

Aventura Holdings Inc.
Form 10-Q
May 15, 2007
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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 March 31, 2007

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
(State or other jurisdiction of
incorporation or organization)

65-0254624
(IRS Employer

Identification No.)

2650 Biscayne Boulevard, First Floor, Miami, Florida 33137

(Address of principal executive offices)

(305) 937-2000

(Registrant's telephone number, including area code)

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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 checkmark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

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 May 14, 2007 was 3,043,443,527.

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	March 31, 2007 (unaudited)	December 31, 2006
ASSETS:		
Cash	\$ 61,971	\$ 25,268
Contracts receivable, net	400,318	229,972
Dealer-partner receivables, net	76,498	126,679
Prepaid expense	932	11,004
Due from related party		19,963
TOTAL ASSETS	\$ 539,719	\$ 412,886
LIABILITIES & SHAREHOLDERS DEFICIT:		
Liabilities:		
Accounts payable and accrued expenses	\$ 48,922	\$ 80,304
Accrued compensation	5,000	5,000
Interest payable	26,629	18,504
Due to related party	329,324	174,287
Note payable	208,585	154,555
Minority Interest - Ohio Funding	45,530	67,518
Total Liabilities	663,990	500,168
Shareholders Deficit:		
Common Stock; \$0.001 par value; 5,000,000,000 shares authorized; 3,043,443,527 shares issued and outstanding as of March 31, 2007 and December 31, 2006	3,043,444	3,043,444
Additional paid in capital	(2,210,460)	(2,210,460)
Accumulated deficit	(957,255)	(920,266)
Total Shareholders Deficit	(124,271)	(87,282)
TOTAL LIABILITIES & SHAREHOLDERS DEFICIT	\$ 539,719	\$ 412,886

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

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AVENTURA HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Three Months Ended March 31, 2007 (unaudited)	For the Three Months Ended March 31, 2006 (unaudited)
REVENUES:	\$ 21,210	\$
EXPENSES:		
General & Administrative	61,775	21,951
Net Operating Loss	(40,565)	(21,951)
OTHER EXPENSE		
Finance Costs		21,705
Loss from continuing operations before minority interest	(40,565)	(43,656)
Minority Interest - Ohio Funding	3,576	
Loss from continuing operations	(36,989)	(43,656)
Discontinued operations		(1,967)
Net Income (Loss)	\$ (36,989)	\$ (45,623)
LOSS PER SHARE:		
Net Loss Per Common Share - Basic and Diluted	\$ (nil)	\$ (nil)
Weighted Common Shares Outstanding - Basic and Diluted	3,043,443,527	2,534,657,813

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****EQUITY (DEFICIT)**

(UNAUDITED)

	Common Stock		Common Stock Issuable		Additional	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid In Capital	Deficit	
Balance at December 31, 2005	2,019,657,813	\$ 2,019,658	300,000,000	\$ 300,000	\$ (2,297,946)	\$ (356,383)	\$ (334,671)
Common stock issuable in exchange for portfolio company (Aventura Networks LLC) acquisition			325,000,000	325,000	(325,000)		
Common stock issued pursuant to stock purchase agreement	300,000,000	300,000			61,272		361,272
Common stock issued in exchange for portfolio company (Aventura Networks LLC) acquisition	625,000,000	625,000	(625,000,000)	(625,000)			
Common stock reimbursements by Company's majority shareholder for prior management's improper issuances	(301,214,286)	(301,214)			301,214		
Common stock issued for Company's investment in Ohio Funding Group, Inc.	200,000,000	200,000			(100,000)		100,000
Warrant issued to Horvath Holdings, LLC					250,000		250,000
Common stock issued for Company's investment in Ohio Funding Group, Inc.	200,000,000	200,000			(100,000)		100,000
Minority interest - Ohio Funding						(67,517)	(67,517)
Net loss						(496,366)	(496,366)
Balance at December 31, 2006	3,043,443,527	3,043,444			(2,210,460)	(920,266)	(87,282)
Net loss						(36,989)	(36,989)
Balance at March 31, 2007	3,043,443,527	\$ 3,043,444		\$	\$ (2,210,460)	\$ (957,255)	\$ (124,271)

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

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AVENTURA HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended	
	2007 (unaudited)	March 31, 2006 (unaudited)
Cash flows from operating activities:		
Net loss	\$ (36,989)	\$ (47,127)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of deferred finance costs		21,705
Minority interest	(21,988)	3,471
(Increase) decrease in:		
Accounts receivable	50,181	
Contracts receivable	(170,346)	
Prepaid expenses	10,072	
Due from others	19,963	
Increase (decrease) in:		
Accounts payable	(31,382)	(6,716)
Interest payable	12,155	
Net cash (used) in operating activities	(168,334)	(28,667)
Cash flows from investing activities: Investment		
		29,645
Net cash provided (used) in investing activities		29,645
Cash flows from financing activities:		
Payment of stock purchase agreement		(978)
Proceeds from loan	50,000	
Proceeds from related party	155,037	
Net cash provided by financing activities	205,037	(978)
Net increase in cash	36,703	
Cash at beginning of period	25,268	
Cash at end of period	\$ 61,971	\$
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 inconjunction with acquisitions	\$	\$

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Issuance of common stock	\$	\$
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NOTE 1 NATURE OF ORGANIZATION

Aventura Holdings, Inc., through its 60% controlling interest in Ohio Funding Group, Inc. (Ohio Funding) (collectively, the Company or we), provides receivables financing to its dealer-partners who provide automobile loans to consumers, regardless of their credit history (referred to as Consumer Loans). These Consumer Loans provided by the dealer-partners are sometimes referred to as sub-prime loans. The Company s product is currently offered to automobile dealers who benefit by selling used or pre-owned vehicles to consumers who otherwise could not obtain conventional financing.

The Company provides receivable financing to automobile dealerships that are under common control with Horvath Holdings, LLC. The Company provides those dealers with a recourse cash payment (referred to as an advance) against anticipated future collections on Consumer Loans. The Company refers to dealers who participate in its program as dealer-partners . The Company realizes revenue from former dealer-partners and expects to develop new dealer-partner relationships in the future.

The Company is considered, for accounting purposes, to be a lender to dealer-partners. For additional information see Note 3 to the consolidated financial statements, which is incorporated herein by reference.

Principal Business

A consumer who does not qualify for conventional automobile financing can purchase a used vehicle from a dealer-partner who submits the Consumer Loan to the Company for an advance pursuant to a lending agreement between the dealer-partner and the Company.

Consumers and dealer-partners benefit from the Company s program as follows:

Consumers The Company provides receivables financing to its dealer-partners to help them enable consumers who do not qualify for conventional automobile financing to obtain quality transportation.

Dealer-Partners The Company s program increases dealer-partners profits in the following ways:

1. Enables dealer-partners to sell cars to consumers who may not be able to obtain financing without the Company s program. In addition, consumers often become repeat customers by financing future vehicle purchases with the dealer-partner participating in the Company s program or, after they have successfully established or reestablished their credit, through conventional financing.
2. Allows dealer-partners to share in the profits not only from the sale of the vehicle, but also from its financing.
3. Enables dealer-partners to attract consumers who mistakenly assume they do not qualify for financing.

The Company derives its revenues from interest and fees earned as a result of funding Consumer Loans originated by the Company s dealer-partners.

A dealer-partner is required to execute a dealer agreement, which defines the legal relationship between the Company and the dealer-partner. The agreement outlines the required distributions of proceeds realized by the dealer-partner on account of the Consumer Loans. The agreement provides that collections received by the dealer-partner are applied as follows:

1. First, 70% to reimburse the Company for cash a