



Edgar Filing: AZZURRA HOLDING CORP - Form 10-K

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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.

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

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant computed by reference to the closing price on June 30, 2018 was Nil. As of March 29 2019, there were 4,029,140 shares of Common Stock issued and outstanding.

Documents Incorporated by Reference

None.



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The following information contains forward-looking statements, which involve risks and uncertainties. Forward-looking statements are characterized by words such as "plan," "expect," "believe," "intend," "would", "will" and similar words. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under, "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Certain Risk Factors Affecting Azzurra Holding Corporation," and elsewhere in this Annual Report on Form 10-K.

EXPLANATORY NOTE

This Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (this "Annual Report") reports our financial statements as of and for each of the years ended December 31, 2018, 2017, 2016 and 2015, and for each of the quarters of our years ended December 31, 2018 and 2017. Unless otherwise noted, all of the information in this Annual Report is as of December 31, 2018. The financial statements in this Annual Report do not reflect any subsequent events that occurred after December 31, 2018.



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PART 1

ITEM 1. BUSINESS

Company Overview

Azzurra Holding Corporation, formerly Wave Wireless Corporation (“Azzurra”, the “Company”, “we”, “us” “our”) was incorporated in 1991 as a Delaware corporation. Our executive offices are located at 655 West Broadway, Suite 870, San Diego, CA 92101, and our telephone number is 619-272-7050.

The Company currently has no ongoing operations. The Board has determined to maintain the Company as a public shell corporation, which will seek suitable business combination opportunities. The Board believes that a business combination with an operating company has the potential to create greater value for the Company’s stockholders than a liquidation or similar distribution.

As of and throughout the years ended December 31, 2018, 2017, 2016 and 2015, the Company was a non-operating shell company and its business operations were limited to sustaining the public shell.

Employees

As of and throughout the years ended December 31, 2018, 2017, 2016 and 2015, we did not have any full- or part-time employees. Our President and Chief Executive Officer, who also serves as our Chief Financial Officer, works part-time as a consultant to the Company.

ITEM 1A. RISK FACTORS

An investment in our common stock is subject to many risks. You should carefully consider the risks described below, together with all of the other information included in this Annual Report on Form 10-K, including the financial statements and the related notes, before you decide whether to invest in our common stock. Our business, operating results and financial condition could be harmed by any of the following risks. The trading price of our common stock could decline due to any of these risks, and you could lose all or part of your investment.

The company lacks operations and has losses which are expected to continue into the future.

As a result of the sale of substantially all of the Company’s operating assets, the Company has no operations from which to derive revenue. The Company’s operating history is not a useful measure upon which an evaluation of its future success or failure can be made. The Company’s ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to generate revenues, and the ability to raise the capital necessary to acquire an operating entity or engage in a merger or other transaction with an operating entity.

The Company is a “shell” corporation as that is defined under Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Based upon current plans, the Company expects to incur operating losses in future periods. The Company cannot guarantee that it will be successful in generating revenues in the future.

If the company does not successfully consummate a business combination, the company will require additional funds.



For the Company to once again engage in operations, it will either need to raise additional funds through public or private debt or sale of equity, or it will need to acquire or enter into a merger transaction with an operating entity. The Company is currently seeking to engage in such a merger with an operating entity, but there is no guarantee that this merger will reach a successful completion. If the merger fails and the Company seeks additional financing, this financing may not be available when needed. Even if this financing is available, it may be on terms that the Company deems unacceptable or materially adverse to its interests with respect to dilution of book value, dividend preference, liquidation preference, or other terms.

The company is not an operating company and does not have any significant capital.

Because the Company does not have significant capital, it must limit its operations and there is little chance that operations will begin at any time soon, as a result of such limited capital, unless the Company obtains additional funding to acquire an operating entity or enters into a merger transaction with an operating entity.



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Because ownership of more than 50% of the company's outstanding common shares are held by a few shareholders, these shareholders will be able to decide who will be our directors, and you may not be able to elect any directors.

Over 50% of the Company's outstanding common stock is held by a few shareholders, who therefore control the Company. As a result, unless the Company issues more shares and/or these shareholders sell some of their shares, they will be able to elect all of the Company's directors and control its operations. If the Company does enter into an acquisition or merger transaction, the Company may issue a significant number of shares in connection with that transaction. This could result in a reduction in value to the common stock you own because of the ineffective voting power. The concentration of holdings could adversely affect the value of your shares and prevent the Company from undergoing a change of control in the future.

