

Aventura Holdings Inc.  
Form 10-Q  
August 11, 2009

---

---

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

\_\_\_\_\_  
FORM 10-Q  
\_\_\_\_\_

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the quarterly period ended June 30, 2009

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE  
ACT  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 33-42498

AVENTURA HOLDINGS, INC.  
(Exact name of registrant as specified in its charter)

Florida 65-0254624  
(State or other jurisdiction of incorporation or organization) (IRS Employer Identification No.)

2650 Biscayne Boulevard, Miami, Florida 33137  
(Address of principal executive offices)

(305) 937-2000  
(Registrant's telephone number, including area code)

Indicate by checkmark 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 12 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Edgar Filing: Aventura Holdings Inc. - Form 10-Q

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting  
company

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 126.2 of the Exchange Act). Yes  No

The number of shares of common stock outstanding as of August 11, 2009 was 2,800,324,194.

---

Table of Contents

AVENTURA HOLDINGS, INC.

Table of Contents

	Page
PART I Financial Information	
Item 1. <u>Financial Statements</u>	3
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	11
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	14
Item 4. <u>Internal Control and Procedures</u>	14
PART II Other Information	
Item 1. <u>Legal Proceedings</u>	15
Item 1A. <u>Risk Factors</u>	15
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	15
Item 3. <u>Defaults Upon Senior Securities</u>	15
Item 4. <u>Submission of Matters to a Vote of Security Holders.</u>	15
Item 5. <u>Other Information</u>	15
Item 6. <u>Exhibits</u>	15
<u>Signatures</u>	16

---

Table of Contents

## PART I. FINANCIAL INFORMATION

Item 1. Financial statements

AVENTURA HOLDINGS, INC.  
CONSOLIDATED BALANCE SHEETS

	June 30, 2009 (unaudited)	December 31, 2008
<b>ASSETS:</b>		
<b>Current Assets</b>		
Cash	\$2,662	\$3,351
Accounts receivable	-	-
<b>Total Current Assets</b>	<b>2,662</b>	<b>3,351</b>
<b>Fixed Assets</b>		
Furniture and equipment	32,500	32,500
Less: accumulated depreciation	(3,480 )	(1,160 )
	29,020	31,340
<b>Other Assets</b>		
Security deposit	-	4,420
<b>Total Other Assets</b>	<b>-</b>	<b>4,420</b>
<b>TOTAL ASSETS</b>	<b>\$31,682</b>	<b>\$39,111</b>
<b>LIABILITIES &amp; SHAREHOLDERS' DEFICIT:</b>		
<b>Liabilities:</b>		
Accounts payable	\$25,668	\$27,383
Accrued compensation	49,415	59,332
<b>Total Liabilities</b>	<b>75,083</b>	<b>86,715</b>
<b>Shareholders' Deficit:</b>		
Common Stock; \$0.001 par value; 5,000,000,000 shares authorized; 2,800,324,194 shares issued and outstanding as of June 30, 2009 and 2,790,324,194 shares issued and outstanding as of December 31, 2008	2,800,325	2,790,325
Additional paid in capital	(1,941,907)	(1,936,907)
Treasury stock	200,000	200,000
Accumulated deficit	(1,101,819)	(1,101,022)
<b>Total Shareholders' Deficit</b>	<b>(43,401 )</b>	<b>(47,604 )</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' DEFICIT</b>	<b>\$31,682</b>	<b>\$39,111</b>

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Six Months Ended June 30, 2009 (unaudited)	For the Six Months Ended June 30, 2008 (unaudited)	For the Three Months Ended June 30, 2009 (unaudited)	For the Three Months Ended June 30, 2008 (unaudited)
<b>REVENUES:</b>				
Sales	\$ 95,466	\$ 15,695	\$ -	\$ 15,695
Less: cost of sales	58,604	4,230	-	4,230
Gross Profit	36,862	11,465	-	11,465
Fee Income	15,943	97,049	12,475	27,766
Total Revenues	52,805	108,514	12,475	39,231
<b>EXPENSES:</b>				
General & Administrative	53,602	58,953	40,736	29,740
Net Income	\$ (797 )	\$ 49,561	\$ (28,261 )	\$ 9,491
<b>LOSS PER SHARE:</b>				
Net Income (loss) Per Common Share -				
Basic and Diluted	\$ (nil)	\$ nil	\$ (nil)	\$ nil
Weighted Common Shares Outstanding -				
Basic and Diluted	2,800,324,194	2,790,324,194	2,800,324,194	2,790,324,194

