

Aventura Holdings Inc.  
Form 10-Q  
November 16, 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 September 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.

Large accelerated filer

Accelerated filer

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

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 November 16, 2009 was 3,150,210,132.

---

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>	9
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	10
Item 4. <u>Internal Control and Procedures</u>	11
PART II Other Information	
Item 1. <u>Legal Proceedings</u>	12
Item 1A. <u>Risk Factors</u>	12
Item 2. <u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	14
Item 3. <u>Defaults Upon Senior Securities</u>	14
Item 4. <u>Submission of Matters to a Vote of Security Holders.</u>	14
Item 5. <u>Other Information</u>	14
Item 6. <u>Exhibits</u>	14
<u>Signatures</u>	15

---

Table of Contents

## PART I. FINANCIAL INFORMATION

Item 1. Financial statements

AVENTURA HOLDINGS, INC.  
CONSOLIDATED BALANCE SHEETS  
SEPTEMBER 30, 2009 AND DECEMBER 31, 2008  
(UNAUDITED)

	September 30, 2009 (unaudited)	December 31, 2008
<b>ASSETS:</b>		
<b>Current Assets</b>		
Cash	\$ 1,289	\$ 3,351
Accounts receivable	25,000	-
<b>Total Current Assets</b>	<b>26,289</b>	<b>3,351</b>
<b>Fixed Assets</b>		
Furniture and equipment	32,500	32,500
Less: accumulated depreciation	(4,640 )	(1,160 )
	27,860	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>\$ 54,149</b>	<b>\$ 39,111</b>
<b>LIABILITIES &amp; SHAREHOLDERS' EQUITY (DEFICIT):</b>		
<b>Liabilities:</b>		
Accounts payable	\$-	\$ 27,383
Accrued compensation	34,656	59,332
<b>Total Liabilities</b>	<b>34,656</b>	<b>86,715</b>
<b>Shareholders' Equity (Deficit):</b>		
Common Stock; \$0.001 par value; 5,000,000,000 shares authorized; 3,150,210,132 shares issued and outstanding as of September 30, 2009 and 2,790,324,194 shares issued and outstanding as of December 31, 2008	3,150,211	2,790,325
Additional paid in capital	(2,216,793)	(1,936,907)
Treasury stock	200,000	200,000
Accumulated deficit	(1,113,925)	(1,101,022)
<b>Total Shareholders' Equity (Deficit)</b>	<b>19,493</b>	<b>(47,604 )</b>

TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT)	\$54,149	\$39,111
--	----------	----------

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

3

---

Table of Contents

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Nine Months Ended September 30, 2009 (unaudited)	For the Nine Months Ended September 30, 2008 (unaudited)	For the Three Months Ended September 30, 2009 (unaudited)	For the Three Months Ended September 30, 2008 (unaudited)
<b>REVENUES:</b>				
Sales	\$ 95,466	\$ 15,695	\$ -	\$ -
Less: cost of sales	58,604	4,230	-	-
Gross Profit	36,862	11,465	-	-
Fee Income	48,398	166,894	32,455	69,845
Total Revenues	85,260	178,359	32,455	69,845
<b>EXPENSES:</b>				
General & Administrative	98,163	94,044	44,561	35,091
Net Income	\$ (12,903 )	\$ 84,315	\$ (12,106 )	\$ 34,754
<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	3,150,210,132	2,790,324,194	3,150,210,132	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)  
(UNAUDITED)

	Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount	Additional Paid In Capital	Accumulated Deficit	Treasury Stock	Total
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	359,885,938	359,886	-	-	(279,886 )	-	-	80,000
Net loss	-	-	-	-	-	(12,903 )	-	(12,903 )
Balance at September 30, 2009	3,150,210,132	\$3,150,211	-	\$-	\$(2,216,793)	\$(1,113,925)	\$200,000	\$19,493

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

Table of Contents

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

	For the Nine Months Ended September 30,	
	2009 (unaudited)	2008 (unaudited)
Cash flows from operating activities:		
Net income (loss)	\$ (12,903 )	\$ 84,315
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	3,480	
Fixed assets received in exchange for fees		(32,500 )
(Increase) decrease in:		
Accounts receivable	(25,000 )	-
Prepaid expenses	-	(1,066 )
Due from others	-	
Security deposit	4,420	-
Increase (decrease) in:		
Accounts payable	(27,383 )	(12,837 )
Accrued compensation	(24,676 )	12,484
Due to related party	-	(47,883 )
Net cash (used) in operating activities	(82,062 )	2,513
Cash flows from investing activities:		
Net cash provided (used) in investing activities	-	-
Cash flows from financing activities:		
Proceeds from share issuance	80,000	-
Proceeds from related party	-	1,500
Net cash provided by financing activities	80,000	1,500
Net increase in cash	(2,062 )	4,013
Cash at beginning of period	3,351	1,153
Cash at end of period	\$ 1,289	\$ 5,166
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	\$ -	\$ -
Issuance of common stock	\$ 80,000	\$ -
Exchange of intellectual property for preferred stock	\$ -	\$ (200,000 )

