ABLEAUCTIONS COM INC
Form 10QSB
November 13, 2006

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2006

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 0-28179

ABLEAUCTIONS.COM, INC.

(Exact name of small business issuer in its charter)

Florida

59-3404233

(State or other jurisdiction of incorporation or organization)

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

Suite 200 - 1963 Lougheed Highway

Coquitlam, British Columbia

V3K-3T8

(Address of principal executive offices)

(604) 521-3369

(Registrant s Telephone Number, Including Area Code)

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 [X] No [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ]; No [x]

The number of outstanding common shares, $ .001 par value, of the registrant at November 10, 2006 was 62,406,834

Transitional Small Business Disclosure Format (Check one): Yes [ ]; No [x]

ITEM 2: MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained herein constitutes forward-looking statements, including without limitation statements relating to goals, plans and projections regarding the Company s financial position and the Company s business strategy. The words or phrases would be, will allow, intends to, may result, are expected to, will continue, expects, estimate, project, indicate, could, potentially, should, believe, considers or similar expressi identify forward-looking statements , as well as all projections of future results of operations or earnings. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or achievements of the Company to be materially different from any future results or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following: risks related to technological change; the Company s dependence on key personnel; the Company s dependence on marketing relationships with auction houses, third party suppliers and strategic partners such as eBay; the Company s ability to protect its intellectual property rights; government regulation of Internet commerce and the auction industry; dependence on continued growth in use of the Internet; risks of technological change; capacity and systems disruptions; uncertainty regarding infringing intellectual property rights of others and the other risks and uncertainties described in this report.

Other risks are discussed in our Annual Report on Form 10-KSB which we filed with the Securities and Exchange Commission on March 31, 2006.

We do not undertake any responsibility to release publicly any revisions to these forward-looking statements to take into account events or circumstances that occur after the date of this filing. Additionally, we do not undertake any responsibility to update you on the occurrence of any unanticipated events that may cause actual results to differ from those expressed or implied by the forward-looking statements contained in this report. Please read carefully the risk factors disclosed in this report, in our Annual Report on Form 10-KSB and in other filings we make with the Securities and Exchange Commission.

Overview

Management s discussion and analysis of results of operations and financial condition are based upon our financial statements. These statements have been prepared in accordance with accounting principles generally accepted in the

United States of America. These principles require management to make certain estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates based on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following discussion of our results of operations should be read in conjunction with our audited consolidated financial statements and the related notes for the year ended December 31, 2005 contained in our Annual Report on Form 10-KSB filed with the Securities and Exchange Commission on March 31, 2006.

Below, we refer to several websites. The content included in these websites is not a part of this report.

Overview

We provide liquidation and merchandizing services to businesses to assist them with managing the sale of their products. Through our subsidiary, Unlimited Closeouts, Inc., we provide liquidation services to businesses with overstock. Through our subsidiary iCollector.com Technologies Ltd., we provide auction broadcast technology and facilitator services that allow businesses to take advantage of the on-line auction marketplace. Through our subsidiary, Rapidfusion Technologies, Inc., we develop and sell point-of-sale software. We manage our cash investments through Ableauctions.com, Inc. and, during 2005 we expanded our business through our subsidiary, Stanford Development Corporation. Stanford Development Corporation manages our real property and loans to third parties.

Liquidation and Merchandizing Services

Liquidation Services - We sell merchandise through our Unlimited Closeouts and Ableauctions liquidation stores located in California and British Columbia and through auctions we conduct in the United States and Canada. We also generate revenues by providing inventory brokerage services at unlimitedcloseouts.com and unlimitedcloseouts.ca (www.unlimitedcloseouts.com).

Auction Broadcast Services We broadcast business and industrial auctions over the Internet for auctioneers and members of the National Auctioneers Association (NAA). These auctions are facilitated using our proprietary technology (www.ableauctions.com/technology) through the website NAAonlinesolutions.com (www.NAAonlinesolutions.com). Additionally, we broadcast antique and collectible auctions over the Internet for numerous galleries and auction houses throughout the world. These auctions are facilitated using eBay s live auction technology through the iCollector.com website (www.iCollector.com). We also provide auction-related products and services for a fee (www.icollectorlive.com/services.aspx).