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS (DEFICIT)

	Common Stock		Preferred Stock		Additional Paid In Capital	Accumulated Deficit	Treasury Stock	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2007	2,790,324,194	\$ 2,790,325	500	\$ 1	\$ (1,736,908)	\$ (1,162,190)	\$ 200,000	\$ 91,228
Preferred Stock Exchange for IPTV Technology	-	-	(500)	(1)	(199,999)	-	-	(200,000)
Net income	-	-	-	-	-	61,168	-	61,168
Balance at December 31, 2008	2,790,324,194	2,790,325	-	-	(1,936,907)	(1,101,022)	200,000	(47,604)
Common share issuance pursuant to registration statement	10,000,000	10,000	-	-	(5,000)	-	-	5,000
Net loss	-	-	-	-	-	(797)	-	(797)
Balance at June 30, 2009	2,800,324,194	\$ 2,800,325	-	\$ -	\$ (1,941,907)	\$ (1,101,819)	\$ 200,000	\$ (43,401)

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
(UNAUDITED)

	For the Six Months Ended June 30,	
	2009	2008
	(unaudited)	(unaudited)
Cash flows from operating activities:		
Net income (loss)	\$(797 )	\$49,561
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,320	
(Increase) decrease in:		
Accounts receivable	-	-
Prepaid expenses	-	(1,066 )
Due from others	-	
Security deposit	4,420	-
Increase (decrease) in:		
Accounts payable	(1,715 )	(642 )
Accrued compensation	(9,917 )	15,000
Due to related party	-	(47,956 )
Net cash (used) in operating activities	(5,689 )	14,897
Cash flows from investing activities:		
Net cash provided (used) in investing activities	-	-
Cash flows from financing activities:		
Proceeds from share issuance	5,000	-
Proceeds from related party	-	1,500
Net cash provided by financing activities	5,000	1,500
Net increase in cash	(689 )	16,397
Cash at beginning of period	3,351	1,153
Cash at end of period	\$2,662	\$17,550



Supplemental Disclosure of Cash Flow Information:

Cash paid during the period for:

Interest	\$-	\$-
Income Taxes	\$-	\$-

Noncash investing and financing activities are as follows:

Common stock issued in conjunction with acquisitions	\$-	\$-
Issuance of common stock	\$5,000	\$-

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

AVENTURA HOLDINGS, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

NOTE 1 - NATURE OF ORGANIZATION

Aventura Holdings, Inc. (“Aventura”, “we”, “us”, “our”, or the “Company”) is a publicly held Miami, Florida based Company that through its subsidiaries is engaged in the video surveillance and internet broadcast markets.

NOTE 2 - GOING CONCERN

As reflected in the accompanying financial statements, the Company’s past recurring losses from operations, net loss of \$797 and net income of \$49,561 for the six months ended June 30, 2009 and 2008 and net cash used in operations of \$5,689 and generated in operations of \$14,897 for the six months ended June 30, 2009 and 2008; shareholder’s deficit of \$43,401 and an accumulated deficit of \$ 1,101,819 at June 30, 2009, raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities that may result from our inability to continue as a going concern.

Our ability to continue as a going concern is dependent on the ability to further implement our business plan, raise capital, and generate revenues. We presently do not have sufficient revenues to cover our incurred expenses. Our management recognizes that we must generate additional resources to enable us to pay our obligations as they come due, and that we must ultimately successfully implement our business plan and achieve profitable operations. We cannot assure you that we will be successful in any of these activities. Should any of these events not occur, our financial condition will be materially adversely affected.

The time required for us to become profitable from operations is highly uncertain, and we cannot assure you that we will achieve or sustain operating profitability or generate sufficient cash flow to meet our planned capital expenditures, working capital and debt service requirements. If required, our ability to obtain additional financing from other sources also depends on many factors beyond our control, including the state of the capital markets and the prospects for our business. The necessary additional financing may not be available to us or may be available only on terms that would result in further dilution to the current owners of our common stock.

We cannot assure that we will generate sufficient cash flow from operations or obtain additional financing to meet our obligations. The financial statements do not include any adjustments to reflect the possible effects on recoverability and classification of assets or the amounts and classification of liabilities, which may result from the inability of the Company to continue as a going concern.

