

NEW CENTURY COMPANIES INC
Form 10-Q/A
September 02, 2009

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

FORM 10-Q/A
Amendment no. 1

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

For the quarterly period ended March 31, 2009

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

Commission file number: 000-09459

NEW CENTURY COMPANIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

061034587
(I.R.S. Employer
Identification Number)

9831 Romandel Ave.
Santa Fe Springs, CA 90670
(Address of principal executive offices)

(562) 906-8455
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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 (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

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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 17, 2009, the Company had 15,344,654 shares of common stock, \$0.10 par value, issued and outstanding.

Explanatory Note

We are filing this Amendment to Form 10-Q for the three-month period ended March 31, 2009, to restate the condensed consolidated financial statements and all the disclosures accordingly.

In connection with the preparation of our condensed consolidated financial statements for the quarter ended June 30, 2009, we discovered errors in our valuation of our derivative liabilities, certain contract related balances and a classification error, which we reported for the three-month period ended March 31, 2009, and needed to be restated. Specifically, the condensed consolidated financial statements are being restated to (i) change the valuation of our derivative liabilities, (ii) decrease the previously reported change in warrant value during the quarter ended March 31, 2009, and (iii) adjust our revenues, cost of sales, costs in excess of billings and billings in excess of costs in connection with our contract accounting. For additional detail related to such restatement, please see Note 6 of the condensed consolidated financial statements included in this Form 10-Q/A for the period ended March 31, 2009.

In addition, we filed our Form 10-Q for the period ended March 31, 2009 before our prior independent registered public accounting firm completed its review of the condensed consolidated financial statements for the period then ended.

Forward-Looking Statements

This Quarterly Report on Form 10-Q/A contains certain 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. For example, statements regarding the Company's financial position, business strategy and other plans and objectives for future operations, and assumptions and predictions about future product demand, supply, manufacturing, costs, marketing and pricing factors are all forward-looking statements. These statements are generally accompanied by words such as "intend," "anticipate," "believe," "estimate," "potential(ly)," "continue," "forecast," "predict," "plan," "may," "will," "could," "would," "shou negative of such terms or other comparable terminology. The Company believes that the assumptions and expectations reflected in such forward-looking statements are reasonable, based on information available to it on the date hereof, but the Company cannot provide assurances that these assumptions and expectations will prove to have been correct or that the Company will take any action that the Company may presently be planning. However, these forward-looking statements are inherently subject to known and unknown risks and uncertainties. Actual results or experience may differ materially from those expected or anticipated in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, regulatory policies, available cash, research results, competition from other similar businesses, and market and general economic factors. This discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this Quarterly Report on Form 10-Q/A.

NEW CENTURY COMPANIES, INC.

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Part I - Financial Information

ITEM 1. FINANCIAL STATEMENTS

NEW CENTURY COMPANIES, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2009 and December 31, 2008

	(Unaudited) March 31, 2009 (Restated - See Note 6)	December 31, 2008
ASSETS		
Current Assets		
Cash	\$ 268,095	\$ 31,889
Contract receivables, net of allowance of \$0 and \$24,000 for March 31, 2009 and December 31, 2008, respectively	334,391	237,787
Inventories	412,889	564,022
Costs and estimated earnings in excess of billings on uncompleted contracts	102,028	416,664
Deferred financing costs	370,933	252,305
Prepaid expenses and other current assets	165,933	168,668
Total current assets	1,654,269	1,671,335
Property and Equipment, net	172,876	186,906
Deferred Financing Costs, net	173,803	233,702
Total Assets	\$ 2,000,948	\$ 2,091,943
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Bank overdraft	\$ 32,152	\$ 15,329
Accounts payable and accrued liabilities	1,519,171	1,417,464
Dividends payable	459,275	459,275
Billings in excess of costs and estimated earnings on uncompleted contracts	607,061	1,388,348
Capital lease obligation, current portion	28,542	27,874
Derivative liability	4,306,028	1,975,298
CAMOFI Convertible note payable, net of discount of \$1,756,612 at March 31, 2009 and \$2,089,443 at December 31, 2008, respectively	1,070,670	737,838

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CAMHZN Convertible note payable, net of discount of \$294,813 at March 31, 2009 and \$350,090 at December 31, 2008, respectively	455,187	399,910
CAMOFI Convertible Note, net of discount of \$288,039	413,161	-
CAMHZN Convertible Note, net of discount of \$71,778	102,022	-
Total current liabilities	8,993,269	6,421,336
Long Term Liabilities		
Capital lease obligation, long term portion	2,482	9,804
Total liabilities	8,995,751	6,431,140
Commitments and Contingencies		
Stockholders' Deficit		
Cumulative, convertible, Series B preferred stock, \$1 par value, 15,000,000 shares authorized, no shares issued and outstanding (liquidation preference of \$25 per share)	-	-
Cumulative, convertible, Series C preferred stock, \$1 par value, 75,000 shares authorized, 26,880 shares issued and outstanding (liquidation preference of \$672,000)	26,880	26,880
Cumulative, convertible, Series D preferred stock, \$25 par value, 75,000 shares authorized, 11,640 shares issued and outstanding (liquidation preference of \$291,000)	291,000	291,000
Common stock, \$0.10 par value, 50,000,000 shares authorized; 15,344,654 shares issued and outstanding at March 31, 2009 and December 31, 2008	1,534,466	1,534,466
Notes receivable from stockholders		