AMERICAN LEISURE HOLDINGS INC
Form 10QSB
November 19, 2003

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, 2003
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 75-2877111
--------- ----------
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

Park 80 Plaza East
Saddlebrook, New Jersey 07663
----------------------- -------
(Address of principal executive offices) (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 October 31, 2003, there were 7,488,983 shares of the Registrant's common stock, par value $0.001 issued and outstanding.

AMERICAN LEISURE HOLDINGS, INC. AND SUBSIDIARIES
SEPTEMBER 30, 2003 QUARTERLY REPORT ON FORM 10-QSB
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PART I - FINANCIAL INFORMATION

PART II - OTHER INFORMATION

Special Note Regarding Forward Looking Information

References in this report to "we" and "our" are to American Leisure Holdings, Inc. (herein after referred to as "AMLH" and its wholly-owned subsidiaries, American Leisure, Inc., Advantage Professional Management Group, Inc., Sunstone Golf Resort, Inc., American Leisure Marketing & Technology, Inc., American Travel & Marketing Group, Inc., American Leisure Homes, Inc., Florida Golf Group, Inc., I-Drive Limos Inc., Orlando Holidays, Inc., Welcome to Orlando, Inc., Pool Homes Managers, Inc., Leisureshare International Ltd, Leisureshare International Espanola S.A. and Caribbean Leisure Marketing, Ltd, American Access Telecommunications Corporation, American Switching Technologies Inc. which collectively may also be referred to herein as the "Company".

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:

- the potential risk of delay in implementing our business plan;

- the market for our travel and leisure services; and

- 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.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AMERICAN LEISURE HOLDINGS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2003	Inception Through September 30, 2002
Unaudited Unaudited		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$(1,478,606)	$ (94,713)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	305,349	1,237
Changes in assets and liabilities:		
Decrease in receivables	(76,688)	-
(Increase) in advances receivable	(392,846)	43,700
(Increase) in prepaid and other assets	25,089	-
(Increase) in deposits and other	(31,455)	-
Increase in accounts payable and accrued expenses	143,212	90,275
Net cash used in operating activities	(1,505,945)	40,499
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Increase) in investment in non-consolidated subsidiaries	-	(14,667)
Capitalization of real estate carrying costs	(1,907,983)	(435,044)
Acquisition of fixed assets	(464,827)	-
Net cash used in investing activities	(2,372,810)	(449,711)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	4,422,208	413,754
Proceeds from notes payable-related parties	(446,656)	-
Proceeds from shareholder advances	242,365	48,931
Net cash provided by financing activities	4,217,917	462,685

Net Increase (decrease) in Cash	339,162	53,473
CASH AT BEGINNING PERIOD	50,499	4,957
CASH AT END OF PERIOD	$ 389,661	$ 58,430
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ 180,000	$ -
Cash paid for income taxes	$ -	$ -
NON-CASH TRANSACTION		
Stock issued in exchange for assets	$ 2,850,000	$ -
Stock issued in exchange for goods and services	$ -	$ 250,000

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2003 AND DECEMBER 31, 2002

ASSETS

	September 30, 2003	De
	Unaudited	
CURRENT ASSETS:		
Cash	$ 389,661	$
Accounts receivable	76,688	
Advances receivable	392,846	
Prepaid expenses and other	6,004	
Total Current Assets	865,199	
PROPERTY AND EQUIPMENT, NET, at cost	3,314,509	
ASSETS HELD FOR SALE	-	
LAND HELD FOR DEVELOPMENT	13,972,626	1
OTHER ASSETS		
Investment	635,886	
1913 Mercedes Benz	500,000	
Other	63,221	