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 \$12,903 and net income of \$84,315 for the nine months ended September 30, 2009 and 2008 and net cash used in operations of \$82,062 and generated in operations of \$2,513 for the nine months ended September 30, 2009 and 2008; shareholder’s equity of \$19,493 and an accumulated deficit of \$ 1,113,925 at September 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

The Company has enjoyed limited success pursuing its most recent business plan. The Board of Directors has determined that it is in the best interest of the Company and its shareholders to pursue a new business strategy and undertaken investigations and discussions with certain other parties regarding alternatives. The Company has not yet reached any definitive agreements with any parties.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim reporting

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 nine months ended September 30, 2009 are not necessarily indicative of the results that can be expected for the year ended December 31, 2009.

#### 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.

## Table of Contents

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 November 16, 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 7 – SUBSEQUENT EVENTS

The owner of a majority of the common stock has advised the Company that it has reached an agreement for the sale of substantially all of its holdings. This transfer, when and if it occurs, would result in a change in control that would be reflected in a Current Report under Form 8-K and other reports regarding changes in ownership. The majority owner has further advised the Company that the new owners of a majority of the common stock would likely pursue a change in the business model for the Company which change would be more fully disclosed in a Current Report under Form 8-K.

In connection with these discussions and pending agreements, the Company had previously agreed to pursue a 'reverse-split' of its common stock, on the basis of each 1,000 shares of its common stock being exchanged for a new share of stock. The Company previously gave notice of this decision in its Information Statement under Form 14C filed with the Securities and Exchange Commission. In that same Information Statement, the majority shareholder had consented to authority to change the name of the Company. Notice has not yet been given to FINRA (the Financial Industry Regulatory Authority) to effectuate these two changes.

### 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 – SALES OF REGISTERED STOCK

The Company filed a registration statement under Form S-1 which was declared effective December 18, 2008.

Pursuant to this registration statement, the Company sold a total of 10,000,000 shares to an individual for \$5,000 and a total of 349,885,938 shares to four entities for \$75,000.

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 September 30, 2009 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 those 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

None.

## 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.

AVENTURA HOLDINGS, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Nine Months Ended September 30, 2009 (unaudited)	For the Nine Months Ended September 30, 2008 (unaudited)	For the Three Months Ended September 30, 2009 (unaudited)	For the Three Months Ended September 30, 2008 (unaudited)
REVENUES:				
Sales	\$ 95,466	\$ 15,695	\$ -	\$ -
Less: cost of sales	58,604	4,230	-	-
Gross Profit	36,862	11,465	-	-
Fee Income	48,398	166,894	32,455	69,845

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

Total Revenues	85,260	178,359	32,455	69,845
<b>EXPENSES:</b>				
General & Administrative	98,163	94,044	44,561	35,091
Net Income	\$ (12,903 )	\$ 84,315	\$ (12,106 )	\$ 34,754
<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	3,150,210,132	2,790,324,194	3,150,210,132	2,790,324,194

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

## Table of Contents

### REVENUES

Sales for the nine months ended September 30, 2009 were \$95,466 compared to sales for the nine months ended September 30, 2008 of \$15695. Fee income for the nine months ended September 30, 2009 was \$48,398 compared to fee income for the nine months ended September 30, 2008 of \$166,894.

### OPERATING AND OTHER EXPENSES

Operating expenses for the nine months ended September 30, 2009 were \$98,163 compared to operating expenses for the nine months ended September 30, 2008 of \$94,044.

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

As a result of these factors, we reported a net loss of \$12,903 or \$(nil) per share for the nine months ended September 30, 2009 as compared to net income of \$84,315 or \$.nil per share for the nine months ended September 30, 2008.

### LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2009, we had assets exceeding liabilities by \$19,493 and an accumulated deficit of \$1,113,925.

We have no material commitments for capital expenditures.

Net cash used in operations during the nine months ended September 30, 2009 was \$82,062. In the comparable period of September 30, 2008, we had net cash generated by operations of \$2,513.

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

\$80,000 was provided by financing activities for the nine months ended September 30, 2009 by the issuance of common stock while \$1,500 was provided for the nine months ended September 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.

### 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 September 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:

10

---

Table of Contents

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

None.

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.

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.

## Table of Contents

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.

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.

Table of Contents

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>

14

---

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.

November 16, 2009

By:

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



Table of Contents