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Certification of the CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and filed herewith.

**SIGNATURES**

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

SPAR Group, Inc.

/s/ Charles Cimitile

Charles Cimitile

Chief Financial Officer, Treasurer and Secretary

Date: April 17, 2007