

AZZURRA HOLDING CORP
Form 10-Q
August 01, 2011

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2011

OR

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

For the transition period from _____ to _____

Commission File No. 0-25356

AZZURRA HOLDING CORPORATION
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other Jurisdiction of Incorporation or Organization)

77-0289371
(I.R.S. Employer Identification No.)

501 West Broadway, Suite 800
San Diego, California
(Address of Principal Executive Offices)

92101
(Zip Code)

(619) 795-1134
(Issuer's telephone number)

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-Accelerated filer Small 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

As of August 1, 2011 there were 187,000 shares of the Registrant's common stock outstanding, par value \$0.01 per share.

Transitional Small Business Disclosure Format (Check one): Yes No

AZZURRA HOLDING CORPORATION

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AZZURRA HOLDING CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands, except per share data)

	June 30, 2011 (Unaudited)	December 31, 2010
ASSETS		
Current assets:		
Cash	\$ 16	\$ 2
Total current assets and total assets	\$ 16	\$ 2
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Notes payable	\$ 28	\$ -
Accounts payable and accrued liabilities	-	1
Total current liabilities and total liabilities	28	1
Stockholders' equity (deficit):		
Common stock, par value \$0.01 per share; 250,000 shares authorized; 187,000 issued and outstanding	1	1
Additional paid-in capital	554	554
Accumulated deficit	(567)	(554)
Total stockholders' equity (deficit)	(12)	1
Total liabilities and stockholders' equity (deficit)	\$ 16	\$ 2

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

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2011	2010	2011	2010
Sales	\$ -	\$ -	\$ -	\$ -
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Operating expense:				
General and administrative	4	14	13	27
Total operating expenses	4	14	13	27
Loss from operations	(4)	(14)	(13)	(27)
NET LOSS	\$ (4)	\$ (14)	\$ (13)	\$ (27)
Basic and diluted net loss per common share	\$ (0.02)	\$ (0.08)	\$ (0.07)	\$ (0.16)
Shares used in basic and diluted per share computation	187	172	187	171

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

AZZURRA HOLDING CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (In thousands, except per share data)
 (UNAUDITED)

	For the Six Months Ended June 30,	
	2011	2010
Cash flows from operating activities:		
Net loss	\$ (13)	\$ (27)
Changes in operating assets and liabilities:		
Current liabilities	(1)	(6)
Net cash used in operating activities	(14)	(21)
Cash provided by financing activities		
Proceeds from shareholder loans	28	-
Net cash provided by financing activities	28	-
Net increase (decrease) in cash and cash equivalents	14	(21)
Cash and cash equivalents at beginning of the period	2	26
Cash and cash equivalents at end of the period	\$ 16	\$ 5

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

AZZURRA HOLDING CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED 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”) subsequent to the consummation of the transactions contemplated by the Joint Plan of Reorganization, as amended, of Wave, pursuant to Chapter 11 of Title 11 of the United States Code, 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

Bankruptcy Proceedings under Chapter 11 of the Bankruptcy Code and Reorganization

On October 31, 2006 (“Petition Date”), the Company filed a voluntary petition for reorganization under Chapter 11 of the Code in the United States Bankruptcy Court for the District of Delaware (“Court”) (the “Bankruptcy Petition”). The Court confirmed a Joint Plan of Reorganization on June 14, 2007. Under the terms and conditions of the Joint Plan, as confirmed by the Court, holders of our equity interests as of the effective date of the Joint Plan, have terminated, and three preferred shareholders of the Company each acquired shares of common stock of the Company, under the terms of the Joint Plan.

2. BASIS OF PRESENTATION 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.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All significant inter-company accounts and transactions have been eliminated.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information and with the instructions to Form 10-Q. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring

accruals) considered necessary for a fair presentation of the results of operations and for the periods presented have been included. Operating results for the three and six months ended June 30, 2011 are not necessarily indicative of the results that may be expected for future periods or for the fiscal year. The balance sheet at December 31, 2010 has been derived from the audited financial statements at that date, but does not included all of the information and footnotes required by GAAP for complete financial statements.

You should read these condensed consolidated financial statements together with the historical consolidated financial statements for the Company for the years ended December 31, 2010 and 2009, included in our Annual Report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission (“SEC”) on April 11, 2011 (the “Annual Report”).

Going Concern

The accompanying consolidated 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 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.

3. NOTES PAYABLE

On March 25 and March 31, the Company issued two promissory notes in the principal amount of \$12,500 and \$15,000, respectively, to two principal investors (the “Notes”). The Notes are payable on demand, and accrue interest at the rate of 7% annually.

4. NET LOSS PER SHARE

Basic and diluted income (loss) per common share are computed by dividing the net loss by the weighted average common shares outstanding. No options or warrants are currently issued or outstanding.

5. EQUITY AND NON-CASH INFORMATION

On June 22, 2010, the Company issued 17,000 shares of its Common Stock valued at \$170 to its current President and Chief Executive Officer in exchange for services rendered.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Quarterly Report on Form 10-Q contains forward-looking statements, which involve numerous risks and uncertainties. The statements contained in this Quarterly Report on Form 10-Q that are not purely historical may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, including without limitation, statements regarding the Company's

expectations, beliefs, intentions or strategies regarding the future. 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" contained in our Annual Report on Form 10-K for the year ended December 31, 2010, and other documents filed by us with the Securities and Exchange Commission.

Description of Business

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 501 West Broadway, Suite 800, San Diego, California 92101, and our telephone number is 619-795-1134.

As a result of the consummation of the bankruptcy of the Company on June 28, 2007, and confirmation of a Joint Plan of Reorganization, and the subsequent sale of our operating businesses, 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.

During the three and six month periods ended June 30, 2011, the Company was a non-operating shell company and its business operations were limited to sustaining the public shell.

Employees

As of June 30, 2011, 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.

Critical Accounting Policies

The preparation of financial statements in accordance with accounting principles generally accepted in the U.S. requires management to make 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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and such differences could be material and affect the results of operations reported in future periods.

RESULTS OF OPERATIONS

Sales