Total Other Assets	1,199,107	
TOTAL ASSETS	$ 19,351,441	$ 1

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:		
Current maturities of long-term debt and notes payable	$ 1,213,496	$
Current maturities of notes payable-related parties	741,760	
Accounts payable and accrued expenses	965,444	
Shareholder advances	1,112,397	
Total Current Liabilities	4,033,097	
Long-term debt and notes payable	8,604,238	
Notes payable-related parties	200,000	
Mandatorily redeemable preferred stock, 28,000 shares authorized; $.01 par value; 27,189 Series "C" shares issued and outstanding at September 30, 2003 and 0 at December 31, 2002	2,718,900	
Total liabilities	15,556,235	
STOCKHOLDERS' EQUITY:		
Preferred stock; 1,000,000 shares authorized; $.001 par value; 880,000 Series "A" shares issued and outstanding at September 30, 2003 and December 31, 2002	8,800	
Preferred stock; 100,000 shares authorized; $.01 par value; 2,500 Series "B" shares issued and outstanding at September 30, 2003 and December 31, 2002	25	
Capital stock, $.001 par value; 100,000,000 shares authorized; 6,638,983 and 6,524,983 shares issued and outstanding at September 30, 2003 and December 31, 2002	6,639	
Additional paid-in capital	5,869,838	
Accumulated (deficit)	(2,090,096)	
Total Stockholders' Equity	3,795,206	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 19,351,441	$ 1

AMERICAN LEISURE HOLDINGS, INC.

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AMERICAN LEISURE HOLDINGS, INC.

NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS
September 30, 2003

Note A - Presentation

The balance sheets of the Company as of September 30, 2003, the related consolidated statements of operations for the nine months ended September 30, 2003 and inception through September 30, 2002, and the consolidated statements of cash flows for the nine months ended September 30, 2003 and inception through September 30, 2002, included in the 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 nine months ended September 30, 2003 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, 2002, Form 10-KSB and the Company's Forms 8K & 8-K/A filed June 28, 2002 and October 2, 2002.

Note B - Accounting Change

On May 15, 2003, the FASB issued Statement of Financial Accounting Standards No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity (FAS 150). This Statement establishes standards for classifying and measuring as liabilities certain financial instruments that embody obligations of the issuer and have characteristics of both liabilities and equity. Immediately, American Leisure adopted FAS 150 and reclassified its Series C preferred stock to long-term liabilities. There was no cumulative effect of this accounting change. The accounting change did not have an effect on revenue and quarterly earnings during 2002.

NOTE C - REVENUE RECOGNITION

American Leisure recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable and collectibility is probable. These criteria are generally met at the time services are performed.

Note D - Property and equipment, net

At September 30, 2003, property and equipment consisted of the following:

	Useful Lives	Amount
Computer equipment	3-5	$ 19,020
Automobile	5	6,000
Furniture & fixtures	5-7	14,179
Leasehold improvements	5	115,103
Telecommunications equipment	7	3,501,467

	3,655,769
Less: accumulated depreciation and amortization	341,260
	$ 3,314,509

Depreciation expense for the period ended September 30, 2003 was $303,445.

Note E - Assets Held for Sale

Advantage Professional Management Group, Inc.

American Leisure's management determined that this company's property's best use was for its commercial development and has reclassified it to land held for development as the land is no longer for sale (see below).

NOTE F - LONG-TERM DEBT AND NOTE PAYABLE

	Collateral	Maturity Date		Interest rate	September 30, 2003
Individual	Unsecured	3/31/04	(a)	10%	$ 86,000
Financial Institution	Unsecured	3/31/04	(a)	6%	500,000
Equipment Third party entities	Equipment	3/31/05	(b)	12%-18%	64,717
Mortgage Company	1st lien on 13.5 acres commercial property	6/1/03	(a)	16%	600,000
Financial	1st lien on 163 acres	4/1/05	(a)	12%	6,000,000
Third party entity	3rd lien on 13.5 acres	5/1/03	(a)	10%	0
Individual	1st lien on 163 acres of undeveloped land	3/31/03	(a)	16%	0
Individual	2nd lien on 163 acres of undeveloped land	3/31/05	(a)	12%	0
Individual	2nd lien on 163 acres of undeveloped land	3/31/05	(a)	12%	

	1,804,598
	9,055,315
Less: current portion of long-term debt	(1,213,496)
Long-term debt	$ 7,841,819

Principal repayments for each of the next five years are as follows:

	Amount
2003	$ 1,213,496
2004	37,221
2005	7,804,598
	$ 9,055,315

(a) Principle and interest due at maturity.
(b) Principle and interest due in monthly payments of $2,890 per month until paid in full.