The company has not paid dividends and none are anticipated.

To date, the Company has paid no cash dividends on its common stock. For the foreseeable future, the Company expects that earnings generated from the Company's operations, if any, will be retained for use in its business and not to pay dividends.

"Penny stock" rules may make buying or selling the company's common stock difficult.

Trading in the Company's securities is subject to the "Penny Stock" Rules.

The Securities and Exchange Commission ("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 effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. Broker-dealers who sell penny stocks to certain types of investors are required to comply with the Commission's regulations concerning the transfer of penny stock. These regulations require broker-dealers to:

Make a suitability determination prior to selling a penny stock to the purchaser;

Receive the purchaser's written consent to the transaction; and

Provide certain written disclosures to the purchaser.

These requirements may restrict the ability of broker-dealers to sell the Company's common stock and may affect your ability to resell our common stock.

ITEM 2. PROPERTIES

We do not own any real property. The Company's corporate headquarters are located in the offices of our President and Chief Executive Officer, located in San Diego, California. The Company is not obligated under the terms of any lease or agreement with our President and Chief Executive Officer.

ITEM 3. LEGAL PROCEEDINGS

None.

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PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

There is no established trading market for our shares of common stock. We are not listed on any exchange or any OTC marketplace, including the Pink Sheets.

As of December 31, 2018, 2017, 2016 and 2015, there were three stockholders of record of our common stock.

DIVIDENDS

We have never declared or paid any cash dividend on our common stock, nor do we currently intend to pay any cash dividend on our common stock in the foreseeable future. We expect to retain our earnings, if any, for the growth and development of our business.

EQUITY COMPENSATION PLANS

The Company does not currently have any equity compensation plans for which equity securities are authorized to be issued.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Certain Factors Affecting the Company" beginning on Page 1 of this Annual Report on Form 10-K, and other documents filed by us with the Securities and Exchange Commission.

See also the Notes to the Financial Statements in the accompanying financial statements.

RESULTS OF OPERATIONS

Sales

During each of the years ended December 31, 2018, 2017, 2016 and 2015, for each of the quarters of our years ended December 31, 2018 and 2017, the Company had no sales, and no sales are anticipated to occur until such time as the Company merges with or acquires an operating company, or otherwise commences operations.

General and Administrative

During each of the years ended December 31, 2018, 2017, 2016 and 2015, general and administrative expenses were approximately \$0, \$0, \$0 and \$31, respectively.

During the three months ended March 31, 2018 and 2017, general and administrative expenses were approximately \$0 and \$0, respectively.

During the three months ended June 30, 2018 and 2017, general and administrative expenses were approximately \$0 and \$0, respectively. During the six months ended June 30, 2018 and 2017 general and administrative expenses were approximately \$0 and \$0, respectively.

During the three months ended September 30, 2018 and 2017, general and administrative expenses were approximately \$0 and \$0, respectively. During the nine months ended September 30, 2018 and 2017, general and administrative expenses were approximately \$0 and \$0, respectively.

General and administrative expenses during the years and quarters reported consist principally of auditing, and related costs associated with the preparation and review of the Company's financial statements, filing fees and expenses (including XBRL), and reimbursement of costs and expenses relating to franchise and related taxes, among other costs and expenses.





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Other Expense

During each of the years ended December 31, 2018, 2017, 2016 and 2015, other expense was approximately \$0, \$0, \$0 and \$7, respectively.

During the three months ended March 31, 2018 and 2017, other expense was approximately \$0 and \$0, respectively.

During the three months ended June 30, 2018 and 2017, other expense was approximately \$0 and \$0, respectively.

During the six months ended June 30, 2018 and 2017, other expense was approximately \$0 and \$0, respectively.

During the three months ended September 30, 2018 and 2017, other expense was approximately \$0 and \$0, respectively. During the nine months ended September 30, 2018 and 2017, other expense was approximately \$0 and \$0, respectively.

Other expense during the years and quarters reported consist principally of interest expense on outstanding notes payable.