Management’s Plans

Through research, development and incremental acquisitions of intellectual property and companies within our industry, the Company plans to unveil and sell video surveillance and internet broadcasting software integrated into our products.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim reporting

## Edgar Filing: Aventura Holdings Inc. - Form 10-Q

While the information presented in the accompanying interim financial statements is unaudited, it includes all adjustments, which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented in accordance with accounting principles generally accepted in the United States of America. These interim financial statements follow the same accounting policies and methods of their application as the December 31, 2008 annual financial statements of Aventura Holdings, Inc. All adjustments are of a normal recurring nature. It is suggested that these interim financial statements be read in conjunction with the Company's December 31, 2008's annual financial statements.

Operating results for the three and six months ended June 30, 2009 are not necessarily indicative of the results that can be expected for the year ended December 31, 2009.

Table of Contents

NOTE 4 - INVESTMENTS

Investments in securities of unaffiliated issuers represent holdings of less than 5% of the issuer's voting common stock. Investments in and advances to affiliates are presented as (i) majority-owned, if holdings, directly or indirectly, represent over 50% of the issuer's voting common stock, (ii) minority-owned other controlled affiliates if the holdings, directly or indirectly, represent over 25% and up to 50% of the issuer's voting common stock and (iii) minority-owned other non-controlled affiliates if the holdings, directly or indirectly, represent 5% to 25% of the issuer's voting common stock. Investments—other than securities represent all investments other than in securities of the issuer.

Investments in securities or other than securities of privately held entities are initially recorded at their original cost as of the date the Company obtained an enforceable right to demand the securities or other investment purchased and incurred an enforceable obligation to pay the investment price.

For financial statement purposes, investments are recorded at their fair value. Currently, readily determinable fair values do not exist for our investments and the fair value of these investments is determined in good faith by the Company's Board of Directors who engaged independent valuation experts and ratified by the Company's Board of Directors pursuant to a valuation policy and consistent valuation process. Due to the inherent uncertainty of these valuations, the estimates may differ significantly from the values that would have been used had a ready market for the investments existed and the differences may be material.

Realized gains (losses) from the sale of investments and unrealized gains (losses) from the valuation of investments are reflected in operations during the period incurred.

NOTE 5 - EMPLOYMENT AGREEMENTS

As of August 11, 2009, the Company has one full-time employee under a five year employment agreement commencing May 16, 2006. The employment agreement calls for annual remuneration of \$60,000, certain fringe benefits and expense reimbursement. The employee is not represented by a union and the Company believes the relationship with the employee is good.

NOTE 6 - RELATED PARTY AND AFFILIATE TRANSACTIONS

The following disclosures comply with generally accepted accounting principles and the disclosure requirements under the Regulation S-X, Article 6, with regard to affiliate investments and transactions.

NOTE 8 - INTERNAL CONTROL

Controls and Procedures

As required by SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures at the end of the period covered by this report. This evaluation was carried out under the supervision and with the participation of our management. Based on this evaluation, management has concluded that the design and operation of our disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation,

controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer as appropriate, to allow timely decisions regarding required disclosure.

#### NOTE 9 – NEW ACCOUNTING PRONOUNCEMENTS

Recent accounting pronouncements that the Company has adopted or that will be required to adopt in the future are summarized as follows:

##### Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles

In June 2009, the Financial Accounting Standards Board issued Statement “FASB” issued Statement No. 168, “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles” (“SFAS No. 168”). SFAS No. 168 will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles (“GAAP”), superseding existing FASB, American Institute of Certified Public Accountants (“AICPA”), Emerging Issues Task Force (“EITF”), and related accounting literature. SFAS No. 168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS No. 168 will be effective for financial statements issued for reporting periods that end after September 15, 2009. This statement will have an impact on the Company’s consolidated financial statements since all future references to authoritative accounting literature will be references in accordance with SFAS No. 168.

## Table of Contents

### Subsequent Events

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events". ("SFAS No. 165") This Statement establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. It requires the disclosure of the date through which an entity has evaluated subsequent events and the basis for that date and is effective for interim and annual periods ending after June 15, 2009. The adoption of SFAS No. 165 is not expected to have a material impact on the Company's consolidated financial statements.

### Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly

In April 2009, the FASB issued FSP FAS No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly". This FSP provides additional guidance for estimating fair value in accordance with FASB Statement No. 157, Fair Value Measurements, when the volume and level of activity for the asset or liability have significantly decreased. This FSP also includes guidance on identifying circumstances that indicate a transaction is not orderly. FSP FAS No. 157-4 is effective for interim and annual reporting periods ending after June 15, 2009, and shall be applied prospectively. The implementation of FSP FAS No. 157-4 did not have a material on the Company's consolidated financial position and results of operations.