NOTE G - NOTES PAYABLE - RELATED PARTIES

	Collateral	Maturity Date		Interest rate	September 30, 2003
Affiliated entity	2nd lien on 13.5 acres	5/1/07	(a)	4.75%	$ 200,000
Shareholder	2rd lien on 163 acres of undeveloped land and UCC1 on call center equipment	3/31/03	(a)	18%	741,760
Shareholder	3rd lien on 163 acres of undeveloped land				
		3/31/05	(a)	12%	762,419
					1,704,179
Less: current portion of long-term debt					(741,760)
Long-term debt					$ 962,419

Principal repayments for each of the next five years are as follows:

	Amount
2003	$ 741,760
2004	-
2005	762,419
2006	-
2007	200,000
	$ 1,704,179

(a) Principle and interest due at maturity.

Note H - Preferred Stock

American Leisure is authorized to issue up to 10,000,000 shares in aggregate of preferred stock:

	Total Series Authorized	Liquidation Value	Voting	Annual Dividends per Share	Conversion Rate
Series A	1,000,000	$ 10.00	Yes	$ 0.12	10 to 1 o
price is less than $1					
Series B	2,500	100.00	Yes	0.12	20 to 1
Series C	28,000	100.00	Yes	0.04	20 to 1

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.

Certain Definitions, Cautionary Statement Regarding Forward-Looking Statements and Risk Factors

The following discussion of the results of operations and financial condition of the Company should be read in conjunction with the Company's Consolidated Financial Statements and related Notes and other financial information included elsewhere in this Quarterly Report. Unless otherwise indicated in this discussion (and throughout this Quarterly Report), references to "real estate" and to "inventories" collectively encompass the Company's inventories held for sale. Market and industry data used throughout this Quarterly Report were obtained from Company surveys, industry publications, unpublished industry data and estimates, discussions with industry sources and currently available information. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. The Company has not independently verified such market data. Similarly, Company surveys, while believed by the Company to be reliable, have not been verified by any independent sources. Accordingly, no assurance can be given that any such data will prove to be accurate.

The Company desires to take advantage of the "safe harbor" provisions of the Private Securities Reform Act of 1995 (the "Act") and is making the following statements pursuant to the Act to do so. Certain statements herein and elsewhere in this report and the Company's other filings with the Securities and Exchange Commission constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company may also make written or oral forward-looking statements in its annual report to stockholders, in press releases and in other written materials, and in oral statements made by its officers, directors and employees. Such statements may be identified by forward-looking words such as "may", "intend", "expect", "anticipate," "believe," "will," "should," "project," "estimate," "plan" or other comparable terminology or by other statements that do not relate to historical facts. All statements, trend analyses and other information relative to the market for the Company's products, the Company's expected future sales, financial position, operating results and liquidity and capital resources and its business strategy, financial plan and expected capital requirements and trends in the Company's operations or results are forward-looking statements. Such forward-looking statements are subject to known and unknown risks and uncertainties, many of which are beyond the Company's control, that could cause the actual results, performance or achievements of the Company, or industry trends, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and no assurance can be given that the plans, estimates and expectations reflected in such statements will be achieved. Factors that could adversely affect the Company's future results can also be considered general "risk factors" with respect to the Company's business, whether or not they relate to a forward-looking statement. The Company wishes to caution readers that the following important factors, among other risk factors, in some cases have affected, and in the future could affect, the Company's actual results and could cause the Company's actual consolidated results to differ materially from those expressed in any forward-looking statements made by, or on behalf of, the Company:

a) Changes in national, international or regional economic conditions that can adversely affect the real estate market, which is cyclical in nature and highly sensitive to such changes, including, among other factors, levels of employment and discretionary disposable income, consumer confidence, available financing and interest rates.

b) The imposition of additional compliance costs on the Company as the result of changes in or the interpretation of any environmental, zoning or other laws and regulations that govern the acquisition, subdivision and sale of real estate and various aspects of the Company's financing operation or the failure of the Company to comply with any law or regulation. Also the risks that changes in or the failure of the Company to comply with laws and regulations governing the marketing (including telemarketing) of the Company's inventories and services will adversely impact the Company's ability to make sales in any of its future markets at its estimated marketing costs.