Point-of-Sale (POS) Services - Through our subsidiary, Rapidfusion Technologies, Inc. (www.rapidfusion.com/technology), we sell to retailers, install and support our proprietary point-of-sale (POS) sales processing and reporting system.

Our objective is to become a leading provider of liquidation and merchandising services. We believe that our long term success in this area of our business depends on our continued innovation and integration of technologies and services for auctioneers and liquidators worldwide.

While we have maintained overall profitability over the last three fiscal years, not all of our operations achieve positive operating results. We still incur losses from certain operations, such as the auctions we conduct for NAA, that are in the development stage.

We are able to maintain positive cash flow from the revenues that are produced by our remaining operations and from the interest and dividends earned by our investments.

Investment and Lending

On December 31, 2005 two of our wholly-owned subsidiaries, iTrustee.com Technologies Ltd. and Able Auctions (1991) Ltd., were amalgamated to create Stanford Development Corporation. On September 7, 2006 Stanford Development Corporation changed its name to Axion Investment Corporation. Axion Investment Corporation develops real estate and makes short term loans. Ableauctions.com Inc. manages the investment of our cash and securities. The return on these investments has helped support the development of our liquidation and auction businesses.

Results of Operations

<u>Three months ended September 30, 2006 compared to the corresponding period in 2005.</u>

Revenues. During the three months ended September 30, 2006, we had revenues of $ 1,237,671 compared to revenues of $1,358,240 during the same period in 2005, a decrease of $120,569 or 8.9%. Cost of sales were 59% of our revenues during the three-month period ended September 30, 2006, compared to 70% during the same period in 2005.

The decrease in revenues is primarily attributable to a decrease in revenues earned from our liquidation services. We expect that revenues earned in the future from our liquidation services will fluctuate widely based upon seasonality, the inventory available, the timing of orders, and our ability to verify and ship orders on a timely basis.

Most of our revenue is realized from our liquidation business. We expect the cost of sales from our liquidation business to be higher as compared to our online auction business, and the cost of sales as a percentage of revenue to fluctuate widely based upon the unpredictable nature of inventory available for purchase from our liquidation services and the seasonal demand for certain inventories.

Operating Expenses. During the three-months ended September 30, 2006, operating expenses were $560,471 or approximately 45% of revenue compared to $496,165 or approximately 37% of revenue for the three months ended September 30, 2005. The increases in operating expenses are primarily due to increases in commissions, advertising and promotion, and professional (accounting and legal) expenses.

Personnel expenses were $389,454 or 69% of our operating expenses during the three-months ended September 30, 2006 as compared to $271,959 or 55% of our operating expenses during the three-months ended September 30, 2005. These expenses consisted of salaries and benefits of $163,514 (compared to $170,456 for the three months ended September 30, 2005), management fees of $39,000 (compared to $39,000 for the three months ended September 30, 2005), and commissions of $186,940 (compared to $62,503 for the three months ended September 30, 2005). The increase in commissions is attributed to the incentive programs we have in place in order to enhance personnel performance. The commissions are tied to revenue and profitability and fluctuate accordingly. We anticipate that overall personnel expenses will remain higher for the remainder of the 2006 fiscal year.

Professional fees, which are made up primarily of accounting fees and legal fees, totalled $7,552 during the three-months ended September 30, 2006 as compared to $ 2,953 for the three-months ended September 30, 2005. The professional fees related to preparation of our Securities Exchange Act reports, the preparation of our American Stock Exchange filings and the audit of our financial statements.

During the three-months ended September 30, 2006, advertising and promotion expenses were $46,256 or 8% of our operating expenses as compared to $23,052 or 5% of our operating expenses for the three-months ended September 30, 2005. We anticipate that advertising and promotion expenses will increase marginally for the remainder of the 2006 fiscal year as we participate in joint marketing programs and trade shows with eBay Live Auctions and the National Auctioneers Association.

