

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): May 15, 1998

Metro-Tel Corp.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	0-9040	11-2014231
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

250 South Milpitas Boulevard, Milpitas, CA	95035
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(Address of Principal Executive Offices)	(Zip Code)

(408) 946-4600

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 5. Other Events.

On May 15, 1998, the Company issued a press release reporting that the Company had entered into a Memorandum of Intent with respect to a proposed merger of Steiner-Atlantic Corp. with Metro-Tel Corp. A copy of the press release is attached to this Form 8-K as Exhibit 99.01.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(a) Financial statements of business acquired:

Not applicable.

(b) Pro forma financial information:

Not applicable.

(c) Exhibits:

99.01 Metro-Tel Corp. Press Release dated May 15, 1998.

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.

METRO-TEL CORP.

Date: May 22, 1998

By: /s/ Venerando J. Indelicato

Venerando J. Indelicato, Vice President

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EXHIBIT INDEX

Exhibit Number -----	Description -----
99.01	Metro-Tel Corp. Press Release dated May 15, 1998.

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From: Metro-Tel Corp.
250 S. Milpitas Blvd.
Milpitas, CA 95035

V.J. Indelicato (813) 814-0722
Fax (813) 814-0822

FOR IMMEDIATE RELEASE

Metro-Tel Corp. Signs Memorandum Of

Intent with Steiner Atlantic Corp.

Milpitas, CA May 15, 1998 - Metro Tel Corp. (Nasdaq: MTRO), announced today that it has entered into a Memorandum of Intent with Steiner Atlantic Corp., a privately held corporation located in Miami, Fl, calling for the merger of Steiner Atlantic Corp. with Metro Tel Corp. The merger contemplates a "pooling of interest" transaction under which Metro Tel Corp. will issue shares of its common stock to the shareholders of Steiner Atlantic Corp., as a result of which, Steiner Atlantic Corp. stockholders will own approximately 70% of the combined company. At the conclusion of the transaction, it is anticipated that Metro Tel Corp. will change its name to Aero-Tech Corporation.

Steiner Atlantic Corp., which is a distributor of industrial laundry and dry cleaning equipment and allied products serving the southeast United States and Latin American markets, is operating profitably and had 1997 revenues of approximately \$14 million.

On a pro-forma basis the combined company would have shown revenues of approximately \$18 million for the year ended December 31, 1997 and adjusted earnings of approximately \$800,000.

Michael Steiner, president of Steiner Atlantic Corp., will become president of the combined company and Venerando J. Indelicato, president of Metro Tel Corp., will become Chief Financial Officer. Both executives view the merger as the basis for building a much larger enterprise.

The investment banking firm of Slusser Associates acted as an advisor to Metro Tel Corp.

The transaction is subject to, among other things, entering into a definitive agreement, approval of both boards of directors and the approval of the shareholders of both companies.

The merger is expected to be completed by October 31, 1998.