c) Risks associated with a large investment in real estate inventory at any given time (including risks that real estate inventories will decline in value due to changing market and economic conditions and that the development, financing and carrying costs of inventories may exceed those anticipated).

d) Risks associated with an inability to locate suitable inventory for acquisition, or with a shortage of available inventory in the Company's anticipated markets.

e) Risks associated with delays in bringing the Company's inventories to market due to, among other things, changes in regulations governing the Company's operations, adverse weather conditions, natural disasters or changes in the availability of development financing on terms acceptable to the Company.

f) Changes in applicable usury laws or the availability of interest deductions or other provisions of federal or state tax law, which may limit the effective interest rates that the Company may charge on its future notes receivable.

g) A decreased willingness on the part of banks to extend direct customer vacation home financing, which could result in the Company receiving less cash in connection with the sales of vacation real estate and/or lower sales.

h) The fact that the Company requires external sources of liquidity to support its operations, acquire, carry, develop and sell real estate and satisfy its debt and other obligations, and the Company may not be able to locate external sources of liquidity on favorable terms or at all.

i) The inability of the Company to locate sources of capital on favorable terms for the pledge and/or sale of land and vacation ownership notes receivable, including the inability to consummate or fund securitization transactions or to consummate fundings under facilities.

j) Costs to develop inventory for sale and/or selling, general and administrative expenses materially exceed (i) those anticipated or (ii) levels necessary in order for the Company to achieve anticipated profit and operating margins or be profitable.

k) An increase or decrease in the number of resort properties subject to percentage-of-completion accounting, which requires deferral of profit recognition on such projects until development is substantially complete. Such increases or decreases could cause material fluctuations in future period-to-period results of operations.

l) The failure of the Company to satisfy the covenants contained in the indentures governing certain of its debt instruments, and/or other credit, loan agreements, which, among other things, place certain restrictions on the Company's ability to incur debt, incur liens, make investments, or repurchase debt or equity.

m) The risk of the Company incurring an unfavorable judgment in any litigation, and the impact of any related monetary or equity damages.

n) The risk that the Company's sales and marketing techniques are not successful, and the risk that its Clubs are not accepted by consumers or imposes limitations on the Company's operations, or is adversely impacted by legal or other requirements.

o) The risk that any contemplated transactions currently under negotiation will not close or conditions to funding under existing or future facilities will not be satisfied.

p) Risks relating to any joint venture that the Company is a party to, including risks that a dispute may arise with a joint venture partner, that the Company's joint ventures will not be as successful as anticipated and that the Company will be required to make capital contributions to such ventures in amounts greater than anticipated.

q) Risks that any currently proposed or future changes in accounting principles will have an adverse impact on the Company.

r) Risks that a short-term or long-term decrease in the amount of vacation/corporate travel (whether as a result of economic, political or other factors), including, but not limited to, air travel, by American consumers will have an adverse impact on the Company's sales.

s) Risks that the acquisition of a business by the Company will result in unforeseen liabilities, decreases of net income and/or cash flows of the Company or otherwise prove to be less successful than anticipated.

The Company does not undertake and expressly disclaims any duty to update or revise forward-looking statements, even if the Company's situation may change in the future.

General

The Company's vacation real estate operations are or will be managed by two business segments. One will develop, market and sell Vacation Ownership Interests in the Company's resorts, primarily through the Vacation/Travel Clubs, and the other (currently Sunstone Golf Resort, Inc.) will acquire tracts of real estate suitable for vacation resort properties, which will be subdivided, improved and sold, typically on a retail basis as vacation home sales.

The Company expects to experience seasonal fluctuations in its gross revenues and net earnings. This seasonality may cause significant fluctuations in the quarterly operating results of the Company. In addition, other material fluctuations in operating results may occur due to the timing of development and the Company's use of the percentage-of-completion method of accounting. Management expects that the Company will continue to invest in projects that will require substantial development (with significant capital requirements).