Net Loss

During each of the years ended December 31, 2018, 2017, 2016 and 2015, the Company had net losses of \$0, \$0, \$0 and \$38, respectively.

During the three months ended March 31, 2018 and 2017, the Company had net losses of \$0 and \$0, respectively.

During the three months ended June 30, 2018 and 2017, the Company had net losses of \$0 and \$0, respectively.

During the six months ended June 30, 2018 and 2017, the Company had net losses of \$0 and \$0, respectively.

During the three months ended September 30, 2018 and 2017, the Company had net losses of \$0 and \$0, respectively.

During the nine months ended September 30, 2018 and 2017, the Company had net losses of \$0 and \$0, respectively.

Net loss during the years and quarters reported principally due to expense discussed above.



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LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2018, 2017, 2016 and 2015, the Company had cash of approximately \$0, \$0, \$0 and \$1. During the years ended December 31, 2018 and December 31, 2017, the Company had no operations and no cash flows. During the year ended December 31, 2016, overall cash decreased by \$1 pay down of accounts payable. During the year ended December 31, 2015, overall cash decreased by approximately \$2, primarily due to cash losses in the period, partially offset by the receipt of notes payable totaling \$13 during 2015.

The Company currently has no operations and intends to locate and combine with an existing, privately-held company that is profitable or which, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company, which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprises becoming a publicly-held corporation.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. To continue as a going concern, pending consummation of a transaction, the Company intends to either seek additional equity or debt financing. No assurances can be given that such equity or debt financing will be available to the Company nor can there be any assurance that a combination transaction will be consummated. Should the Company need to incur any significant liabilities prior to a combination transaction, including those associated with the current minimal level of general and administrative expenses, it may not be able to satisfy those liabilities in the event it was unable to obtain additional equity or debt financing.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required hereunder in this Annual Report on Form 10-K is set forth in the financial statements and the notes thereto.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Prior to the filing of this report, the Company's management assessed the

effectiveness of our internal control over financial reporting. Based upon this assessment, management concluded that the Company's controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer of the Company, as appropriate to allow timely decisions regarding required disclosure.

#### Changes in Internal Control Over Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer has determined that there have been no changes in the Company's internal control over financial reporting during the periods covered by this Report identified in connection with the evaluation described in the above paragraph that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### ITEM 9B. OTHER INFORMATION

None.



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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The Company's sole executive officer and director as of December 31, 2018 is Daniel W. Rumsey, age 57. Mr. Rumsey is currently the Company's President, Chief Executive Officer, Chief Financial Officer, and Chairman of the Board of Directors. Mr. Rumsey was appointed Chief Restructuring Officer on March 10, 2005, and to the Board of Directors on May 13, 2005. Mr. Rumsey resigned from his position as Chief Restructuring Officer and was reappointed in October 2006. Prior to his appointment as Chief Restructuring Officer in March 2005, he served as the Company's Vice President, Chief Financial Officer and General Counsel. Mr. Rumsey is currently Managing Director of Disclosure Law Group, a Professional Corporation. Mr. Rumsey received his J.D. from the University of Denver College of Law in 1985, and his B.S. from the University of Denver in 1983.

BOARD COMMITTEES AND MEETINGS

The Company currently does not have any committees of the Board of Directors.

CODE OF ETHICS

The Company has adopted a Code of Ethics that applies to the Company's Chief Executive Officer and Chief Financial Officer, or persons performing similar functions. The Company will provide to the public, free of charge, a copy of the code of ethics upon request in writing to the Company's Chief Executive Officer at Azzurra Holding Corporation at 655 West Broadway, Suite 870, San Diego, California 92101.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who beneficially own more than 10% of the Common Stock, to file with the SEC initial reports of beneficial ownership ("Form 3") and reports of changes in beneficial ownership of Common Stock and other equity securities of the Company ("Form 4"). Officers, directors and greater than 10% stockholders of the Company are required by SEC rules to furnish to the Company copies of all Section 16(a) reports that they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with for fiscal 2018, 2017, 2016 and 2015.