### Recognition and Presentation of Other-Than-Temporary Impairments

In April 2009, the FASB issued FSP FAS No. 115-2 and FAS No. 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments". The objective of an other-than-temporary impairment analysis under existing U.S. generally accepted accounting principles (GAAP) is to determine whether the holder of an investment in a debt or equity security for which changes in fair value are not regularly recognized in earnings (such as securities classified as held-to-maturity or available-for-sale) should recognize a loss in earnings when the investment is impaired. An investment is impaired if the fair value of the investment is less than its amortized cost basis. FSP FAS No. 115-2 and FAS No. 124-2 is effective for interim and annual reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. Earlier adoption for periods ending before March 15, 2009, is not permitted. The implementation of FSP FAS No. 115-2 and FAS No. 124-2 did not have a material impact on the Company's consolidated financial position and results of operations.

### Interim Disclosures about Fair Value of Financial Instruments

In April 2009, the FASB issued FSP FAS No. 107-1 and APB No. 28-1, "Interim Disclosures about Fair Value of Financial Instruments". This FSP amends SFAS No. 107, Disclosures about Fair Value of Financial Instruments, to require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. This FSP also amends APB Opinion No. 28, Interim Financial Reporting, to require those disclosures in summarized financial information at interim reporting periods. FSP FAS No. 107-1 is effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The implementation of FSP FAS No. 107-1 did not have a material impact on the Company's consolidated financial position and results of operations.

### Interim Disclosure about Fair Value of Financial Instruments

In April 2009, the FASB issued FASB Staff Position "FSP" No. SFAS 107-1 and APB 28-1, "Interim Disclosures about Fair Value of Financial Instruments". This FSP amends SFAS No. 107 to require disclosures about fair values of

financial instruments for interim reporting periods as well as in annual financial statements. The FSP also amends Accounting Principles Board Opinions "APB Opinion" No. 28 to require those disclosures in summarized financial information at interim reporting periods. This FSP becomes effective for interim reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009. The adoption of this FSP is not expected to have a material impact on the Company's consolidated financial statements.

#### Amendments to the Impairment Guidance of EITF Issue No. 99-20

In January 2009, the FASB issued FSP Emerging Issues Task Force ("EITF") Issue No. 99-20-1, "Amendments to the Impairment Guidance of EITF Issue No. 99-20". This FSP amends the impairment guidance in EITF Issue No. 99-20, "Recognition of Interest Income and Impairment on Purchased Beneficial Interests and Beneficial Interests That Continue to Be Held by a Transferor in Securitized Financial Assets," to achieve more consistent determination of whether an other-than-temporary impairment has occurred. The FSP also retains and emphasizes the objective of an otherthan- temporary impairment assessment and the related disclosure requirements in FASB Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities, and other related guidance. This Issue is effective for interim and annual reporting periods ending after December 15, 2008, and shall be applied prospectively. Retrospective application to a prior interim or annual reporting period is not permitted. The adoption of FSP EITF 99-20-1 did not have a material effect on the Company's consolidated financial statements.

#### Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing

In June 2009, the FASB issued FSP Emerging Issues Task Force ("EITF") Issue No. 09-1, "Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing". This Issue is effective for fiscal years beginning on or after December 15, 2009, and interim periods within those fiscal years for arrangements outstanding as of the beginning of those fiscal years. Share lending arrangements that have been terminated as a result of counterparty default prior to the effective date of this Issue but for which the entity has not reached a final settlement as of the effective date are within the scope of this Issue. This Issue requires retrospective application for all arrangements outstanding as of the beginning of fiscal years beginning on or after December 15, 2009. This Issue is effective for arrangements entered into on or after the beginning of the first reporting period that begins on or after June 15, 2009. Early adoption is not permitted. The Company is currently assessing the impact of FSP EITF 09-1 on its consolidated financial position and results of operations.

## Table of Contents

### Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active

In October 2008, the FASB issued FSP FAS No. 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." This FSP clarifies the application of SFAS No. 157, "Fair Value Measurements," in a market that is not active. The FSP also provides examples for determining the fair value of a financial asset when the market for that financial asset is not active. FSP FAS No. 157-3 was effective upon issuance, including prior periods for which financial statements have not been issued. The impact of adoption was not material to the Company's consolidated financial condition or results of operations.