The Company believes that the terrorist attacks on September 11, 2001 in the United States, the recent hostilities in the Middle East and other world events that have decreased the amount of vacation and corporate air travel by Americans, but have not materially changed the company's business plan. There can be no assurances, however, that a long-term decrease in air travel or increase in anxiety regarding actual or possible future terrorist attacks or other world events will not have a material adverse impact on the Company's future results of operations.

Costs associated with the acquisition and development of vacation resorts, including carrying costs such as interest and taxes, are capitalized as inventory and will be allocated to cost of real estate sold as the respective revenues are recognized.

Public may read and copy any materials filed by American Leisure Holdings, Inc. with the SEC at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. Public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC- 0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Introduction

The character and holdings of the Company has changed substantially since the preceding fiscal year as set forth below. During the second quarter of the Companies previous fiscal year it acquired certain companies to enter into the travel and tourism and vacation resort industry. The readers of the current un-audited quarterly statements are referred to the Company's last Form 10Q-SB, 10K-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, changes in cash flows and new businesses. Accordingly, management's discussion as set forth below focuses primarily on the period from June 14, 2002 to September 30, 2003.

General

The Company has now been designed and structured to own, control and direct a series of companies in the travel and tourism and vacation resort 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:

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

Acquisitions
In June 2002, we acquired control of several travel related and vacation resort companies, described below:

American Leisure, Inc. ("ALI")

ALI will package holidays and vacations and sell these within the trade and to the travel club membership bases.

Sunstone Golf Resort, Inc. ("SGR")

SGR is currently in the final engineering stage as a 971-unit vacation destination resort in Orlando, Florida. It received revised planning for the development on July 8, 2003 and the site is currently being fully engineered. During the summer of 2003 the Company finalized the designs for the vacation townhomes and Condo's and prepared the drafts for its sales literature, and continued to work with its professional team on establishing the CDD District. Development is scheduled to commence in the Spring of 2004 with the first vacation investment properties estimated to be completed in the last quarter of 2004. Proforma sales for the resort are expected to exceed $222,000,000 over the next seventy-two month period. It is expected that the horizontal construction and resort amenities will be funded via a CDD Bond placement. AMLH intends to provide development, guarantees and financing support for the development of the resort so that it will become one of many fine vacation destinations to be owned by AMLH.

The CDD District was established as the Westridge Community Development District on September 8, 2003. On October 30, 2003 the District received court permission to issue up to $65,000,000 of Bonds. On November 6, 2003 the District issued a preliminary offering statement to issue three series of bonds totaling $35,230,000. If the Bond offering is successful, the Bonds proceeds will be used to (i) finance the cost of acquiring, constructing and equiping the project; (ii) pay certain costs associated the issuance of the Bonds; (iii) make a deposit into the Series 2003 Reserve Account for the benefit of all of the Bonds; and (iv) pay a portion of the interest to become due on the Bonds. Upon

the issuance of the Bonds, burdens will be placed on the Company in respect to the Company's liability to pay future CDD assessments on any unsold lots after the initial 24-month interest reserve has been exhausted. The company will be also required to amongst other matters, to reduce the first mortgage on the property to $4,000,000 and to establish a Developers third year interest reserve account in the sum of $3,000,000 with an initial deposit of $2,000,000 due as a condition of the Bonds draw down and thereafter an appropriation of $6,500 from the sale proceeds of each unit until the sum of $3,000,000 has been received into the Developers Interest Account. For full details of this and other liabilities contingent or otherwise being placed upon the Company please see the Company's website at www.americanlesiureholdings.com

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 bases. AMTG is poised to secure a significant market share of the affinity-travel marketing segment. As the proprietor and manager of clubs it creates, ATMG anticipates revenue from annual membership fees and commissions earned on the sale of travel services once the infrastructure has been finalized to communicate and sell to its affinity-based club databases. The value added to ATMG programs by being a part of the AMLH family includes the sales opportunities to HTS corporate clients, the fulfillment capacity of the bulk buying power of HTS and the hotel/resort assets to be provided by AMLH through its resort division.

