

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

January 18, 2006
(Date of Report)

ALANCO TECHNOLOGIES, INC.
(Exact name of Registrant as specified in its charter)

0-9437
(Commission File No.)

Arizona 86-0220694
(State or other jurisdiction) (IRS Employer Identification No.)

15575 N 83RD WAY, SUITE 3, SCOTTSDALE, ARIZONA 85260
(Address of Principal Executive Office) (Zip Code)

(480)607-1010
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- Written communication 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 240.134-4(c))

Item 1.01 Entry into a Material Definitive Agreement

Item 3.02 Unregistered Sales of Equity Securities

On January 17, 2005, the Company completed the sale, in a private offering to an institutional investor, of 1,500,000 units consisting of one share of its Class A Common Stock together with a 3-year warrant to purchase one-half share of the Company's Common Stock at a price of \$.85 per share ("Unit") for a unit sale price of \$.60. The Company received \$837,000, net of commission, from the offering. The Company granted additional warrants to purchase 52,500 shares of its Common Stock on terms identical to those granted in the private offering as commissions related to the offering.

Item 9.01 Financial Statements and Exhibits

Exhibit 99.1 - Agreement and Warrant

SIGNATURE

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.

Date: January 18, 2006

ALANCO TECHNOLOGIES, INC.
By: /s/ John A Carlson
Chief Financial Officer