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## ITEM 11. EXECUTIVE COMPENSATION

## SUMMARY COMPENSATION TABLE

The following table sets forth certain information about the compensation paid to or accrued by our Chief Executive Officer and our Chief Financial Officer during the fiscal years ending December 31, 2018, 2017, 2016 and 2015.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	All Other Compensation (\$)	Total (\$)
Daniel W. Rumsey(1) Chief Executive Officer and Chief Financial Officer	2018	-	-	-	-
	2017	-	-	-	-
	2016	-	-	-	-
	2015	-	-	-	-

(1)

No compensation was paid or accrued to Mr. Rumsey during the years ended December 31, 2018, 2017, 2016 and 2015

## DIRECTOR COMPENSATION

No compensation was paid to any directors for their service on the Company's Board of Directors during the years ended December 31, 2018, 2017, 2016 and 2015.

## EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT ARRANGEMENTS AND CHANGE OF CONTROL AGREEMENTS

None.

## ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table presents information concerning the beneficial ownership of all shares of common stock of the Company as of March 27, 2019. The Company has no other shareholders.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, the Company believes that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as being beneficially owned by that stockholder. The percentage of beneficial ownership is based on 4,029,140 shares of common stock outstanding as of December 31, 2018.

Name and Address of Beneficial Owner	Common Stock	Percentage of Shares Outstanding
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Red Beard Holdings, LLC 17595 Harvard Avenue, Suite C511 Irvine, CA 92614	3,827,683	95.0%
Daniel W. Rumsey(1) 655 West Broadway, Suite 870 San Diego, CA 92101	106,587	2.6%

(1)  
Daniel W. Rumsey is an officer and director of the Company.

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ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

During the years ended December 31, 2018, 2017, 2016 and 2015, we contracted with SEC Connect, whose principal is the Company's Chief Executive Officer, to provide the Company with EDGAR filing services. For the years ended December 31, 2018, 2017, 2016 and 2015, we paid SEC Connect \$0, \$0, \$1 and \$3 in filing fees, respectively, which amounts included fees paid to comply with the requirement that the Company file its financial statements with the Securities and Exchange Commission in XBRL. We believe the terms of this agreement are no less favorable to us than we could have obtained from an unaffiliated party.

On January 12, 2012, SDS Capital Group, SPC Ltd. ("SDS") sold, transferred and assigned 80,000 shares of Common Stock held by it to Daniel W. Rumsey, an officer and director of the Company. Similarly, on December 31, 2015, SDS sold, transferred and assigned to Mr. Rumsey certain promissory notes issued by the Company to SDS totaling \$73 as of such date, which amount was converted into 7,287 shares of the Company's Common Stock on December 31, 2015. Also on December 31, 2015, the Company issued 2,300 shares of Common Stock to Disclosure Law Group, a sole proprietorship owned by Mr. Rumsey ("DLG"), for and in consideration for the cancellation of \$23 of accounts payable to DLG. The shares of Common Stock issued to DLG were assigned to Mr. Rumsey on the date of issuance.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

Cherry Bekaert LLP ("Cherry Bekaert") was retained by the Board of Directors as the independent registered public accounting firm to audit our financial statements for the fiscal years ended December 31, 2018, 2017, 2016 and 2015, for which Cherry Bekaert was paid \$17,500. Other than as set forth under "Tax Fees" below, Cherry Bekaert did not perform any non-audit related services during the years ended December 31, 2018, 2017, 2016 and 2015.

TAX FEES

The Company engaged Cherry Bekaert for preparation of the Company's 2012 – 2018 Federal and state tax returns prepared in 2019, for which Cherry Bekaert was paid \$10,000.

AUDIT APPROVAL POLICIES

The Board of Directors has adopted procedures and policies pursuant to which services to be performed by the independent auditor are approved. Proposed services are pre-approved by agreeing to a framework with descriptions of allowable services with the Board of Directors ("general pre-approval"). Unless a type of service has received general pre-approval, it requires specific approval by the Board of Directors if it is to be provided by the independent registered public accounting firm.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

We have listed the exhibits filed as part of this Annual Report on Form 10-K in the accompanying exhibit index, which follows the signature page to this Annual Report. The exhibits marked with an asterisk (\*) are included with and filed as part of this Annual Report on Form 10-K.