### The Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles." SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The implementation of this standard will not have a material impact on the Company's consolidated financial position and results of operations.

### Determination of the Useful Life of Intangible Assets

In April 2008, the FASB issued FSP FAS No. 142-3, "Determination of the Useful Life of Intangible Assets", which amends the factors that should be considered in developing renewal or extension assumptions used to determine the useful life of intangible assets under SFAS No. 142 "Goodwill and Other Intangible Assets". The intent of this FSP is to improve the consistency between the useful life of a recognized intangible asset under SFAS No. 142 and the period of the expected cash flows used to measure the fair value of the asset under SFAS No. 141 (revised 2007) "Business Combinations" and other U.S. generally accepted accounting principles. The implementation of FSP FAS No. 142-3 is not expected to have a material impact on its consolidated financial statements.

### Disclosure about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued SFAS No. 161, "Disclosure about Derivative Instruments and Hedging Activities, an amendment of SFAS No. 133." This statement requires that objectives for using derivative instruments be disclosed in terms of underlying risk and accounting designation. The Company was required to adopt SFAS No. 161 on January 1, 2009. The adoption of SFAS No. 161 on January 1, 2009 did not have a material effect on the Company's consolidated financial statements

### Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of SFAS No. 115," which becomes effective on February 1, 2008, permits companies to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses in earnings. Such accounting is optional and is generally to be applied instrument by instrument. The election of this fair-value option did not have a material effect on its consolidated financial condition, results of operations, cash flows or disclosures.

### Fair Value Measurements



Edgar Filing: Aventura Holdings Inc. - Form 10-Q

In September 2006, the FASB No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosures about fair value investments. SFAS No. 157 was effective for financial assets and liabilities on January 1, 2008. The statement deferred the implementation of the provisions of SFAS No. 157 relating to certain non-financial assets and liabilities until January 1, 2009. The adoption of SFAS No.157 on January 1, 2009 for financial assets and liabilities did not have a material effect on the Company's consolidated financial statements.

Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion should be read in conjunction with our financial statements and notes thereto appearing elsewhere in this report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Form 10-Q for the quarter ended June 30, 2008 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may", "shall", "could", "expect", "estimate", "anticipate", "predict", "probable", "possible", "should", "continue", or similar terms, or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and are considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

RECENT DEVELOPMENTS

On December 27, 2007 the Company acquired intellectual property from IPWebTV, Inc. (an unrelated Delaware company) in exchange for 500 shares of the Company's previously unissued preferred convertible stock. The conversion feature attached to the Company's preferred stock allows the holder to exchange one million shares of the Company's common stock for each share of the Company's preferred stock.

On September 30, 2008, the Company's subsidiary and IPWebTV agreed that the Company's direction was not consistent with the IPWebTV business model and released its rights to certain intellectual property in exchange for the return of the Company's 500 convertible preferred shares. The Company retired and cancelled all 500 convertible preferred shares and has no preferred shares or other convertible securities outstanding as of this date.

RESULTS OF OPERATIONS

For a discussion of factors that could impact operating results, see the section entitled "Risk Factors" in Item 1A, which is incorporated herein by reference.

Table of Contents

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Six Months Ended June 30, 2009 (unaudited)	For the Six Months Ended June 30, 2008 (unaudited)	For the Three Months Ended June 30, 2009 (unaudited)	For the Three Months Ended June 30, 2008 (unaudited)
<b>REVENUES:</b>				
Sales	\$ 95,466	\$ 15,695	\$ -	\$ 15,695
Less: cost of sales	58,604	4,230	-	4,230
Gross Profit	36,862	11,465	-	11,465
Fee Income	15,943	97,049	12,475	27,766
Total Revenues	52,805	108,514	12,475	39,231
<b>EXPENSES:</b>				
General & Administrative	53,602	58,953	40,736	29,740
Net Income	\$ (797	) \$ 49,561	\$ (28,261	) \$ 9,491
<b>LOSS PER SHARE:</b>				
Net Income (loss) Per Common Share -				
Basic and Diluted	\$ (nil)	\$ nil	\$ (nil)	\$ nil
Weighted Common Shares Outstanding -				
Basic and Diluted	2,800,324,194	2,790,324,194	2,800,324,194	2,790,324,194

The accompanying unaudited notes are an integral part of these consolidated financial statements.