General overhead expenses (rent, utilities and property taxes, telephone, travel, repairs and maintenance, auto, insurance and office and administration expenses) totalled $72,084 or 13% of total operating expenses during the three months ended September 30, 2006 (compared to $75,422 or 15% of total operating expenses for the three months ended September 30, 2005). General overhead expenses were 6% of our total revenue, unchanged from the three months ended September 30, 2005. Expenses for rent, utilities and property taxes totalled $19,750, telephone expenses totalled $12,304, travel expenses totalled $9,783, repairs and maintenance expenses totalled $4,644, auto expenses totalled $2,623, insurance expenses totalled $7,353 and office and administration expenses totalled $15,627.

We anticipate that overhead as a percentage of operating expenses and total revenue will decrease in future periods as we achieve certain economies from our operations.

Depreciation and amortization expense was $46,438 for the three-months ended September 30, 2006 as compared to $36,805 for the three-months ended September 30, 2005. Depreciation and amortization expense was higher during the three months ended September 30, 2006 due to amortization of intangible assets, property and equipment.

Gross Profit. Cost of goods sold was $732,963 for the three-months ended September 30, 2006 as compared to $951,118 for the three-months ended September 30, 2005. Gross profit was $504,708 (or 41% of revenues) for the three-months ended September 30, 2006 as compared to $407,122 (or 30% of revenues) for the three months ended September 30, 2005. The increase in gross profit as a percentage of revenue is partly attributable to the performance of our online auction business, which realizes higher gross profit margins than our liquidation services. Future gross profit margins may vary considerably from quarter-to-quarter depending on the performance of our various divisions and to fluctuate widely based upon the unpredictable nature of inventory available for purchase from our liquidation services and the seasonal demand for certain inventories.

Operating Net Gain. For the three months ended September 30, 2006, we realized income of $48,804 from operations before other items compared to income of $ 112,676 for the three months ended September 30, 2005. We recorded net income for the three months ended September 30, 2006 of $47,525, or $0.001 per share, as compared to $422,676 for the three months ended September 30, 2005 which included income of $310,000 from legal settlement.

Nine months ended September 30, 2006 compared to the corresponding period in 2005.

Revenues. During the nine months ended September 30, 2006, we had revenues of $5,079,597 compared to revenues of $3,121,833 during the same period in 2005, an increase of $1,957,764 or 63%. Cost of sales were 63% of our revenues during the nine months ended September 30, 2006, compared to 69 % during the same period in 2005.

The increase in revenues is primarily attributable to an increase in revenues earned from our liquidation services. We expect that revenues earned in the future from our liquidation services will fluctuate widely based upon seasonality, the inventory available, the timing of orders, and our ability to verify and ship orders on a timely basis.

Most of our revenue is realized from our liquidation business. We expect the cost of sales from our liquidation business to be higher as compared to our online auction business, and the cost of sales as a percentage of revenue to fluctuate widely based upon the unpredictable nature of inventory available for purchase from our liquidation services and the seasonal demand for certain inventories.

Operating Expenses. During the nine-months ended September 30, 2006, operating expenses were $1,971,506 or approximately 39% of revenue compared to $1,134,788 or approximately 36% of revenue for the nine months ended September 30, 2005. The increases in operating expenses are primarily due to increases in commissions, salaries and benefits and professional (accounting and legal) expenses. Operating expenses as a percentage of revenue were consistent with the corresponding period in the previous year.

Personnel expenses were $1,389,684 or 70% of our operating expenses during the nine-months ended September 30, 2006 as compared to $641,874 or 57% of our operating expenses during the nine-months ended September 30, 2005. These expenses consisted of salaries and benefits of $529,419 (compared to $420,839 for the nine months ended September 30, 2005), management fees of $117,000 (compared to $114,621 for the nine months ended September 30, 2005), and commissions of $743,265 (compared to $106,414 for the nine months ended September 30, 2005). The increase in commissions is attributed to the incentive programs we have in place in order to enhance personnel performance. The commissions are tied to revenue and profitability and fluctuate accordingly. We anticipate that overall personnel expenses will remain higher for the remainder of the 2006 fiscal year.