Once the infrastructure has been finalized in conjunction with American Leisure Marketing & Technology, Inc., to communicate and sell to its affinity-based club databases, we anticipate that ATMG will derive revenue from annual membership fees and commissions earned from ALI on the sale of packaged travel services.

American Leisure Marketing & Technology, Inc. ("ALMT)

ALMT has acquired the assets of a sophisticated, state of the art communications center. The communications center facilities are as up to date as can be imagined, with all technology linked to the Internet. This allows the Customer Service representative to respond to the individual consumer with accuracy, speed and knowledge, thus providing the consumer with relevant and immediate information that is extraordinarily recent. This technological capacity allows American Leisure Marketing & Technology, Inc. to market the products and services of HTS, AMLH, and American Travel & Marketing, as well as third parties, in a cost effective, all encompassing way. This resource will be offered to the 3,000 HTS affiliated travel agencies, potentially providing an unsurpassed service to the hundreds of major corporate clients, in real time telephony and web based applications via the upgrade of its equipment to IP technology.

Antigua - Caribbean Leisure Marketing Ltd. ("CLM")

During September 2003, forming part of the company's negotiations with Stanford Venture Capital Holdings, Inc. the Company agreed with Stanford to form a new Company in Antigua, West Indies and to acquire the assets of a call center previously run by another Stanford Portfolio company. Stanford agreed to advance the sum of $2,000,000 for the Company's call centers working capital and equipment needs as part of a $6,000,000 5-year convertible loan (see below). Once the assets in Antigua have been acquired and upgraded, the center will be linked via Satellite to ALMT's call center in Tamarac to take advantage of the state of the art technology available in this center and to run various inbound and outbound marketing campaigns for group and third party companies. In October 2003, the Company formed Caribbean Leisure Marketing, Ltd. in Antigua as a subsidiary of Leisureshare International Ltd. The Company envisages that this center will be operational on December 1, 2003.

HTS Holdings, Inc. ("HTS")

In July 2002, the Company entered into a option to acquire a controlling interest of HTS Holdings, Inc. (HTS), the parent to, among other companies, Hickory Travel Services, Inc. which will focus on the fulfillment of all of our companies' travel needs. The purchase is now finalized and was effective as of October 1, 2003. Mr. Bill Chiles will remain as President and CEO of HTS and Chairman of the Company. During the last quarter of 2003, and in conjunction with the senior management of HTS, the Company expects to complete an extensive review of all HTS companies with effect to revising and improving where possible its current methods of doing business with a view to achieving increased profit margins for HTS companies and its member base. HTS has a very seasonal business and makes substantial trading losses during the first three quarters of the year and a significant profit in the last quarter, normally sufficient to throw it into an overall profit for the year. The Company intends to introduce the opportunity to HTS the opportunity of acquiring additional product lines for its member base to market and sell, with a view to reducing or eliminating its seasonal fluctuation in its profitability and to increase the profit margins for both HTS and its members. The Company intends to provide HTS the additional resources to expand its leading edge technology, increase the marketing of its preferred supplier programs and expand those relationships. The Company will also seek to expand HTS's transaction processing capabilities via the aid of the state of the art technology already in place with AMLT, to better serve HTS's agency partners and their clients.

Advantage Professional Management Group, Inc. ("APMG")

On July 8, 2003, APMG received revised planning on its property to establish the property with TCX (town center) zoning. The planning permission was conditional upon its approval by the Secretary of State in Tallahassee. The Company expects to receive this approval on December 19, 2003.

Strategy

Our business model is based on four basic premises:

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.

Vacation 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:

- Resort properties suitable for conversion, for use for vacation club ownership, such as suites, one bedroom and two bedroom units;

- Resort properties with contiguous vacant land suitable for further expansion; o Resort properties that have consistently sustained at least break-even occupancy;

- 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

- Locations that have appeal throughout the year rather than limited "seasonal" attraction.

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.

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 $15 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	$ 5,500,000
Acquisitions	$ 5,000,000
Payoff Debt	$ 2,500,000
Working Capital	$ 2,000,000

OPERATIONS

On June 14, 2002 the Company acquired American Leisure Holdings, Inc. (hereafter Corporation) and its subsidiaries. Until the Company obtains the capital required to developed it 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.