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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of  
Azzurra Holding Corporation

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Azzurra Holding Corporation (the “Company”) as of December 31, 2018, 2017, 2016 and 2015, and the related statements of operations, stockholders’ equity, and cash flows for each of the years then ended, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018, 2017, 2016 and 2015, and the results of its operations and its cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Company’s Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 3, the Company has no operations and accordingly no source of revenue. The discontinuance of all the Company's remaining operations in 2007 raises substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board of the United States of America (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

We have served as the Company’s auditors since 2003.

Tampa, Florida  
February 28, 2019

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

## AZZURRA HOLDING CORPORATION BALANCE SHEETS

(In thousands, except share amounts)

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
<b>ASSETS</b>				
Current assets:				
Cash	\$-	\$-	\$-	\$1
Total current assets and total assets	\$-	\$-	\$-	\$1
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$-	\$-	\$-	\$1
Total current liabilities and total liabilities	-	-	-	1
Stockholders' deficit:				
Common stock, par value \$0.01 per share; 250,000 shares authorized; and 201,457 shares issued and outstanding	2	2	2	2
Additional paid-in capital	698	698	698	697
Accumulated deficit	(700)	(700)	(700)	(699)
Total stockholders' deficit	-	-	-	-
Total liabilities and stockholders' deficit	\$-	\$-	\$-	\$1

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



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AZZURRA HOLDING CORPORATION  
 CONDENSED BALANCE SHEETS  
 (In thousands except share amounts)

	September 30, 2018 (unaudited)	June 30, 2018 (unaudited)	March 31, 2018 (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash	\$-	\$-	\$-
Total current assets and total assets	\$-	\$-	\$-
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$-	\$-	\$1
Total current liabilities and total liabilities	-	-	1
Stockholders' deficit:			
Common stock, par value \$0.01 per share; 250,000 shares authorized; and 201,457 shares issued and outstanding	2	2	2
Additional paid-in capital	698	698	698
Accumulated deficit	(700)	(700)	(699)
Total stockholders' deficit	-	-	-
Total liabilities and stockholders' deficit	\$-	\$-	\$-

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



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AZZURRA HOLDING CORPORATION  
 CONDENSED BALANCE SHEETS  
 (In thousands, except share amounts)

	September 30, 2017 (unaudited)	June 30, 2017 (unaudited)	March 31, 2017 (unaudited)
<b>ASSETS</b>			
Current assets:			
Cash	\$-	\$-	\$-
Total current assets and total assets	\$-	\$-	\$-
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>			
Current liabilities:			
Accounts payable and accrued expenses	-	-	1
Total current liabilities and total liabilities	-	-	1
Stockholders' deficit:			
Common stock, par value \$0.01 per share; 250,000 shares authorized; and 201,457 shares issued and outstanding	2	2	2
Additional paid-in capital	698	698	698
Accumulated deficit	(700)	(700)	(699)
Total stockholders' deficit	-	-	-
Total liabilities and stockholders' deficit	\$-	\$-	\$-

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



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AZZURRA HOLDING CORPORATION  
 STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
OPERATING EXPENSES:				
General and administrative	\$-	\$-	\$-	\$31
Total operating expenses	-	-	-	31
LOSS FROM OPERATIONS:	-	-	-	(31)
OTHER EXPENSE	-	-	-	(7)
Net loss	\$-	\$-	\$-	\$(38)
Basic and diluted loss per common share	\$(0.00)	\$(0.00)	\$(0.00)	\$(0.19)
Shares used in basic and diluted per share computation	201,457	201,457	201,457	201,457

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





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AZZURRA HOLDING CORPORATION  
 CONDENSED STATEMENTS OF OPERATIONS  
 (In thousands, except per share data)

	Three Months Ended March 31, 2018 (unaudited)	Three Months Ended March 31, 2017 (unaudited)
OPERATING EXPENSES:		
General and administrative	\$-	\$-
Total operating expenses	-	-
LOSS FROM OPERATIONS:	-	-
OTHER EXPENSE	-	-
Net loss	\$-	\$-
Basic and diluted loss per common share	\$-	\$-
Shares used in basic and diluted per share computation	201,457	201,457

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



Table of ContentsAZZURRA HOLDING CORPORATION  
CONDENSED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

