

Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

AMERICAN LEISURE HOLDINGS INC  
Form 10QSB  
November 26, 2002

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

FORM 10-QSB

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

For the quarter ended September 30, 2002

or

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 333-48312

AMERICAN LEISURE HOLDINGS, INC.

-----  
(Exact name of registrant as specified in its charter)

FREEWILLPC.COM, INC.

-----  
(Former name of registrant)

Nevada

-----  
(State or other jurisdiction of  
incorporation or organization)

75-2877111

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

Park 80 Plaza East  
Saddlebrook, New Jersey

-----  
(Address of principal executive offices)

07663

-----  
(Zip Code)

(201) 226-2060

(Registrant's telephone number, including area code)

Check 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, and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

As of November 14, 2002, there were 6,685,974 shares of the Registrant's common stock, par value \$0.001 issued and outstanding.

# Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

AMERICAN LEISURE HOLDINGS, INC.  
SEPTEMBER 30, 2002 QUARTERLY REPORT ON FORM 10-QSB  
TABLE OF CONTENTS

Special Note Regarding Forward Looking Information .....2

## PART I - FINANCIAL INFORMATION

Item 1.	Financial Statements .....	3
Item 2.	Management's Discussion and Analysis of Financial condition and Results of Operations.....	8
Item 3.	Controls and Procedures.....	12

## PART II - OTHER INFORMATION

Item 1.	Legal Proceedings.....	13
Item 2.	Changes in Securities and Use of Proceeds.....	13
Item 3.	Defaults Upon Senior Securities.....	17
Item 4.	Submission of Matters to a Vote of Security Holders.....	17
Item 5.	Other Information.....	18
Item 6.	Exhibits and Reports on Form 8-K.....	18

References in this report to "we", "us", "our" and similar terms means American Leisure Holdings, Inc., a Nevada corporation, formerly FreewillPC.com, Inc.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this Quarterly Report on Form 10-QSB. Any statements about our beliefs, plans, objectives, expectations, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely", "are expected to", "should", "is anticipated", "estimated", "intends", "plans", "projection" and "outlook". Any forward-looking statements are qualified in their entirety by reference to various factors discussed throughout this Quarterly Report and discussed from time to time in our filings with the Securities and Exchange Commission. Among the significant factors that could cause our actual results to differ materially from those expressed in the forward-looking statements are:

- o the potential risk of delay in implementing our business plan;
- o the market for our travel and leisure services; and

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

- o the need for additional financing.

Because the factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements, persons should not place undue reliance on any of these forward-looking statements. In addition, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which the statement is made, to reflect the occurrence of unanticipated events or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise or to assess with any precision the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

2

### PART I - FINANCIAL INFORMATION

#### ITEM 1. FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheets as of September 30, 2002 and December 31, 2001.....	4
Condensed Consolidated Statements of Operations for the nine months and three months ended September 30, 2002 and September 30, 2001 .....	5
Statement of Cash Flows for the nine months and three months ended September 30, 2002 and September 30, 2001 .....	6
Notes to Interim Condensed Financial Statements.....	7

3

Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

AMERICAN LEISURE HOLDINGS, INC. AND SUBSIDIARIES  
(Formerly Freewillpc.com, Inc.)  
CONDENSED CONSOLIDATED BALANCE SHEETS  
September 30, 2002 and December 31, 2001

	September 30, 2002	December 31, 2001
	----- (Unaudited)	----- (Audited)
ASSETS		
Current Assets		
Cash and cash equivalent	\$ 58,430	\$ 4,957
Receivables, net	151,854	13,093
Prepaid expenses	--	43,700
Deferred offering costs	136,513	--
	-----	-----
Total Current Assets	346,797	61,750
	-----	-----
Fixed Assets, net	12,234,454	4,722
	-----	-----
Other Assets		
Time share holdings	20,000	--
Investments in non-subsiidiaries	635,886	--
Art, antiques and collectibles	500,000	--
	-----	-----
Total Other Assets	1,155,886	--
	-----	-----
Total Assets	\$ 13,737,137	\$ 66,472
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 288,292	\$ 11,825
Related party and shareholder loans	1,634,171	3,119
Notes and other loans payable	5,752,783	--
	-----	-----
Total Current Liabilities	7,675,246	14,944
	-----	-----
Stockholders' Equity		
Preferred stock, \$.001 par value		
10,000,000 authorized, 880,000 series "A"		
shares issued and outstanding	880	--
Preferred stock, \$.001 par value		
1,000,000 authorized, 2,500 series "B"		
shares issued and outstanding	3	--

Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

Common stock, \$.001 par value, 100,000,000 authorized, 6,685,974 issued and outstanding	6,686	4,580
Additional paid-in capital	6,256,172	96,056
Deficit accumulated during the development stage	(201,850)	(49,108)
	-----	-----
Total Stockholders' Equity	6,061,891	51,528
	-----	-----
Total Assets	\$ 13,737,137	\$ 66,472
	=====	=====

4

AMERICAN LEISURE HOLDINGS, INC. AND SUBSIDIARIES  
(Formerly Freewillpc.com, Inc.)  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS Nine Months Ended  
September 30, 2002 and 2001  
and Inception(June 13, 2000) to September 30, 2002

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001	In T Sep
	(UNAUDITED)	(UNAUDITED)	(U
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ (152,742)	\$ (3,135)	\$ (20
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	4,015	2,499	
Common stock issued for services	6,000	--	
Contributed capital	500	1,800	
Impairment loss and write-off of fixed assets	5,689		
Changes in assets and liabilities:			
(Increase) in prepaid expenses	43,700	--	
(Increase) in accounts receivable	45,093	(6,217)	(15
(Increase) in deferred offering costs	--	--	
Increase in accounts payable	88,244	6,095	28
Increase in accrued interest	--	--	
Increase (decrease) in advances from shareholder	48,931	900	4
	-----	-----	-----
Net cash used in operating activities	89,430	142	
	-----	-----	-----

Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in investment in non-consolidated subsidiaries	(14,667)	--	(14,667)
Acquisition of fixed assets	(435,044)	--	(435,044)
	-----	-----	-----
Net cash used in investing activities	(449,711)	--	(449,711)
	-----	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in mortgages payable	413,754		413,754
Proceeds from issuance of common stock, net	--	45,500	45,500
Contributed capital	--	--	--
	-----	-----	-----
Net cash provided by financing activities	413,754	45,500	459,254
	-----	-----	-----
Net Increase (decrease) in Cash	53,473	45,642	99,115
	-----	-----	-----
CASH AT BEGINNING PERIOD	4,957	4,480	4,480
	-----	-----	-----
CASH AT END OF PERIOD	\$ 58,430	\$ 50,122	\$ 54,595
	=====	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION:			
Stock issued in exchange for goods and services and marketable securities	\$ 250,000	\$ --	\$ 250,000
	=====	=====	=====
Cash paid for interest	\$ --	\$ --	\$ --
	=====	=====	=====
Cash paid for income taxes	\$ --	\$ --	\$ --
	=====	=====	=====

5

AMERICAN LEISURE HOLDINGS, INC. AND SUBSIDIARIES  
(Formerly Freewillpc.com, Inc.)  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS Nine Months  
Ended September 30, 2002 and 2001, Three Months Ended  
September 30, 2002 and 2001 and Inception (June 13, 2000) to September 30, 2002

Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001	Three Months Ended September 30, 2002	Three Months Ended September 30, 2001
-----	-----	-----	-----

Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUES	\$ --	\$ 10,459	\$ --	\$ 6,217
COST OF SALES	271	8,220	--	4,923
Gross profit	(271)	2,239	--	1,294
COSTS AND EXPENSES				
Depreciation and amortization	2,626	2,500	1,237	833
General and administrative	113,476	2,874	59,120	971
Impairment loss	2,013	--	--	--
Total costs and expenses	118,115	5,374	60,357	1,804
INCOME (LOSS) FROM OPERATIONS	(118,386)	(3,135)	(60,357)	(510)
OTHER INCOME (EXPENSE)				
Interest expense	(32,000)	--	(32,000)	--
Write-off of fixed assets	(2,356)	--	(2,356)	--
Total other income (expense)	(34,356)	--	(34,356)	--
INCOME (LOSS) BEFORE INCOME TAXES	(152,742)	(3,135)	(94,713)	(510)
PROVISION FOR INCOME TAXES		--	--	--
NET INCOME (LOSS)	\$ (152,742)	\$ (3,135)	\$ (94,713)	\$ (510)
Weighted average shares outstanding		4,215,451		4,245,848
Loss per share-basic and diluted		\$ --	\$ --	

6

AMERICAN LEISURE HOLDINGS, INC.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS  
September 30, 2002

Note A - Presentation

The condensed balance sheet of the Company as of September 30, 2002, the related

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

condensed statements of operations for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, and the statements of cash flows for the three months ended September 30, 2002 and 2001 and the nine months ended September 30, 2002 and 2001, included in the condensed financial statements include all adjustments (consisting of normal, recurring adjustments) necessary to summarize fairly the Company's financial position and results of operations. The results of operations for the three months and nine months ended September 30, 2002 are not necessarily indicative of the results of operations for the full year or any other interim period. The information included in this Form 10-QSB should be read in conjunction with Management's Discussion and Analysis and Financial Statements and notes thereto included in the Company's December 31, 2001 Form 10-KSB and the Company's Form 8-K/A filed October 2, 2002.

7

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

The following discussion and analysis should be read in conjunction with the Financial Statements and Notes thereto appearing elsewhere in this Quarterly Report. Certain statements in this Quarterly Report, which are not statements of historical fact, are forward-looking statements. See "Special Note Regarding Forward-Looking Information" on Page 2.

#### Introduction

The character and holdings of the Company has changed substantially



## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

since the preceding fiscal year as set forth below. During the second quarter of the Companies' current fiscal year it acquired certain companies to enter into the travel and tourism industry. The readers of the current unaudited statements are referred to the Company's last Form 10Q-SB as filed and any subsequent Form 8-K(s) for a more in-depth view of the Company's financial position, Results of operations and changes in cash flows. Accordingly, management's discussion as set forth below focuses primarily on the period from June 14, 2002 to September 30, 2002.

### General

The Company has been designed and structured to own, control and direct a series of companies in the travel and tourism industries so that it can achieve significant vertical and horizontal integration in the sourcing of, and the delivery of, corporate and vacation travel services. Our mission is to:

- o own and operate vacation hotel/resort properties,
- o build large travel club membership bases through various travel club programs,
- o build a large membership base in our vacation and travel clubs, and
- o promote our resort assets and sell travel services and vacation ownership to those club members and other corporate and vacation travelers.

8

### Acquisitions

In June 2002, we acquired control of several travel related companies, described below:

#### American Leisure, Inc. ("ALI")

ALI will be the holding company for all of our Leisure Travel divisions. It will also package holidays and vacations and sell these within the trade and through its own tour operations.

#### Sunstone Golf Resort, Inc. ("SGR")

SGR is currently in the planning stage as a 799 unit vacation destination resort in Orlando, Florida proposed for the commencement of development in 2003. We intend to provide development and financing support for the development of the resort.

#### American Travel & Marketing Group, Inc. ("ATMG")

We believe that ATMG will generate significant travel business through the creation of clubs comprised of affinity based travelers. ATMG has developed a travel club system and travel incentive strategy that creates and fulfills the travel and incentive needs of corporations, organizations and associations with significant member databases.

Once the infrastructure has been finalized to communicate and sell to its affinity-based club databases, we anticipate that ATMG will derive substantial revenue from annual membership fees and commissions earned on the sale of travel services.

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

Leisureshare International, Ltd ("LIP")

LIP, and its subsidiary, Leisureshare International, Inc., a vacation marketing company, will be dedicated to sales of vacation properties and vacation club memberships.