Table of Contents

REVENUES

Sales for the six months ended June 30, 2009 were \$95,466 compared to sales for the six months ended June 30, 2008 of \$0. Fee income for the six months ended June 30, 2009 were \$15,943 compared to fee income for the six months ended June 30, 2008 of \$97,049.

OPERATING AND OTHER EXPENSES

Operating expenses for the six months ended June 30, 2009 were \$53,602 compared to operating expenses for the six months ended June 30, 2008 of \$58,953.

Financing expenses were \$0 for the six months ended June 30, 2009 compared to \$0 for the six months ended June 30, 2008.

As a result of these factors, we reported net income of \$27,464 or \$nil per share for the six months ended June 30, 2009 as compared to net income of \$40,070 or \$.nil per share for the six months ended June 30, 2008.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2009, we had liabilities exceeding assets by \$43,401 and an accumulated deficit of \$1,101,819.

We have no material commitments for capital expenditures.

Net cash used in operations during the six months ended June 30, 2009 was \$5,689. In the comparable period of June 30, 2008, we had net cash generated by operations of \$14,897.

No cash was provided or used by investing activities for the six months ended June 30, 2009 and no cash was provided or used by investing activities for the six months ended June 30, 2008.

\$5,000 was provided by financing activities for the six months ended June 30, 2009 by the issuance of common stock while \$1,500 was provided for the six months ended June 30, 2008 by virtue of a related party.

The Company relies upon outside entities to finance its operations and provide capital for lending activities. A tightening of capital markets can reduce or eliminate funding sources resulting in a decrease in our liquidity and an inability to generate revenues from new lending activities.

Off Balance Sheet Arrangements

There are no off balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

CRITICAL ACCOUNTING POLICIES

A summary of significant accounting policies is included in Note 3 to the unaudited financial statements included elsewhere in this Report. We believe that the application of these policies on a consistent basis enables us to provide useful and reliable financial information about our operating results and financial condition.



Table of Contents

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company does not currently engage in transactions in derivative financial instruments or derivative commodity instruments. As of June 30, 2009, the Company's financial instruments were not exposed to significant market risk due to interest rate risk, foreign currency exchange risk, commodity price risk or other relevant market risks, such as equity price risk.

However, as discussed elsewhere in this Form 10-Q, the Company may also be subject to the following market risk:

Interest Rate Risk

Our anticipated operations are expected to be leveraged by and sensitive to interest rates. To the extent we may borrow funds to finance our operations at variable rates, we may become subject to risks arising from interest rate fluctuations. Our potential exposure to interest rate risk arises primarily from changes in prime lending rates of commercial banks, which are in turn impacted by the policies and practices of the United States Federal Reserve Board, among other things.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. Our management evaluated, with the participation of our Chief Executive Officer (CEO) and Chief Financial Officer (CFO), the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a - 15(e) or 15d - 15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure and that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission Rules and Forms.

Changes in internal control over financial reporting. There was no change in our internal control over financial reporting that occurred during the first quarter of fiscal 2009 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are legal actions that have arisen in the ordinary course of business and are pending against the Company. Management believes, after reviewing such actions with counsel, that the outcome of pending actions will not have a material adverse effect on the Company's consolidated financial statements taken as a whole, although no assurances can be given. No material amounts for any losses from litigation which may ultimately occur have been recorded in the consolidated financial statements, as management believes that any such losses are not probable.

Item 1A. Risk Factors

An investment in our common stock is highly speculative, involves a high degree of risk, and should be considered only by those persons who are able to bear the economic risk of their investment for an indefinite period. In addition to other information in this Quarterly Report on Form 10-Q, you should carefully consider the risks described below before investing in our publicly-traded securities. The risks described below are not the only ones facing us. Our business is also subject to the risks that affect many other companies, such as competition, technological obsolescence, labor relations, general economic conditions and geopolitical changes. Additional risks not currently known to us or that we currently believe are immaterial also may impair our business operations and our liquidity.

This is a highly speculative investment.

Ownership of our common stock is extremely speculative and involves a high degree of economic risk, which may result in a complete loss of your investment. Only persons who have no need for liquidity and who are able to withstand a loss of all or substantially all of their investment should purchase our common stock.

You will be diluted if we issue additional common stock, options to purchase common stock and/or debt or equity securities convertible into common stock.