The Company, in the quarter ended June 30, 2003, opened up a new call center in Tamarac, Florida, which it believed after ninety days would be a profitable operation and would provide the required cash flow to fund its own expansion and operations. However, due to the nature of the industry the Company is currently operating in, and the do not call legislation which has recently been enacted, the management cannot currently predict that it will necessarily achieve the level of operations needed to provide the cash flow it requires to expand or make profitable its operations.

Until the capital is obtained to enter into its planned operations discussed above, the Company will need additional capital.

RESULTS OF OPERATIONS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2003 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2002 AND INCEPTION THROUGH SEPTEMBER 30, 2002

For the nine months ended September 30, 2003, the Company realized a loss of $1,478,606 with revenues of approximately $200,000 from its call center and general and administrative expenses of approximately $1,373,000. For the nine months ended September 30, 2002, the Company realized a loss of approximately $95,000 with no revenues and general, administrative and interest expenses of approximately $93,000.

The costs and expenses for the nine months ended September 30, 2003 totaled $1,678,000 which consisted of general and administrative expenses of approximately $1,373,000 and depreciation expense of approximately $305,000. The expenses for the inception through September 30, 2002 consisted primarily of general and administrative expenses of approximately $93,000 and depreciation expense of approximately $1,000.

The Company's net loss from continuing operations before income taxes for the nine months ended September 30, 2003 was $1,479,000 compared to a net loss of $95,000 for inception through September 30, 2002. The net loss per share for the periods ended September 30, 2003 and 2002 were $0.22 and $0.09, respectively.

For the three months ended September 30, 2003, the Company realized a loss of $595,000 with revenues of approximately $164,000 and general and administrative expenses of approximately $629,000. For the three months ended September 30, 2002, the Company realized a loss of approximately $95,000 with no revenues and general, administrative and interest expenses of approximately $93,000.

The costs and expenses for the three months ended September 30, 2003 totaled $759,000 which consisted of general and administrative expenses of approximately $629,000 and depreciation expense of $130,000. The expenses for the three months ended September 30, 2002 consisted primarily of general and administrative expenses of approximately $93,000 and depreciation expense of approximately $1,000.

The Company's net loss from continuing operations before income taxes for the three months ended September 30, 2003 was $595,000 compared to a net loss of $95,000 for the three months ended September 30, 2002. The net loss per share for the periods ended September 30, 2003 and 2002 were $0.09 and $0.01, respectively.

At September 30, 2003, the Company had an accumulated deficit of $2,090,000 compared to $611,000 at December 31, 2002. This increase in the accumulated deficit is due primarily to the Company's cost of operating itself and its subsidiaries.

LIQUIDITY

During the three months ended September 30, 2003, 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, to assure its ability to meet its current obligations or to continue its planned operations, however it is in the course of finalizing the legal documentation to close on the Stanford loan (see below) which when closed will be sufficient for most of its existing capital needs through 2004. 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 however no assurance that any capital raising or any of its planned activities will be successful.

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 to its shareholders. The shareholders have agreed to roll over their loans until the company has stronger liquidity and take security for their loans.

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

Additionally, the Company refinanced its subsidiaries ' Orlando property in March of 2003 and repaid loans that it had borrowed since February 2000 at high rates of interest. It obtained a $6,000,000 loan that was used to finalize the planning permission for 971 vacation properties, commence engineering drawings, finalize the site plans and vacation property layouts and pay the professional fees to establish the CDD District.

On October 11, 2003, the Company refinanced its subsidiary APMG Orlando property and repaid the first and second mortgages it borrowed in May 2002 totaling $800,000. It obtained a new $1,300,000 loan on the property secured by way of a first mortgage at an interest rate of 15% repayable on October 10, 2004, which will enable the Company to develop the property by finalizing its revised planning, engineering and permitting for commercial development. The company then plans to joint venture the property's re-development with an experienced commercial developer. The Company was successful in negotiating a $50,000 discount on the second mortgage due May 1, 2007. This mortgage was repaid on October 11, 2003 from the proceeds of the refinancing.

