

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
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FORM 8-K

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 31, 2004

SPAR Group, Inc.

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(Exact Name of Registrant as Specified in Charter)

Delaware ----- (State or Other Jurisdiction of Incorporation)	0-27824 ----- (Commission File No.)	33-0684451 ----- (IRS Employer Identification No.)
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580 White Plains Road, Tarrytown, New York ----- (Address of Principal Executive Offices)	10591 ----- (Zip Code)
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Registrant's telephone number, including area code: (914) 332-4100

Not Applicable

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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:

- 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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On August 31, 2004, SPAR Group, Inc. (the "Company"), received a notice from the Nasdaq National Market (the "Notice") that they are no longer in compliance with the requirement that the price of its listed shares remain at \$1.00 per share for continued listing of such stock on the Nasdaq National Market, as well as the requirements for a minimum \$10 million shareholders' equity and \$5 million market value of publicly held shares.

The notification said the Company has been granted 180 calendar days, or until February 28, 2005, to comply with the \$1.00 per share requirement and 90 calendar days, or until November 29, 2004, to regain compliance with the market value requirement. The notification also said Nasdaq will conduct a review of the company's eligibility for compliance with the equity requirement.

On September 3, 2004, the Company issued as press release, attached to this Current Report on Form 8-K (the "Report") as Exhibit 99.1, reporting that it had received the Notice and the response anticipated by the Company.

The information in this Report, including the exhibit, shall not be deemed

to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. It shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(a) Exhibits

99.1 Press Release dated September 3, 2004.

SIGNATURES

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

Dated: September 7, 2004

SPAR Group, Inc.

By: /s/ Charles Cimitile

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Name: Charles Cimitile  
Title: Chief Financial Officer

Exhibit Index

Exhibit No. -----	Description -----
99.1	Press Release dated September 3, 2004

[Letterhead of PondelWilkinson Inc.]

CONTACTS: Charles Cimitile  
Chief Financial Officer  
SPAR Group, Inc.  
(914) 332-4100

Roger S. Pondel  
PondelWilkinson Inc.  
(310) 279-5980

SPAR GROUP REPORTS NOTIFICATION FROM NASDAQ

TARRYTOWN, NY -- September 3, 2004 -- SPAR Group, Inc. (Nasdaq:SGRP) said today it has received notification from Nasdaq that the company is no longer in compliance with certain requirements for continued listing on The Nasdaq National Market. Nasdaq advised the company that it is no longer in compliance with the minimum bid requirement of \$1.00 per share, the \$10 million shareholders' equity requirement and the \$5 million market value of publicly held shares requirement.

The notification said SPAR Group has been granted 180 calendar days, or until February 28, 2005, to regain compliance with the \$1.00 per share requirement and 90 calendar days, or until November 29, 2004, to regain compliance with the market value requirement. The notification also stated that as result of the company's non-compliance with the shareholders' equity requirement, Nasdaq will

(more)

conduct a review of the company's eligibility for continued listing on The Nasdaq National Market.

Robert Brown, SPAR Group president and chief executive officer, said that the company will supply all the documentation necessary to facilitate Nasdaq's review. "While we are disappointed with our current valuation, we believe that the programs in place to reduce costs and enhance sales will provide tangible benefits over the long-term that will ultimately be recognized in the public marketplace," Brown said.

SPAR Group, Inc. is a diversified international marketing services company, providing a broad array of productivity enhancing products and services to help Fortune 1000 companies improve their sales, operating efficiency and profits. The company provides in-store merchandising, in-store demonstrations, technology and research to manufacturers and retailers covering all product classifications and all classes of trade, including mass market, drug store, convenience store and grocery chains, throughout the United States and internationally.

Certain statements in this news release are forward-looking, including, but not limited to, benefits from the company's programs to reduce costs and enhance sales, the company's ability to regain compliance with listing requirements, or assurance of meeting requirements for continued listing on Nasdaq. The company's actual results, performance and trends could differ materially from those indicated or implied by such statements as a result of various factors, including (without limitation) the continued strengthening of SPAR's selling and marketing functions, continued customer satisfaction and contract renewal, new product development and marketing, continued technological superiority over its competitors, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, and other factors, as well as by factors applicable to most companies such as general economic, competitive and other business and civil conditions. Information respecting certain of these and other factors that could effect future results, performance or trends are discussed in SPAR Group's annual report on Form 10-K, quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission from time to time.

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