Professional fees, which are made up primarily of accounting fees and legal fees, totalled $140,529 during the nine-months ended September 30, 2006 as compared to $32,640 for the nine-months ended September 30, 2005. The professional fees related to preparation of our Securities Exchange Act reports, the preparation of our American Stock Exchange filings and the audit of our financial statements.

During the nine-months ended September 30, 2006, advertising and promotion expenses were $98,931 or 5% of our operating expenses as compared to $73,921 or 7% of our operating expenses for the nine-months ended September 30, 2005. We anticipate that advertising and promotion expenses will increase marginally for the remainder of the 2006 fiscal year as we participate in joint marketing programs and trade shows with eBay Live Auctions and the National Auctioneers Association, and increase our investor-relations expenditures.

General overhead expenses (rent, utilities and property taxes, telephone, travel, repairs and maintenance, auto, insurance and office and administration expenses) totalled $258,604 or 13% of total operating expenses during the nine-months ended September 30, 2006 (compared to $227,526 or 20% of total operating expenses for the nine months ended September 30, 2005). General overhead expenses were 5% of our total revenue compared to 7% of our total revenue for the nine months ended September 30, 2005. Rent, utilities, and property tax totalled $49,116, telephone expenses totalled $43,934, travel expenses totalled $58,526, repairs and maintenance expenses totalled $13,867, auto expenses totalled $6,773, insurance expenses totalled $17,631 and office and administration expenses totalled $68,757.

We anticipate that overhead as a percentage of operating expenses and total revenue will decrease in future periods as we achieve certain economies from our operations. We anticipate that the overall level of general overhead expenses in dollars will increase as our revenues increase.

Depreciation and amortization expense was $138,310 for the nine-months ended September 30, 2006 as compared to $103,028 for the nine-months ended September 30, 2005. Depreciation and amortization expense was higher during the nine months ended September 30, 2006 due to amortization of intangible assets, property and equipment.

Gross Profit. Cost of goods sold was $3,222,170 for the nine-months ended September 30, 2006 as compared to $2,160,895 for the nine-months ended September 30, 2005. Gross profits were $1,857,427 (or 37% of revenues) for the nine-months ended September 30, 2006 as compared to $960,938 (or 31% of revenues) for the nine months ended September 30, 2005. The increase in gross profit as a percentage of revenue is partly attributable to the performance of our online auction business, which realizes higher gross profit margins than our liquidation services. Future gross profit margins may vary considerably from quarter-to-quarter depending on the performance of our various divisions and to fluctuate widely based upon the unpredictable nature of inventory available for purchase from our liquidation services and the seasonal demand for certain inventories.

Operating Net Gain. For the nine-months ended September 30, 2006, we realized income of $202,328 from operations before other items compared to income of $201,396 for the nine-months ended September 30, 2005. We recorded net income for the nine-months ended September 30, 2006 of $227,605, or $0.004 per share, as compared to net income of $300,914, or $0.005 per share, for the nine-months ended September 30, 2005 which included income of $99,518 from settlement net of legal fees.

We intend to continue to find ways to expand our business, including through acquisitions. We believe that revenues and earnings will increase as we grow.

Liquidity and Capital Resources

Our capital requirements, particularly as they relate to our desire to expand through acquisitions, our plan to purchase inventory we liquidate and our continued development of our software for live auctions, have been and will continue to be significant. Our future cash requirements and the adequacy of available funds will depend on many factors, including the pace at which we are able to make acquisitions, the pace at which we can deploy our technology and related services to auction houses, the acceptance of our packaged services by our clients and the availability of merchandise to purchase for auction and liquidation.