In July 2002, we entered into a contract to acquire a controlling interest of HTS Holdings, Inc., the parent to, among other companies, Hickory Travel Services, In, which will focus on the fulfillment of all of our companies' travel needs. We anticipate completing the acquisition in the Fall of 2002.

9

### Strategy

Our business model is based on four basic premises:

- o Club Creation and Administration. We intend to promote and service both travel clubs and vacation clubs to derive membership dues revenue, travel commissions revenue and prospects for conversion of travel club members to vacation club members. To enhance membership benefits, we intend to affiliate with vacation exchange programs and provide finance to members.
- o Resort Real Estate. In addition to our current vacation resort assets, we intend to purchase additional vacation resort assets, particularly in the Caribbean and Florida resort areas where the demand for vacation property is strong the majority of the year. Such resorts assets will likely include the following:
  - o properties suitable for convergent use for vacation club, such as suites, one bedroom and two bedroom units;
  - o properties with contiguous vacant land suitable for further expansion;
  - o properties that have consistently sustained at least break-even occupancy;
  - o for developable land, acreage suitable for hotel, vacation resort and/or vacation club development in prime locations with room for a substantial amenity packages; and
  - o locations that have appeal throughout the year rather than limited "seasonal" attraction.
- o Vacation Ownership. We intend to market vacation assets and vacation club memberships to the general public. The membership bases of our vacation and travel clubs and guests staying at our resort assets will likely provide an ongoing source of prospects for our vacation assets and vacation club membership sales. Revenues from the sale of vacation assets and vacation club memberships is expected to be a substantial component in our ability to capitalize the front end of developments and the equity requirement for resort acquisitions.

10

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

- o Travel Services. We intend to capitalize on the travel requirements of servicing the travel clubs and vacation clubs to garner significant group purchasing, branding and third party branding power. By actively focusing on the demand side coupled with having the structure to fulfill the travel requirements both at our resort assets and at other venues, we will seek to obtain seamless vertical and horizontal integration of services such that the traveler's entire range of needs can be fulfilled or provided by us.

### Cash Flow Requirements

We will require substantial capital to adequately finance our proposed acquisitions, meet our obligations under our business model, and provide for our working capital. We anticipate that we will require approximately \$22.5 million over the next twelve months to fully implement our business model. We anticipate that we will use such funds as follows:

Program Development and Implementation Costs	\$16,500,000
Payoff Debt	\$ 3,000,000
Acquisition Costs	\$ 1,000,000
Working Capital	\$ 2,000,000

### LIQUIDITY

During the three months ended September 30, 2002, the Company's working Capital decreased. This was due to administrative and financing costs incurred as carrying costs of the Company's assets and to maintain its operations. The Company does not currently have sufficient capital in its accounts, nor sufficient firm commitments for capital to assure its ability to meet its current obligations or to continue its planned operations. The Company is continuing to pursue working capital and additional revenue through the seeking of the capital it needs to carry on its planned operations. There is no assurance that any of the planned activities will be successful.

11

### CAPITAL RESOURCES

As a result of its limited liquidity, the Company has limited access to additional capital resources. The Company does not have the capital to totally fund the obligations that have matured or debts that remain currently payable or other debts incurred during the most recent fiscal quarter.

The Company has received additional capital through the expansion of vendor financing and loans from its directors during the most recent quarter.

Though the obtaining of the additional capital is not guaranteed, the management of the Company believes it will be able to obtain the capital required to meet its current obligations and actively pursue its planned business activities.

### OPERATIONS

The previous operations of the Company were ceased. On June 14, 2002 the Company

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

acquired American Leisure Holdings, Inc. (hereafter Corporation) and its subsidiaries. Until the Company obtains the capital required to develop its properties and businesses and obtain the revenues needed from its operations to meet its obligations, the Company will be dependent upon sources other than operating revenues to meet its operating and capital needs. Operating revenues may never satisfy these needs.