In September 2003 the company completed discussions with Stanford Venture Capital Holdings, Inc. and has agreed to borrow the sum of $6,000,000 as a five-year secured Convertible loan, convertible into common shares in the company at the option of Stanford at the rate of one share of common stock for $15 of loan. The blended rate of interest agreed was 6% and the security a second charge on the company's land holdings at a coverage rate not to exceed

100% of the excess MAI appraised value above any first mortgage. As additional consideration for this loan, the Company has agreed to issue Stanford a series of 5 year warrants upon the closing of the loan facility, 600,000 shares at $0.001 per share and 1,350,000 at $2.96 a share. Stanford has also agreed to subordinate their second mortgage to any future construction/development loans to be placed on the property in a first mortgage position. The loan is intended to inject $2,000,000 of working capital into Sunstone Golf Resort, Inc., Orlando, Florida, project "Tierra Del Sol", $2,000,000 into its travel related businesses and $2,000,000 into the Company's call centers businesses. The documents necessary for a closing are currently in the course of preparation. In the meantime Stanford has advanced the company a $2,000,000 short-term facility at the rate of 6% p.a. due and payable on March 31, 2004. This short-term facility is also personally guaranteed by Malcolm J Wright and Bill Chiles and is additionally secured on their stock of the Company. Mr. Wright's 845,733 shares and Mr. Chiles 850,000 shares. The Company has also indemnified Mr. Wright and Mr. Chiles against any and all losses they may incur as a result of their personal guarantees. The Company expects to complete the loan documents with Stanford before the end of the fourth quarter.

The company drew down the $2,000,000 facility as to $500,000 in September 2003, $1,165,000 in October 2003, and $335,000 in November 2003. The proceeds were used to (i) Pay various payments for the Antigua and Tamarac call centers and their working capital needs totaling $960,000 (ii) Loan HTS the sum of $320,000 (iii) Loan SGR the sum of $230,000 (iv) Loan ATMG the sum of $45,000 (v) the balance representing the groups working capital cash reserve until closing of the overall facility.

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.

ITEM 3. CONTROLS AND PROCEDURES

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based on such evalutation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act.

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to wich this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of its business, the Company may from time to time become subject to claims or proceedings relating to the purchase, subdivision, sale and/or financing of its real estate. The Company believes that substantially all of the above are incidental to its business.

The Company became a defendant in an action that was filed in Orange County, Florida. 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

On September 17, 2003 effective October 1, 2003, our Board of Directors authorized the issuance of 850,000 shares of our common stock to William L Chiles in connection with the acquisition of his stock held in HTS Holdings, Inc.. These securities were issued 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. Chiles 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.

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 were annexed to a prior 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 was annexed to a prior Form 10-QSB as an exhibit.

ITEM 5. OTHER INFORMATION

Acquisition of Common stock by Officers and Directors.

On September 17, 2003 effective October 1, 2003, our Board of Directors authorized the issuance of 850,000 shares of our common stock to William L Chiles, the Chairman of our board of Directors, in connection with the acquisition of his stock held in HTS Holdings, Inc. (see above).

During July 2003, James Hay Trustees Ltd of Rowanmoor House, 46-50 Castle Street, Salisbury, England SP1 3TS the trustees and managers of Thamesdale Properties Pension Fund, a self administered pension scheme set up in the 1980's under UK tax legislation for the benefit of Mr. Wright and others retirements acquired 302,000 common shares in the Company for 50,000 pounds sterling. James Hay acquired this for long-term investment. The shares were transferred into certificate form and removed from the Cede & Co list.

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 Section906 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:

- the Company's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2003, 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

- 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.

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:

- the Company's Quarterly Report on Form 10-QSB for the fiscal quarter ended September 30, 2003, 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

- 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

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 19, 2003	By:	/s/ L. William Chiles --------------------------------- L. William Chiles Chief Executive Officer
Dated: November 19, 2003	By:	/s/ Malcolm J. Wright ---------------------------------- Malcolm J. Wright Chief Financial Officer