

NEW CENTURY EQUITY HOLDINGS CORP
Form 10-K/A
June 04, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 2)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Fiscal Year ended December 31, 2007

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the Transition Period from _____ to _____

Commission File Number 0-28536

NEW CENTURY EQUITY HOLDINGS CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

74-2781950
(IRS Employer
Identification Number)

200 Crescent Court, Suite 1400, Dallas, Texas
(Address of principal executive offices)

75201
(Zip Code)

(214) 661-7488
(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act: None

Securities Registered Pursuant to Section 12(g) of the Act:
Common Stock, Par Value \$0.01 Per Share
Series A Junior Participating Preferred Stock Purchase Rights
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities
Act. Yes No

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Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of the registrant's outstanding Common Stock held by non-affiliates of the registrant computed by reference to the price at which the Common Stock was last sold as of the last business day of the registrant's most recently completed second fiscal quarter was \$8,970,807.

As of May 31, 2008, the registrant had 53,883,872 shares of Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

EXPLANATORY NOTE

The purpose of this Amendment No. 2 to Form 10-K/A (the “Amendment”) is to (a) replace the certifications appended as Exhibits 31.1 and 31.2 to our previously filed Annual Report on Form 10-K for the year ended December 31, 2007, filed with the Securities and Exchange Commission on March 28, 2008 (the “Original Form 10-K”), and Amendment No. 1 to the Original Form 10-K, filed with the Securities and Exchange Commission on April 29, 2008 (“Amendment No. 1”), (b) indicate on the cover page of the Original Form 10-K and Amendment No. 1 that we are a “smaller reporting company,” as defined in Rule 12b-2 of the Exchange Act, and (c) amend and restate Item 13 of the Original Form 10-K.

There are no other changes to the Original Form 10-K or to Amendment No. 1 other than those set forth herein. This Amendment does not reflect events occurring after the filing of the Original Form 10-K, nor does it modify or update disclosures therein in any way other than as required to reflect the amendments set forth herein. Among other things, forward-looking statements made in the Original Form 10-K have not been revised to reflect events that occurred or facts that became known to us after the filing of the Original Form 10-K, and such forward-looking statements should be read in their historical context.

NEW CENTURY EQUITY HOLDINGS CORP. AND SUBSIDIARIES

Annual Report on Form 10-K/A

For the Year Ended December 31, 2007

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PART III

Item 13. Certain Relationships and Related Transactions, and Director Independence

The Board of Directors of the Company reviews all relationships and transactions in which the Company and its directors and executive officers or their immediate family members are participants to determine whether such persons have a direct or indirect material interest. The Board of Directors is primarily responsible for the development and implementation of processes and controls to obtain information from the directors and executive officers with respect to related person transactions and for then determining, based on the facts and circumstances, whether the Company or a related person has a direct or indirect material interest in the transaction. As required under SEC rules, transactions that are determined to be directly or indirectly material to the Company or a related person are disclosed in the Company's proxy statement. In addition, the Audit Committee reviews and approves or ratifies any related person transaction that is required to be disclosed. In the course of its review and approval or ratification of a related party transaction to be disclosed, the Audit Committee considers: (i) the nature of the related person's interest in the transaction; (ii) the material terms of the transaction, including, without limitation, the amount and type of transaction; (iii) the importance of the transaction to the related person; (iv) the importance of the transaction to the Company; (v) whether the transaction would impair the judgment of a director or executive officer to act in the best interest of the Company; and (vi) any other matters the committee deems appropriate.

Any member of the Board of Directors who is a related person with respect to a transaction under review may not participate in the deliberations or vote respecting approval or ratification of the transaction, provided, however, that such director may be counted in determining the presence of a quorum at a meeting of the committee that considers the transaction.

In June 2004, when Newcastle Partners, L.P. ("Newcastle") acquired the Company's Series A Convertible Preferred Stock, Mark Schwarz, Chief Executive Officer and Chairman of Newcastle Capital Management, L.P. ("NCM"), Steven J. Pully, former President of NCM, and John Murray, Chief Financial Officer of NCM, assumed positions as Chairman of the Board, Chief Executive Officer and Chief Financial Officer, respectively, of the Company. Through August 2007, Mr. Pully received an annual salary of \$150,000 as Chief Executive Officer of the Company. Mr. Pully resigned as Chief Executive Officer of the Company effective October 15, 2007. Mr. Schwarz is currently the acting Chief Executive Officer of the Company.

Newcastle owns 19,380,768 shares of Common Stock of the Company, representing approximately 36% of the outstanding shares. NCM, as the general partner of Newcastle, may be deemed to beneficially own the shares of Common Stock owned by Newcastle. Newcastle Capital Group, L.L.C. ("NCG"), as the general partner of NCM, may be deemed to beneficially own the shares of Common Stock owned by Newcastle. Mark Schwarz, as the managing member of NCG, may also be deemed to beneficially own the shares of Common Stock owned by Newcastle. Accordingly, Newcastle, NCM, NCG and Mr. Schwarz may be deemed to control the Company.

The Company's corporate headquarters are currently located at 200 Crescent Court, Suite 1400, Dallas, Texas 75201, which are also the offices of NCM. Pursuant to an oral agreement, the Company previously occupied a portion of NCM's space on a month-to-month basis at no charge, and received accounting and administrative services from employees of NCM at no charge. Pursuant to a services agreement entered into between the parties on October 1, 2006, the Company occupies a portion of NCM's space on a month-to-month basis at \$2,500 per month.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following exhibits are filed herewith:

- 31.1 Certification of Chief Executive Officer in Accordance with Section 302 of the Sarbanes-Oxley Act.
- 31.2 Certification of Chief Financial Officer in Accordance with Section 302 of the Sarbanes-Oxley Act.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NEW CENTURY EQUITY HOLDINGS
CORP.
(Registrant)

Date: June 3, 2008

By: /s/ Mark Schwarz
Mark Schwarz
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on the 3rd day of June 2008.

| Signature | Title |
|--------------------------------------|--|
| /s/ Mark Schwarz Mark Schwarz | Chief Executive Officer (Principal Executive Officer) |
| /s/ John P. Murray John P. Murray | Chief Financial Officer (Principal Financial and Accounting Officer) |
| /s/ Mark Schwarz Mark Schwarz | Director and Chairman of the Board |
| /s/ James Risher James Risher | Director |
| /s/ Jonathan Bren Jonathan Bren | Director |
| Steve Pully | Director |

