

AZZURRA HOLDING CORP
Form 10QSB
May 30, 2008

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended: March 31, 2007

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.)

6080 Centre Drive, Suite 600, Los Angeles,
California
(Address of Principal Executive Offices)

90045
(Zip Code)

(310) 880-7792
(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 /X/

As of May 30, 2008 there were 100,000, shares of the Registrant's common stock outstanding, par value \$0.01 per share.

Transitional Small Business Disclosure Format (Check one): Yes /_/; No /X/

AZZURRA HOLDING CORPORATION

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Azzurra Holding Corporation (the “Company”) filed for a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code, with the United States Bankruptcy Court for the District of Delaware (the “Court”). The Court confirmed a Joint Plan of Reorganization (the “Joint Plan”). You should carefully consider all documents filed by us with the Securities and Exchange Commission before purchasing our common stock.

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PART I - FINANCIAL INFORMATION

ITEM FINANCIAL STATEMENTS

1.

AZZURRA HOLDING CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)

	March 31, 2007 (Unaudited)	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,190	\$ 1,849
Accounts receivable	254	391
Inventory	4	4
Note receivable	426	426
Total current assets	2,874	2,670
SPEEDLAN automated test equipment	16	16
Goodwill	100	100
Total assets	\$ 2,990	\$ 2,786
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	\$ 134	\$ 408
Accounts payable subject to compromise	1,191	1,191
Other accrued liabilities	50	589
Other accrued liabilities subject to compromise	2,126	1,812
Deferred revenue subject to compromise	1,322	1,322
Derivative liability for excess shares subject to compromise	30	30
Current maturities of long-term debt subject to compromise	3,379	3,319
Total current liabilities and total liabilities	8,232	8,671
Commitments and contingencies (Note 8)	-	-
Stockholders' deficit:		
Series E Preferred Stock	332	332
Series G Preferred Stock	3,224	3,224
Series J and J-1 Preferred Stock	16,824	16,824
Common stock, par value \$0.0001 per share; 250 million shares authorized; 75,111 shares issued; 75,081 shares outstanding	8	8
Treasury stock, at cost; 30 shares	(74)	(74)
Additional paid-in capital	391,660	391,660

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Accumulated deficit	(417,216)	(417,859)
Total stockholders' deficit	(5,242)	(5,885)
Total liabilities and stockholders' deficit	\$ 2,990	\$ 2,786

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

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

(UNAUDITED)

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2007	2006
Sales	\$ 323	\$ 448
Cost of sales	58	220
Gross profit	265	228
Operating expense:		
Research and development	-	534
Selling and marketing	-	488
General and administrative	237	487
Bankruptcy expenses	126	-
Total operating expenses	363	1,509
Loss from operations	(98)	(1,281)