Until the capital is obtained to enter into its planned operations discussed above, the Company will need additional capital other than that provided through its operations.

### ITEM 3. CONTROLS AND PROCEDURES

Based on the evaluation by Mr. Wright, the chief accounting officer of the company, of the effectiveness of the company's disclosure controls and procedures conducted as of a date within 90 days of the filing date of this quarterly report, Mr. Wright concluded that, as of the evaluation date, (i) there were no significant deficiencies or material weaknesses of the company's disclosure controls and procedures, (ii) there were no significant changes in the internal controls or in other factors that could significantly affect internal controls subsequent to the evaluation date, and (iii) no corrective actions were required to be taken.

12

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS

In June, 2001, Rock Investment Trust, P.L.C., a British limited liability company, and RIT, L.C., a related Florida limited liability company, filed suit against Malcolm J. Wright, American Vacation Resorts, Inc., American Leisure, Inc., Inversora Tetuan, S.A., Sunstone Golf Resort, Inc., and SunGate Resort Villas, Inc., seeking either the return of an alleged \$500,000 investment or ownership interest in one or more of the defendant entities equivalent to the alleged investment amount. Defendants have denied all claims and Mr. Wright, American Vacation Resorts, Inc., American Leisure, Inc., Inversora Tetuan, S.A., Sunstone Golf Resort, Inc., and SunGate Resort Villas, Inc. have counterclaimed against Rock Investment Trust and its principal, Roger Smee, seeking damages in excess of \$10 million, assuming success on all aspects of the litigation. The litigation is in the discovery phase and is not currently set for trial. While many depositions and other discovery of facts remains to be done, based on the status of the record developed thus far, counsel believes that Rock Investment Trust's and RIT's claims are without merit and that the counterclaim will be successful. The amount of damages which may be recovered on the counterclaim is subject to a variety of factors and considerations.

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

#### Issuance of Senior Securities

On June 14, 2002, in connection with the closing of the acquisition of American Leisure Corporation (formerly American Leisure Holdings, Inc.) ("ALC"), we authorized the issuance of up to 1,000,000 shares of Series A Preferred Stock, of which 880,000 were issued to certain debt holders of ALC. Our Series A Preferred Stock has the following rights, privileges and preferences:

- o The Series A Preferred Stock has a liquidation value of \$10.00

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

per share, which is senior to the liquidation rights of our common shareholders;

13

- o The holders of Series A Preferred Stock are entitled to cumulative dividends at the rate of \$1.20 per share per year, which such dividends must be paid before any dividends may be paid to our common shareholders;
- o Each share of Series A Preferred Stock is convertible, at the option of the holder, into ten shares of Common Stock. The conversion rate is adjusted for stock splits and dividends, and similar events, or if the market price of the Common Stock is below \$1.00, subject to certain limitations.
- o The holders of Series A Preferred Stock have voting rights with our common shareholders as a single class based on the conversion rate. Currently, each share of Series A Preferred Stock is entitled to ten votes.
- o We may redeem all of the Series A Preferred stock outstanding, if any, in June 2007, equal to the liquidation value plus any accrued and unpaid dividends.

On August 4, 2002, in connection with the acquisition of certain call center equipment and the acquisition of Hickory Travel Systems, Inc. we authorized the issuance of up to 1,000,000 shares of Series B Preferred Stock, of which 2,500 were issued to acquire the call center equipment. Our Series B Preferred Stock has the following rights, privileges and preferences:

- o The Series B Preferred Stock has a liquidation value of \$100.00 per share;
- o The holders of Series B Preferred Stock are entitled to cumulative dividends at the rate of \$12.00 per share per year;
- o The liquidation rights of the holders of Series B Preferred Stock are senior to the holders of Common Stock but junior to the Series A Preferred Stock;