Future offerings of debt securities, which would be senior to our common stock upon liquidation, or equity securities, which could dilute our existing stockholders and be senior to our common stock for the purposes of distributions, may have an adverse effect on the value of our common stock.

In the future, we may attempt to increase our capital resources by making additional offerings of equity or debt securities, including medium-term notes, senior or subordinated notes and classes of preferred stock or common stock. Upon our liquidation, holders of our debt securities, if any, and shares of preferred stock, if any, and lenders with respect to other borrowings, if any, will receive a distribution of our available assets prior to the holders of our common stock. Additional equity offerings by us reduce the value of our common stock. Any preferred stock we may issue would have a preference on distributions that could limit our ability to make distributions to the holders of our common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, our stockholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in the Company.

We may be subject to various industry-specific risks associated with our anticipated business operations.

Management has discretionary use of Company assets.

We continue to look for and investigate business opportunities that are consistent with our business plan, including further acquisitions. Management has broad discretion with respect to the acquisition of interests in companies that are consistent with our anticipated operations. Although management intends to apply any proceeds it may receive through the future issuance of stock or debt to acquire or operate suitable businesses, it will have broad discretion in allocating these funds. There can be no assurance that the management's use or allocation of such proceeds will allow it to achieve its business objectives.

We operate in a competitive market for acquisition and investment opportunities.

We compete for acquisitions with a large number of companies and investment funds. Many of our competitors may have greater resources than we do. Increased competition makes it more difficult for us to make acquisitions or investments at attractive prices. As a result of this competition, sometimes we may be precluded from making otherwise attractive acquisitions or investments. There can be no assurance that we will be able to identify, negotiate and consummate acquisitions of attractive companies in light of this competition.



## Table of Contents

Results may fluctuate and may not be indicative of future performance.

Our operating results may fluctuate and, therefore, you should not rely on current or historical period results to be indicative of our performance in future reporting periods. Factors that could cause operating results to fluctuate include, but are not limited to, variations in the costs of identifying, negotiating and consummating acquisitions of businesses consistent with our business plan; variations in and the timing of the recognition of net realized gains or losses and changes in unrealized appreciation or depreciation; the degree to which we encounter competition in our markets; and other general economic and operational circumstances.

Our common stock price may be volatile.

The trading price of our common stock may fluctuate substantially. The price of the common stock may be higher or lower than the price you pay for your shares, depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of financial services companies;
- volatility resulting from trading in derivative securities related to our common stock including puts, calls, long-term equity anticipation securities (“LEAPs”), or short trading positions;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- loss of a major funding source; or
- departures of key personnel.

### OTC Bulletin Board.

Our common stock is quoted on the OTC Bulletin Board (“OTCBB”). The OTCBB is an inter-dealer, over-the-counter market that provides significantly less liquidity than the NASDAQ Stock Market or national or regional exchanges. Securities traded on the OTCBB are typically thinly traded, highly volatile, have fewer markets and are not followed by analysts. The SEC’s order handling rules, which apply to NASDAQ-listed securities, do not apply to securities quoted on the OTCBB. Quotes for stocks included on the OTCBB are not listed in newspapers. Therefore, prices for securities traded solely on the OTCBB may be difficult to obtain and holders of our common stock may be unable to sell their shares at any price.

### Penny Stock Rules.

Trading in our securities will be subject to the “penny stock” rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than \$5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability

determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could severely limit the liquidity of our common stock and consequently adversely affect the market price of our common stock.

Changes in the law or regulations that govern us could have a material impact on us or our operations.

We are regulated by the SEC and impacted by regulations of certain state regulatory agencies and self-regulatory organizations. Any change in the law or regulations that govern our business could have a material impact on us or our operations. Laws and regulations may be changed from time to time, and the interpretations of the relevant laws and regulations also are subject to change, which may have a material effect on our operations.

Table of Contents

No dividends.

Holders of our securities will only be entitled to dividends when, as and if declared by our Board of Directors. We do not expect to have a cash surplus available for dividends in the foreseeable future.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

Item 601 of  
Regulation S-K

Exhibit No.:

31.1	Exhibit <u>Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of the Company</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of the Company</u>
32.1	<u>Section 1350 Certification by Chief Executive Officer and Chief Financial Officer</u>

Table of Contents

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AVENTURA HOLDINGS, INC.

August 11, 2009

By:

/s/ Craig A. Waltzer  
Craig A. Waltzer  
Chief Executive Officer, President, and  
Director

Table of Contents