	Three Months Ended June 30, 2018 (unaudited)	Three Months Ended June 30, 2017 (unaudited)	Six Months Ended June 30, 2018 (unaudited)	Six Months Ended June 30, 2017 (unaudited)
OPERATING EXPENSES:				
General and administrative	\$-	\$-	\$-	\$-
Total operating expenses	-	-	-	-
LOSS FROM OPERATIONS:				
	-	-	-	-
OTHER EXPENSE				
	-	-	-	-
Net loss	\$-	\$-	\$-	\$-
Basic and diluted loss per common share	\$-	\$-	\$-	\$-
Shares used in basic and diluted per share computation	201,457	201,457	201,457	201,457

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

	Three Months Ended September 30, 2018 (unaudited)	Three Months Ended September 30, 2017 (unaudited)	Nine Months Ended September 30, 2018 (unaudited)	Nine Months Ended September 30, 2017 (unaudited)
OPERATING EXPENSES:				
General and administrative	\$-	\$-	\$-	\$-
Total operating expenses	-	-	-	-

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LOSS FROM OPERATIONS:	-	-	-	-
OTHER EXPENSE	-	-	-	-
Net loss	\$-	\$-	\$-	\$-
Basic and diluted loss per common share	\$-	\$-	\$-	\$-
Shares used in basic and diluted per share computation	201,457	201,457	201,457	201,457

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

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AZZURRA HOLDING CORPORATION  
 STATEMENTS STOCKHOLDERS' DEFICIT  
 FOR THE YEARS ENDED DECEMBER 31, 2018, 2017, 2016 AND 2015  
 (In thousands)

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at January 1, 2015	187	\$2	\$553	\$(662)	\$(107)
Issuance of Common Stock for conversion of notes payable and accrued and unpaid interest	12	-	122	-	122
Issuance of Common Stock for payment of accounts payable	2	-	23	-	23
Net loss	-	-	-	(38)	(38)
Balance at December 31, 2015, 2016, 2017, and 2018*	201	\$2	\$698	\$(700)	\$-

\* There was no activity from December 31, 2015 through December 31, 2018

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



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AZZURRA HOLDING CORPORATION  
 STATEMENTS OF CASH FLOWS  
 (In thousands)

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
Cash flows from operating activities:				
Net loss	\$-	\$-	\$-	\$(38)
Non-cash fair value of Common Stock issued in connection with notes payable	-	-	-	13
Non-cash loss on the issuance of Common Stock in connection with accrued interest on notes payable	-	-	-	7
Non-cash fair value of Common Stock issued in connection with accounts payable	-	-	-	23
Changes in operating assets and liabilities:				
Current liabilities	-	-	(1)	(20)
Net cash used in operating activities	-	-	(1)	(15)
Cash flows from financing activities:				
Proceeds from shareholder loans	-	-	-	13
Net cash provided by financing activities	-	-	-	13
Net change in cash and cash equivalents	-	-	(1)	(2)
Cash and cash equivalents at beginning of the year	-	-	1	3
Cash and cash equivalents at end of the year	\$-	\$-	\$-	\$1

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

AZZURRA HOLDING CORPORATION  
 CONDENSED STATEMENTS OF CASH FLOWS  
 (In thousands)

Three Months Ended March 31, 2018 (unaudited)	Three Months Ended March 31, 2017 (unaudited)	Six Months Ended June 30, 2018 (unaudited)	Six Months Ended June 30, 2017 (unaudited)	Nine Months Ended September 30, 2018 (unaudited)	Nine Months Ended September 30, 2017 (unaudited)
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Cash flows from operating activities:

Net loss	\$-	\$-	\$-	\$-	\$-	\$-
Changes in operating assets and liabilities:						
Current liabilities	-	-	-	-	-	-
Net cash used in operating activities	-	-	-	-	-	-
Cash flows from financing activities:						
Net cash provided by financing activities	-	-	-	-	-	-
Net change in cash and cash equivalents	-	-	-	-	-	-
Cash and cash equivalents at beginning of the year	-	-	-	-	-	-
Cash and cash equivalents at end of the year	\$-	\$-	\$-	\$-	\$-	\$-

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



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AZZURRA HOLDING CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS

1. BACKGROUND AND ORGANIZATION

Azzurra Holding Corporation, formerly known as Wave Wireless Corporation (“Wave”), is a Delaware corporation. Wave became Azzurra Holding Corporation (the “Company”) on June 28, 2007.

