

# SECURITIES AND EXCHANGE COMMISSION

## FORM 8-K

Current report filing

Filing Date: **2005-05-02** | Period of Report: **2005-04-26**  
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### FILER

#### **NCT GROUP INC**

CIK: **722051** | IRS No.: **592501025** | State of Incorpor.: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **000-18267** | Film No.: **05791523**  
SIC: **3690** Miscellaneous electrical machinery, equipment & supplies

Mailing Address  
20 KETCHUM ST  
WESTPORT CT 06880

Business Address  
20 KETCHUM ST  
WESTPORT CT 06880  
2032264447

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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): April 26, 2005

NCT Group, Inc.

-----  
(Exact name of registrant as specified in its charter)

Delaware

0-18267

59-2501025

-----  
(State or other jurisdiction  
of incorporation)

-----  
(Commission  
File Number)

-----  
(IRS Employer  
Identification No.)

20 Ketchum Street, Westport, CT

06880

-----  
(Address of principal executive offices)

-----  
(Zip Code)

Registrant's telephone number including area code:

(203) 226-4447  
-----

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 1.01. Entry into a Material Definitive Agreement.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Item 3.02. Unregistered Sales of Equity Securities.

On April 26, 2005, NCT Group, Inc. ("NCT") issued Carole Salkind an 8% convertible note in the principal amount of \$390,000, for which Ms. Salkind paid NCT \$390,000 in cash. On April 29, 2005, NCT issued Carole Salkind an 8% convertible note in the principal amount of \$1,034,532.52 to cure NCT's default under notes dated October 15, 2004 and October 21, 2004. The principal amount of this note represents the aggregate principal rolled over (\$904,392.54), default penalty (10% of the principal in default) and accrued interest. The notes are secured by substantially all of the assets of NCT. The notes mature six months from the dates of issuance. The notes bear interest at 8% per annum until the due dates of the notes, and bear interest at a default rate of 13% on any amount of principal or interest that is not paid when due. Interest is payable upon maturity of the notes. At the election of Ms. Salkind, the notes may be converted into shares of NCT common stock (35,454,545 shares for the April 26, 2005 note at a conversion price per share of \$0.011 and 86,211,043 shares for the April 29, 2005 note at a conversion price per share of \$0.012) or exchanged for shares of common stock of any subsidiary of NCT (except Pro Tech Communications, Inc.) that makes a public offering of its common stock (at the public offering price). The notes contain events of default, any one of which (if not cured) triggers a default penalty of 10% of the then outstanding principal. If triggered, the default penalty, along with the outstanding principal and accrued interest, becomes immediately due and payable. Events of default include the failure to pay principal and interest when due and the failure to issue shares of common stock upon exercise of conversion rights.

In conjunction with the issuance of these notes, NCT issued Ms. Salkind five-year warrants to acquire 7,000,000 shares of NCT common stock at an exercise price per share of \$0.011 and 17,250,000 shares of NCT common stock at an exercise price per share of \$0.012.

The issuance of the notes and warrants was not registered under the Securities Act of 1933, as amended, in reliance upon the exemption set forth in Section 4(2) of the Securities Act relating to transactions by an issuer not involving a public offering.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

10.1(a) Form of Secured Convertible Note (new financings) issued by NCT Group, Inc. to Carole Salkind (incorporated herein by reference to Exhibit 10.8(a) of the registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-18267)).

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10.1(b) Schedule of Secured Convertible Note (new financing) issued by NCT Group, Inc. to Carole Salkind on April 26, 2005.

10.2(a) Form of Secured Convertible Note (refinancings) issued by NCT Group, Inc. to Carole Salkind (incorporated herein by reference to Exhibit 10.9(a) of the registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-18267)).

10.2(b) Schedule of Secured Convertible Note (refinancing) issued by NCT Group, Inc. to Carole Salkind on April 29, 2005.

10.3(a) Form of Warrant (new financings) issued by NCT Group, Inc. to Carole Salkind (incorporated herein by reference to Exhibit 10.10(a) of the registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-18267)).

10.3(b) Schedule of Warrant (new financing) issued by NCT Group, Inc. to Carole Salkind on April 26, 2005.

10.4(a) Form of Warrant (refinancings) issued by NCT Group, Inc. to Carole Salkind (incorporated herein by reference to Exhibit 10.11(a) of the registrant's Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 0-18267)).

10.4(b) Schedule of Warrant (refinancing) issued by NCT Group, Inc. to Carole Salkind on April 29, 2005.

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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.

NCT GROUP, INC.

By: /s/ Cy E. Hammond

-----  
Cy E. Hammond  
Senior Vice President and  
Chief Financial Officer

Date: May 2, 2005

Exhibit 10.1(b)

Schedule of Secured Convertible Note (new financing) Issued by  
NCT Group, Inc. to Carole Salkind on April 26, 2005

Issue Date	Due Date	Principal	Conversion Price
----- 04/26/05	----- 10/26/05	----- \$ 390,000	----- \$ 0.011

Exhibit 10.2(b)

Schedule of Secured Convertible Note (refinancing) Issued by  
NCT Group, Inc. to Carole Salkind on April 29, 2005

Issue Date	Due Date	Principal	Conversion Price
----- 04/29/05	----- 10/29/05	----- \$1,034,532.52	----- \$ 0.012

Exhibit 10.3(b)

Schedule of Warrant (new financing) Issued by  
NCT Group, Inc. to Carole Salkind on April 26, 2005

Grant Date	Expiration Date	Exercise Price	Shares Granted
----- 04/26/05	---- 04/26/10	----- \$ 0.011	----- 7,000,000



Exhibit 10.4(b)

Schedule of Warrant (refinancing) Issued by  
NCT Group, Inc. to Carole Salkind on April 29, 2005

Grant Date	Expiration Date	Exercise Price	Shares Granted
----- 04/29/05	---- 04/29/10	----- \$ 0.012	----- 17,250,000