To date, we have funded our operations with our revenues, with dividends and interest from our investments and with the proceeds of the sales of our securities. A moderate portion of the revenue we earn comes from the auctions we hold through eBay and the National Auctioneers Association. If one or both of these business relationships were terminated, our revenues could decline. We cannot guarantee that these relationships will continue, or even if they continue, that we will earn enough revenue to operate these segments of our business profitably, which we have not been able to do to date. Currently, however, we believe that revenues from our operations together with interest and dividends earned on our investments and our cash on hand will be sufficient to satisfy our working capital needs for the remainder of this fiscal year. During the next 12 months, if we need to raise additional capital, we intend to do so through public or private offerings of our securities or from loans, if we are able to obtain them. We have no commitments for financing for our future needs and we cannot guarantee that financing will be available to us, on acceptable terms or at all. If we do not earn revenues sufficient to support our business and we fail to obtain other financing, either through an offering of our securities or by obtaining loans, we may be required to curtail, or even to cease, our operations.

As of September 30, 2006 we had working capital of $7,232,425 made up of cash and cash equivalents of $619,624, accounts receivable of $1,538,845, loans receivable of $4,157,265, inventory of $938,170, prepaid expenses of $70,822 and current portion of notes receivable of $2,013 minus accounts payable and accrued liabilities of $79,458 and deferred revenue of $14,856. We anticipate that trade accounts receivables and inventory and overall working capital may increase during the remainder of the 2006 fiscal year as we expand our liquidation operations. Cash flow used for operating activities required $897,796 due primarily to a decrease in inventory during the nine months ended September 30, 2006. We anticipate that the uses of cash will remain stable for the remainder of the 2006 fiscal year. Our cash resources may decrease if we complete an acquisition prior to the end of the 2006 fiscal year, or if we are unable to maintain positive cash flow from our business throughout the 2006 fiscal year.

Cash flow from investing activities during the nine-months ended September 30, 2006 was $(185,105) due to an investment in a joint venture, sale of marketable securities and loan advances. Net cash flow used in financing activities during the nine-months ended September 30, 2006, was $(1,359,349), which included repayment of a bank loan.

We have not made any material commitments for capital expenditures in the immediate future.

Quantitative and Qualitative Disclosure about Market Risk

We believe that we do not have any material exposure to interest or commodity risks. We are exposed to certain economic and political changes in international markets where we compete, such as inflation rates, recession, foreign ownership restrictions, and trade policies and other external factors over which we have no control.

Our financial results are quantified in U.S. dollars and a majority of our obligations and expenditures with respect to our operations are incurred in U.S. dollars. The majority of our investment portfolio is in Canadian dollars.

We may have significant market risks relating to our operations resulting from foreign exchange rates from our investments or if we enter into financing or other business arrangements denominated in currency other than the U.S. dollar. Variations in the exchange rate may give rise to foreign exchange gains or losses that may be significant.

ITEM 3: DISCLOSURE CONTROLS AND PROCEDURES

Management carried out an evaluation, under the supervision and with the participation of our President, who is also our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. The evaluation was undertaken in consultation with our accounting personnel. Based on that evaluation, the President/Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms.

There were no significant changes in our internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

Part II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

Our shareholders approved the following actions at our annual general meeting that was held on September 29, 2006:

The shareholders elected the following individuals as directors: Abdul Ladha (For: 45,738,730 Withheld: 7,119,275), Barrett Sleeman (For: 46,949,438 Withheld: 5,908,567), Dr. David Vogt (For: 47,108,518 Withheld: 5,749,487) and Michael Boyling (For: 47,240,023 Withheld: 5,617,982) to the Board of Directors of the Company.

A total of 52,858,005 of the 62,406,834 outstanding shares of common stock the Company as of July 20, 2006 were represented in person or by proxy. The shares represented at the meeting constituted 84.7% of the outstanding shares.

In accordance with applicable law, the election of directors was by a plurality of the votes cast, while the approval of all other proposals was by a majority of the votes cast. Shares which abstained from voting as to these matters, and shares held in street name by brokers or nominees who indicated on their proxies that they did not have discretionary authority to vote such shares as to these matters (broker non-votes), were not counted as votes in favor of or against the matters. For purposes of determining whether the affirmative vote of a majority of the shares present at the meeting and entitled to vote on a proposal had been obtained, abstentions and broker non-votes were included in the number of shares present and entitled to vote.