The Company currently has no ongoing operations. The Board of Directors has determined to maintain the Company as a public shell corporation, which will seek suitable business combination opportunities. The Board believes that a business combination with an operating company has the potential to create greater value for the Company’s stockholders than a liquidation or similar distribution.

2. BASIS OF PRESENTATION SIGNIFICANT ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Since July 2007, the Company has been a non-operating shell company and its business operations were limited to sustaining the public shell.

Accounting Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Income Tax

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and federal income tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. See also Note 6.

Net Loss per Share

Basic and diluted loss per common share are computed by dividing the net loss by the weighted average common shares outstanding. No options or warrants were outstanding for any period.

Recent Accounting Pronouncements

In August 2014, the Financial Accounting Standards Board issued ASU No. 201415, “Presentation of Financial Statements Going Concern (Subtopic 20540): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern” (“ASU 2014-15”) ASU 201415 is intended to define management’s responsibility to evaluate whether there is substantial doubt about an organization’s ability to continue as a going concern and to provide related footnote

disclosure. This ASU provides guidance to an organization's management, with principles and definitions that are intended to reduce diversity in the timing and content of disclosures that are commonly provided by organizations today in the financial statement footnotes. The amendments are effective for annual periods ending after December 15, 2016, and interim periods within annual periods beginning after December 15, 2016. Early adoption is permitted for annual or interim reporting periods for which the financial statements have not previously been issued. We evaluated the impact the revised guidance had on our financial statements and determined it had no significant impact.



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3. GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern.

The Company currently has no operations and intends to locate and combine with an existing, privately-held company that is profitable or which, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company, which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other from which will result in the combined enterprise's becoming a publicly-held corporation.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. To continue as a going concern, pending consummation of a transaction, the Company intends to either seek additional equity or debt financing. No assurances can be given that such equity or debt financing will be available to the Company nor can there be any assurance that a combination transaction will be consummated. Should the Company need to incur any significant liabilities prior to a combination transaction, including those associated with the current minimal level of general and administrative expenses, it may not be able to satisfy those liabilities in the event it was unable to obtain additional equity or debt financing.

4. NOTES PAYABLE

Prior to January 1, 2015, the Company issued promissory notes with an aggregate principal amount of \$87,500.00. On March 17, 2015 and March 31, 2015, the Company issued additional promissory notes in the principal amount of \$5,000.00 each, and on August 7, 2015, the Company issued an additional promissory note in the principal amount of \$2,500.00 (collectively, the "Notes"). Each of the Notes are payable on demand and accrue interest at the rate of 7% annually. On December 31, 2015, the principal and accrued and unpaid interest on the Notes were converted into 12,157 shares of the Company's Common Stock in full satisfaction of the Notes. Given the related-party nature of the transactions, no gain or loss was required upon conversion. As of the year ended December 31, 2015, the Company had no further obligation under the Notes.

5. STOCKHOLDERS' EQUITY

At December 31, 2018, 2017, 2016 and 2015, the authorized shares of the Company consisted of 250,000 shares of common stock, \$0.01 par value, and 201,457 shares were issued and outstanding.

6. INCOME TAXES

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted and implements comprehensive tax legislation which, among other changes, reduces the federal statutory corporate tax rate from 35% to 21%, requires companies to pay a one-time transition tax on earnings of certain foreign subsidiaries that were previously deferred, creates new provisions related to foreign sourced earnings, eliminates the domestic manufacturing deduction and moves to a territorial system. Additionally, in December 2017, the Securities and Exchange Commission staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which addresses how a company recognizes provisional amounts when a company does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete its accounting for the effect of the changes in the Tax Act. The measurement period, as defined in SAB 118, ends when a company has obtained, prepared and analyzed the information necessary to finalize

its accounting, but cannot extend beyond one year. During the measurement period, provisional amounts may also be adjusted for the effects, if any, of interpretative guidance issued after December 31, 2017, by U.S. regulatory and standard-setting bodies.

Based on the provisions of the Tax Act, the Company re-measured its U.S. deferred tax assets and liabilities and adjusted its deferred tax balances to reflect the lower U.S. corporate income tax rate at December 31, 2018 and 2017.