14

- o Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at one time, into such number of paid and nonassessable shares of Common Stock (the "Conversion Rate") calculated by dividing the Liquidation Value by the Market Price (as defined herein) but such Conversion Rate shall not be greater than twenty (20) (the "High Conversion Rate") and not less than twelve and one-half (12.5) (the Low Conversion rate)". Such initial High and Low Conversion Rates shall be subject to adjustment as provided. Each share of Series B Preferred Stock shall be automatically converted into such number of paid and nonassessable shares of Common Stock on the date six (6) months after the Company has listed its Common Stock for trading on the American Stock Exchange (the "Automatic Conversion Date") at the Conversion Rate determined on the Automatic Conversion Date.
- o The holders of Series B Preferred Stock have voting rights with

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

- the holders of Common Stock as a single class based on the conversion rate.
- o The Registrant may redeem all of the Series B Preferred stock outstanding, if any, in August 2007, equal to the liquidation value plus any accrued and unpaid dividends.

### Sales of Our Equity Securities Not Registered Under the Securities Act of 1933

On May 15, 2002, our Board of Directors authorized the issuance of 20,000 shares of our common stock to Tripoint Capital in connection with its compensation for advisory services provided to us. These securities were sold under the exemptions from registration provided by Section 4(2) of the Act and Regulation D promulgated under the Act. Neither we nor any person acting on our behalf offered or sold the securities by means of any form of general solicitation or general advertising. Tripoint Capital represented in writing that it acquired the securities for its own account. A legend was placed on the certificates stating that the securities have not been registered under the Securities Act and cannot be sold or otherwise transferred without an effective registration or an applicable exemption.

On May 20, 2002, our Board of Directors authorized the issuance of up to 3,000,000 shares of our common stock pursuant to a private placement at the purchase price of \$1.50 per share. We sold 36,009 shares in such private placement. These securities were sold under the exemptions from registration provided by Regulation S promulgated under the Securities Act (the "Act").

15

Neither we nor any person acting on our behalf offered or sold the securities by means of any form of general solicitation or general advertising. Each investor represented in writing that he or she acquired the securities for his or her own account. A legend was placed on the certificates stating that the securities have not been registered under the Securities Act and cannot be sold or otherwise transferred without an effective registration or an applicable exemption.

On May 20, 2002, our Board of Directors authorized the issuance of 5,000 shares of our common stock to James Leaderer in connection with his compensation for serving as our president and chief executive officer. These securities were sold under the exemptions from registration provided by Section 4(2) of the Act and Regulation D promulgated under the Act. Neither we nor any person acting on our behalf offered or sold the securities by means of any form of general solicitation or general advertising. Mr. Leaderer represented in writing that he acquired the securities for his own account. A legend was placed on the certificates stating that the securities have not been registered under the Securities Act and cannot be sold or otherwise transferred without an effective registration or an applicable exemption.

On June 14, 2002, we completed the acquisition of American Leisure Corporation (formerly American Leisure Holdings, Inc.) ("ALC"). The acquisition was completed by the purchase of 99% of the outstanding capital stock of ALC. As consideration, we issued 880,000 shares of our Series A Preferred Stock and 4,819,665 shares of our common stock. These securities were sold under the exemptions from registration provided by Section 4(2) of the Act and Regulation D and Regulation S promulgated under the Act. Neither we nor any person acting on our behalf offered or sold the securities by means of any form of general solicitation or general advertising. Each purchaser represented in writing that

he or she acquired the securities for his or her own account. A legend was placed on the certificates stating that the securities have not been registered under the Securities Act and cannot be sold or otherwise transferred without an effective registration or an applicable exemption.

On August 6, 2002 we completed the acquisition of various call enter equipment. As consideration, we issued 2,500 shares of our Series B Preferred Stock. These securities were sold under the exemptions from registration provided by Section 4(2) of the Act and Regulation D and Regulation S promulgated under the Act. Neither we nor any person acting on our behalf offered or sold the securities by means of any form of general solicitation or general advertising. Each purchaser represented in writing that he or she acquired the securities for his or her own account. A legend was placed on the certificates stating that the securities have not been registered under the Securities Act and cannot be sold or otherwise transferred without an effective registration or an applicable exemption.