ITEM 5. OTHER INFORMATION

The following is a short description of the Joint Venture Agreement entered into on July 28, 2006 among Stanford Development Corporation, Canitalia Industries Ltd. and 449991 B.C. Ltd. The description is qualified in its entirety by the terms of the Joint Venture Agreement which is attached to this Quarterly Report on Form 10-QSB as an exhibit.

On July 28, 2006 the Company s wholly-owned subsidiary, Axion Investment Corp. (formerly known as Stanford Development Corporation and referred to in this discussion as the Subsidiary) entered into a Joint Venture Agreement (the New Joint Venture Agreement) with Canitalia Industries Ltd. and 449991 B.C. Ltd. The purpose of the New Joint Venture Agreement was to further define the rights and obligations of the parties in connection with the Joint Venture Agreement (the Original Joint Venture Agreement) dated July 14, 2006 and executed by the Subsidiary on

July 18, 2006. Pursuant to the Original Joint Venture Agreement, the parties agreed to form a joint venture for the purpose of purchasing two vacant lots for development (the Project). The lots are comprised of approximately 4.72 acres and are commonly known as 20514 - 80th Avenue and 20542 - 80th Avenue, Langley, British Columbia V3T 2V3 J (the Property).

Under the New Joint Venture Agreement, the parties agree that if a bank loan is obtained to purchase the Property, the Subsidiary and 449991 B.C. Ltd. will each provide one-half of the down payment and that each joint venture party will be responsible for one-third of the loan payments. The parties also agree that each will pay one-third of all development costs. If the Project is not completed and sold within five years from the date of the New Joint Venture Agreement, Canitalia agrees that it will pay to the remaining joint venture parties, in equal shares, one-third of the amount of the down payment. Alternatively, if the Project is completed and sold within five years from the date of the New Joint Venture Agreement, the Subsidiary and 449991 B.C. Ltd. will each receive, from the proceeds of sale and prior to any other distributions to the joint venture parties, an amount equal to one-half of the down payment amount. If the joint venture is required to provide collateral for the bank loan in the form of the building located at 1963 Lougheed Highway, Coquitlam, British Columbia, the joint venture parties agree they will pay the sum of $7,083 CDN per month to 0716590 BC Ltd., the owner of the collateral and a wholly-owned subsidiary of the Company.

If the joint venture is unable to secure a bank loan, the joint venture parties agree to each provide cash for the purchase price of the Property. In this event, the Company agrees to loan Canitalia the sum of $579,166 CDN for a period of one year at an interest rate of 10%. The loan is to be personally guaranteed by Canitalia s officers and secured by its interest in the Project. The loan will be repaid by Canitalia when financing is obtained.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits:

3.1

Certificate of Incorporation (1)

3.1.1

Amendment to Certificate of Incorporation (2)

3.2

By-laws (1)

10.1

Joint Venture Agreement dated July 14, 2006 among Stanford Development Corporation, Canitalia Industries, Ltd. and 449991 BC Ltd.(3)

10.2

Joint Venture Agreement dated July 28, 2006 among Stanford Development Corporation,

Canitalia Industries, Ltd. and 449991 BC Ltd. (4)

31

Certification pursuant to Rule 13a-14(a) and 15d-14(a) (4)

32

Certification Pursuant to 18 U.S.C. Section 1850 as Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002(4)

(1) Incorporated by reference from the Form 10-SB filed with the Securities and Exchange Commission on November 13, 1999, as amended on December 30, 1999.

(2) Incorporated by reference from the Form 10-QSB for the quarter ended June 30, 2004 filed with the Securities and Exchange Commission on August 12, 2004.

(3) Incorporated by reference from the Current Report on Form 8-K filed with the Securities and Exchange Commission on July 25, 2006.

(4) Filed herewith.

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.

ABLEAUCTIONS.COM INC.

Date: November 10, 2006

By:/s/ ABDUL LADHA

Name: Abdul Ladha

Title: President, Chief Executive
Officer, Chief Financial Officer