

AZZURRA HOLDING CORP  
Form 10-Q  
May 15, 2015

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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: March 31, 2015

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.)

600 West Broadway, Suite 700  
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):

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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 May 15, 2015 there were 187,000 shares of the Registrant's common stock outstanding, par value \$0.01 per share.

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## 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)

	March 31, 2015 (Unaudited)	December 31, 2014
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 7	\$ 3
Total current assets and total assets	\$ 7	\$ 3
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Notes payable	\$ 98	\$ 88
Accounts payable and accrued liabilities	27	22
Total current liabilities and total liabilities	125	110
Stockholders' 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	(673)	(662)
Total stockholders' deficit	(118)	(107)
Total liabilities and stockholders' deficit	\$ 7	\$ 3

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,	
	2015	2014
Sales	\$ -	\$ -
Cost of sales	-	-
Gross profit	-	-
Operating expense:		
General and administrative	10	7
Total operating expenses	10	7
Loss from operations	(10)	(7)
Other expense	(1)	(1)
Net loss	\$ (11)	\$ (8)
Basic and diluted net loss per common share	\$ (0.06)	\$ (0.04)
Shares used in basic and diluted per share computation	187,000	187,000

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 CASH FLOWS  
 (In thousands)  
 (UNAUDITED)

	For the Three Months Ended March 31,	
	2015	2014
Cash flows from operating activities:		
Net loss	\$ (11)	\$ (8)
Changes in operating assets and liabilities:		
Accounts payable and accrued liabilities	5	6
Net cash used in operating activities	(6)	(2)
Cash provided by financing activities		
Proceeds from shareholder loans	10	-
Net cash provided by financing activities	10	-
Net increase (decrease) in cash and cash equivalents	4	(2)
Cash and cash equivalents at beginning of the period	3	10
Cash and cash equivalents at end of the period	\$ 7	\$ 8

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

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AZZURRA HOLDING CORPORATION AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND AND ORGANIZATION

Azzurra Holding Corporation (the “Company”) is a Delaware corporation. 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

Basis of Presentation

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

Accounting Estimates

In preparing the condensed consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”), 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 condensed consolidated financial statements, as well as the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Interim Financial Statements

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with 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 months ended March 31, 2015 are not necessarily indicative of the results that may be expected for future periods or for the fiscal year. The condensed consolidated balance sheet at December 31, 2014 has been derived from the audited financial statements at that date, but does not include 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, 2014 and 2013, included in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission (“SEC”) on March 31, 2015 (the “Annual Report”).

Going Concern

The accompanying condensed 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 combination-type 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 is unable to obtain additional equity or debt financing.

3. NOTES PAYABLE

Prior to January 1, 2015, the Company issued promissory notes with an aggregate principal amount of \$87,500. On March 17, 2015 and March 31, 2015, the Company issued additional promissory notes in the principal amount of \$5,000 each (collectively, the "Notes"). Each of the Notes are payable on demand, and accrue interest at the rate of 7% annually. As of March 31, 2015, the total principal and accrued interest due under the terms of the Notes was approximately \$114,000.

4. NET LOSS PER SHARE

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



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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, 2014, and other documents filed by us with the Securities and Exchange Commission.

Description of Business

Azzurra Holding Corporation (the "Company," "we," "us," "our") was incorporated in 1991 as a Delaware Corporation. Our executive offices are located at 600 West Broadway, Suite 700, San Diego, California 92101, and our telephone number is (619) 795-1134.

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-month period ended March 31, 2015, the Company was a non-operating shell company and its business operations were limited to sustaining the public shell.

Employees

As of March 31, 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.

Critical Accounting Policies

The preparation of consolidated 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 consolidated 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

During the three months ended March 31, 2015 and 2014, 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.

Gross Profit

During the three months ended March 31, 2015 and 2014, the Company had no gross profit as it did not have sales during either periods.

#### General and Administrative

During the three months ended March 31, 2015 and 2014, general and administrative expenses were approximately \$10,000 and \$7,000, respectively. General and administrative expenses during the periods reported consist principally of auditing, and related costs associated with the preparation, review and filing of the Company's consolidated financial statements, and related administration costs and expenses.

#### Other Expense

During each of the three months ended March 31, 2015 and 2014, other expense was approximately \$1,000. Other expense consists of interest expense on the Company's notes payable.

#### Net Income (Loss)

During the three months ended March 31, 2015 and 2014, the net loss was \$11,000 and \$8,000, respectively.

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LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, the Company had cash and cash equivalents of approximately \$7,000, compared to approximately \$3,000 in cash and cash equivalents at December 31, 2014. During the three month period ended March 31, 2015, overall cash increased by approximately \$4,000, primarily due to receipt of promissory notes totaling \$10,000 and offset by the loss from operations during the three months ended March 31, 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 combination-type 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 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. 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.

There has been no change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected or is reasonably likely to materially affect its internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer have determined that there have been no changes in the Company's internal control over financial reporting during the period 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.

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PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 1A. RISK FACTORS

There are no risk factors identified by the Company in addition to the risk factors previously disclosed in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

(a) Exhibits

31 Certification of Principal Executive and Financial Officer Pursuant to Exchange Act Rule 13a-14(a).

32 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

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AZZURRA HOLDING CORPORATION

Date: May 15, 2015

/s/ Daniel W. Rumsey  
Daniel W. Rumsey, Chief Executive Officer  
(Principal Executive Officer, Principal  
Financial and Accounting Officer)