ITEM 3. DEFAULTS IN SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On May 11, 2002, a shareholder owning a majority of our outstanding common stock, acting by written consent, appointed James Leaderer to serve as our sole director.

On May 11, 2002, our sole director authorized the adoption of the Amended and Restated Articles of Incorporation and Amended and Restated Bylaws and recommended that holders of record of our common stock as of May 13, 2002, approve, by written consent, such adoption. On May 13, 2002, a shareholder owning a majority of our outstanding common stock, acting by written consent, approved the adoption of the Amended and Restated Articles of Incorporation and Amended and Restated Bylaws, copies of which are annexed to this Form 10-QSB as exhibits.

On June 8, 2002, our sole director authorized the adoption of the amendment to our Amended and Restated Articles of Incorporation and recommended that holders of record of our common stock as of June 9, 2002, approve, by written consent, such adoption. On June 9, 2002, shareholders owning a majority of our outstanding voting stock, acting by written consent, approved the adoption of the amendment to our Amended and Restated Articles of Incorporation, a copy of which is annexed to this Form 10-QSB as an exhibit.

ITEM 5. OTHER INFORMATION

## Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

### Form 8-K; Item 4; Changes in Registrant's Certifying Accountants

On August 12, 2002, we appointed the accounting firm of Marc Lumer & Company of San Francisco, California, as the principal independent accountants for the quarters ended June 30, 2002 and September 30, 2002 and for the fiscal year ended December 31, 2002 to replace J.S. Osborn, P.C. who was dismissed as the principal independent accountants effective with such appointment. The decision to change the principal independent accountants was not approved by our Board of Directors. In November, we appointed Malone & Bailey, PLLC to be our principal auditors for the quarter ended September 30, 2002, to restate the June 30, 2002 financials and for the fiscal year ended December 31, 2002.

During the two most recent fiscal years and interim period subsequent through the quarter ended March 31, 2002, there have been no disagreements with J.S. Osborn, P.C. or Marc Lumer & Company, on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure or any other reportable events.

J.S. Osborn, P.C.'s report on the financial statements for each of the past two years contained a qualification about our ability to continue as a going concern. Except for the foregoing going concern qualification, J.S. Osborn, P.C.'s report on the financial statements for each of the past two years contained no adverse opinion or disclaimer of opinion and was not qualified or modified as to uncertainty, audit scope or accounting principles.

18

We have provided J.S. Osborn, P.C. with a copy of this disclosure, and requested that J.S. Osborn, P.C. furnish a letter to the Commission stating whether it agrees with the above statements. (A copy of that letter is filed as Exhibit 16 to this Form 10-QSB).

### Form 8-K; Item 9; Regulation FD Disclosure

In accordance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, our Chief Executive Officer and Chief Financial Officer executed the following written statements which statements accompanied the filing with the Securities and Exchange Commission of this Quarterly Report on Form 10-QSB:

Certification Pursuant To 18 U.S.C. Section 1350,  
As Adopted Pursuant To  
Section 906 of The Sarbanes-Oxley Act of 2002

I, L. William Chiles, Chief Executive Officer of American Leisure Holdings, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- o the Company's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- o the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the periods presented therein.



Edgar Filing: AMERICAN LEISURE HOLDINGS INC - Form 10QSB

Certification Pursuant To 18 U.S.C. Section 1350,  
As Adopted Pursuant To  
Section 906 of The Sarbanes-Oxley Act of 2002

I, Malcolm J. Wright, Chief Financial Officer of American Leisure Holdings, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

- o the Company's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- o the information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company for the periods presented therein.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

None

(b) Reports on Form 8-K.

None

19

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMERICAN LEISURE HOLDINGS, INC.

Dated: November 25, 2002

By: /s/ L. William Chiles

-----  
L. William Chiles  
Chief Executive Officer

Dated: November 25, 2002

By: /s/ Malcolm J. Wright

-----  
Malcolm J. Wright  
Chief Financial Officer