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Deferred tax assets consist of the following (in thousands):

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Net operating loss carry-forwards	\$77,211	\$77,140	\$132,300	\$133,844
Credit carry-forwards	253	253	561	939
Reserves and other	82	82	82	82
Total deferred tax assets	77,545	77,475	132,942	134,865
Valuation allowance	(77,545)	(77,475)	(132,942)	(134,865)
Net deferred tax asset	\$-	\$-	\$-	\$-

The Federal net operating loss carryforward for tax purposes and state net operating loss carryforward for tax purposes is approximately \$370 million, \$370 million, \$441 million and \$469 million, respectively, at December 31, 2018, 2017, 2016 and 2015, which expire in various amount annually through 2028. The Company's ability to utilize these carryforwards may be severely limited or lost pursuant to Section 382 of the Internal Revenue Code as a result of the change in control of the Company on June 14, 2007. Other limitations may apply as well. The Company has made no determination as to what these limitations may be.

Deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their bases for financial reporting purposes. In addition, future tax benefits, such as net operating loss carry-forwards, are recognized to the extent that realization of such benefits is more likely than not. The Company has assessed its ability to realize future tax benefits, and concluded that as a result of the history of losses, it was more likely than not, that such benefits would not be realized. Accordingly, the Company has recorded a full valuation allowance against future tax benefits.

Reconciliation of the statutory Federal income tax rate to its effective tax rate is as follows:

	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Income tax benefit at federal statutory rate	21.00%	35.00%	35.0%	35.0%
State income taxes net of federal benefit	6.98%	6.98%	5.8%	5.80%
Expiring credits and other	0%	0%	0%	467.30%
Change in valuation allowance	(27.98)%	(41.98)%	(41.98)%	(508.1)%
Total	0.00%	0.00%	0.00%	0.00%

## 7. RELATED PARTY TRANSACTION

During the years ended December 31, 2018, 2017, 2016 and 2015, we contracted with SEC Connect, whose principal is the Company's Chief Executive Officer, to provide the Company with EDGAR filing services. For the years ended December 31, 2018, 2017, 2016 and 2015, we paid SEC Connect \$0, \$0, \$1 and \$3 in filing fees, respectively, which amounts included fees paid to comply with the requirement that the Company file its financial statements with the Securities and Exchange Commission in XBRL. We believe the terms of this agreement are no less favorable to us than we could have obtained from an unaffiliated party.

On January 12, 2012, SDS Capital Group, SPC Ltd. ("SDS") sold, transferred and assigned 80,000 shares of Common Stock held by it to Daniel W. Rumsey, an officer and director of the Company. Similarly, on December 31, 2015, SDS sold, transferred and assigned to Mr. Rumsey certain promissory notes issued by the Company to SDS totaling \$73 as of such date, which amount was converted into 7,287 shares of the Company's Common Stock on December 31, 2015. Also on December 31, 2015, the Company issued 2,300 shares of Common Stock to Disclosure Law Group, a sole proprietorship owned by Mr. Rumsey ("DLG"), for and in consideration for the cancellation of \$23 of accounts payable to DLG. The shares of Common Stock issued to DLG were assigned to Mr. Rumsey on the date of issuance.

#### 8. SUBSEQUENT EVENTS

On March 27, 2019, the Company filed an Amended and Restated Certificate of Incorporation to increase its authorized capital stock from 250 shares of Common Stock to 105,000,000 shares, of which 100,000,000 shall be Common Stock, and 5,000,000 shall be preferred stock. Also, on March 27, 2019, the Company issued 3,827,683 shares of Common Stock to Red Beard Holdings, LLC, for and in consideration for the payment to the Company of \$50, or \$0.013 per share.



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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

AZZURRA HOLDING CORPORATION

Date: March 29, 2019 /s/ Daniel W. Rumsey  
Daniel W. Rumsey  
Chief Executive Officer  
(Principal Executive Officer, Principal Financial and Principal  
Accounting Officer)



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EXHIBIT INDEX

<u>10.1</u>	Securities Purchase Agreement, dated March 26, 2019, by and between the Company and Red Beard Holdings LLC
<u>31</u>	Certification of Principal Executive and Financial Officer Pursuant to Exchange Act Rule 13a-14(a).
<u>32</u>	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase