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

FORM 10-K/A

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

For the fiscal year ended June 30, 2009
Commission file number 000-50709

NOWAUTO GROUP, INC.
(Exact name of small business issuer as specified in its charter)

Nevada 77-0594821
(State or other jurisdiction of (I.R.S. Employer
Incorporation or organization) Identification No.)

4240 East Elwood Street, Phoenix, Arizona 85040
(Address of principal executive offices) (Zip Code)
Registrant's Telephone Number: (480) 431-0015
Securities registered pursuant to Section 12(b) of the Act: None
Securities registered pursuant to Section 12(g) of the Act

COMMON STOCK
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
¨ Yes xNo
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
¨ Yes x No
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. xYes ¨ No
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x Yes ¨ No
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company x
(Do not check if a smaller reporting company)
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)
¨ Yes x No
State the aggregate market value, based upon the closing bid price of the Common Stock as quoted on NASDAQ, of the voting stock held by non-affiliates of the registrant: $18,569 as of October 12, 2009.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

As of October 12, 2009 there were 9,383,046 shares, net of treasury shares, of common stock outstanding.

The purpose of this filing is to restate Item 9b. There are no other changes.

NowAuto Group, Inc
Table of Contents

Special Note Regarding Forward Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. Forward-looking statements are statements other than historical information or statements of current condition. Certain information included in this Annual Report on Form 10-K , and other materials filed or to be filed by us with the Securities and Exchange Commission (as well as information included in oral statements or other written statements made or to be made by us or our management) contain or will contain, forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and Section 27A of the Securities Act of 1933, as amended. The words "believe," "expect," "anticipate," "estimate," project" and similar expressions identify forward-looking statements, which speak only as of the date the statement was made. We undertake no obligation to publicly update or revise any forward-looking statements. Such forward-looking statements are based upon management's current plans or expectations and are subject to a number of uncertainties and risks that could significantly affect current plans. In light of these risks and uncertainties inherent in all such projected operational matters, the inclusion of forward-looking statements in this Form 10-K should not be regarded as a representation by us or any other person that any of our objectives or plans will be achieved or that any of our operating expectations will be realized. As a consequence, actual results may differ materially from those expressed in any forward-looking statements made by or on behalf of us as a result of various factors. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made.

Part I

Item 1 - Description of Business

History

NowAuto, Inc. was organized in the state of Nevada on August 19, 1998 under the name WH Holdings, Inc. On June 8, 2004 the name was changed to Automotive Capital Group, Inc and we increased our authorized common stock. On August 31, 2004 the name was changed to NowAuto, Inc.

NowAuto, Inc was purchased by Global-E Investments, Inc on July 22, 2005. Since Global-E was a non-operating company and the stockholders of NowAuto, Inc assumed majority control after the acquisition, the purchase was accounted for as a recapitalization in a reverse acquisition. This means that for legal purposes the continuing entity is Global-E Investments, Inc. but for historical accounting purposes the accounting records of NowAuto will be shown. Global-E Investments has since changed its name to NowAuto Group, Inc.

Business Model in Non-Prime Markets

We lease automobiles under sales type leases in the Buy Here/Pay Here (BH/PH) market to non-prime consumers. These consumers are individuals with challenged credit. While some consumers enter and exit this category, others stay there for life. They are there for one of three reasons:

1) They have suffered a catastrophic financial event. Usually, this includes a major illness, divorce, or a period of unemployment. In the current economy, that also includes mortgage foreclosure.
2) They fail to practice good financial judgment. This is usually due to lack of training or understanding of personal financial management.

3) They have no established credit.

The Buy Here/Pay Here (BHPH) industry has existed for many years. We believe that this market has been underserved or at least inappropriately served in the past. Many competitors use a business model that tends to take unfair advantage of customers. We attempt to use a model that partners with the customer in order to keep them in their vehicle, assists them with repairing damaged credit, or teaches them better fiscal habits. This is accomplished in two ways:

1) In the quarter ending June 30, 2008, we began reporting customer payment history to a major credit reporting service. This was an important step that required a great deal of preparation on our part. It was much anticipated by a number of existing customers and is expected to positively influence future sales.
2) A starter-interrupt system is installed in every vehicle. This system prevents the vehicle from starting in the event that a payment is past due. It is incapable of affecting the vehicle during operation and therefore poses no risk to driver or passengers. The system also serves as a control of unauthorized use as a specific code is required in order the start the vehicle. A flashing light will warn the customer four days before the payment is due. Customers are required to contact their Account Manager once a month for a new code to keep the system inactive. This greatly enhances communication between our customer base and us thus aiding in the partnering process.

Lending Processes

We originate all our own leases and thus control the credit application process, To complete this process, the customer is required to provide proof of residence, employment, and insurance as well as a valid driver’s license, and 8 personal references. Approval is based on a scoring system that takes into account the length of residency and employment, occupation, and other factors. In some cases, certain events in the customer’s credit history may be a factor. The scoring system also takes into account the age and value of the vehicle to determine our risk in the deal. Company policy also requires a review of the customer’s total income to car payment ratio to ensure that the customer can afford the vehicle.

Once approved, the customer is expected to agree to an ACH payment or some other form of automatic electronic payment method. While some customers have difficulty with this type of payment method due in part to a lack of understanding, this generally improves payment collection. Customers are not required to remain on this type of payment, but our experience is that a request to come off this payment plan is usually a prelude to a troubled account.

Down payments are made in cash or, on rare occasions, with a trade in. Amounts are approximately 15% to 18% of the price of the vehicle depending on the perceived loan risk. Although approximately 60% of the down payment must be made upon taking possession of the vehicle, some customers are allowed up to 30 days to pay the remaining down payment. Terms are usually 36 to 39 months with either a monthly or semi monthly payment required. Interest rates range from 21.99% to 29.99%.

Monitoring and Managing Accounts

Communication is the key to our account maintenance and keeps us proactive rather than reactive. Through out the contract life, we advise our customers to keep in contact with their account manager. Each customer receives a welcoming letter and/or phone call. Our account managers are provided a certain amount of latitude in working with our customers including modifying payment dates or partial payments. The starter interrupt unit installed on each car requires each customer to call in once a month.

If an account falls behind, we will make every reasonable effort to the keep the customer in the car if they maintain communication, exhibit a willingness to cooperate, and have the ability to make at least partial payments. There are a series of steps that are considered before a decision to repossess is made. A collection manager is responsible for making the repossession decision. This means that some vehicles are picked up very quickly if the customer is uncooperative. Under Arizona law, customers have 10 days in which to redeem their vehicle. In order to do so, they must pay a repossession fee, which generally will reimburse our cost of repossession and then they must bring their account current again.

We have recently experienced an increase in the number of vehicles that are voluntarily surrendered. It is believed that this is due to current economic conditions. The largest industry in the Phoenix area is construction, which has been deeply affected by the housing slump. As with delinquent accounts, we will make every reasonable effort to the keep the customer in the car.

The Executive Team takes a hands-on approach to monitoring accounts. They are committed to keeping customers in good cars. Status reports are generated and reviewed on a daily basis. Great effort is made to improve the accountability and ultimate success of the collection process.

Inventory

It is our experience that the success of a loan in this market is largely predicated on the condition of the vehicle as this directly affects their ability and motivation to make payments. This is as true at the end of the contract period as it is at the beginning. Therefore, great care and attention is given to repair and servicing of vehicles from the moment of acquisition to the end of the contract. Some inventory is purchased from wholesalers. These vehicles are purchased on terms similar to any other vendor. There is no flooring plan as we prefer to keep encumbrances to a minimum.

Inventory is also replenished through repossessions. These vehicles are inspected by our Service Department who are also responsible for any necessary repairs.

After a vehicle is sold, we will assist our customers with any repairs at the Service Department. We offer what we believe to be are below market labor rates, as well as financing for more expensive repairs. Currently, we warranty the vehicle for 500 miles or 15 days as required by State law.

Employees

As of June 30, 2009, we had thirty full time employees. Eighteen are operational including the Service Department, nine are administrative support including collections, and three are executives. Our relationship with employees is generally considered to be good. Turnover rates are within acceptable limits.

Regulation

The BH/PH industry is subject to regulation and licensing from various federal, state, and local governments. Under various state laws, the Company's dealerships must obtain a license in order to operate or relocate. These laws also regulate advertising and sales practices. The Company's financing activities are subject to federal truth-in-lending and equal credit opportunity regulations as well as state and local motor vehicle finance laws, installment finance laws, usury laws and other installment sales laws. Among other things, these laws require that the Company limit or prescribe terms of the contracts it originates, require specified disclosures to customers, restrict collections practices, limit the Company's right to repossess and sell collateral, and prohibit discrimination against customers on the basis of certain characteristics including age, race, gender and marital status. Management believes the Company is in compliance in all material respects with all applicable federal, state and local laws. The Company's entrance into jurisdictions with more stringent regulatory requirements could have a material adverse effect on the Company's used vehicle sales and finance business.

Item 1A - Risk Factors

The Company is subject to various risks, including the risks described below. The Company's business, operating results, and financial condition could be materially and adversely affected by any of these risks. Additional risks not presently known to the Company or that the Company currently deems immaterial may also impair our business and operations.

Risks Related to the Used Automotive Retail and Finance Industry

The Company may have a higher risk of delinquency and default than traditional lessors/lenders because it deals with credit-impaired lessees.

Substantially all of the Company's contracts are made to individuals with challenged credit. Leases made to buyers who are restricted in their ability to obtain financing from traditional lessors/lenders generally entail a higher risk of delinquency, default and repossession, and higher losses than leases made to buyers with better credit. Delinquency interrupts lease payments, and a default can ultimately lead to a loss if the net realizable value of the automobile securing the lease is insufficient to cover the outstanding lease payments or the vehicle cannot be recovered. The Company's profitability depends, in part, upon its ability to properly evaluate the creditworthiness of non-prime consumers and efficiently service such leases. Although the Company believes that its underwriting criteria and collection methods enable it to manage the higher risks inherent in leases made to non-prime consumers, no assurance can be given that such criteria or methods will afford adequate protection against such risks. If the Company experiences higher losses than anticipated, its financial condition, results of operations and business prospects could be materially and adversely affected.

A reduction in the availability or access to sources of inventory could adversely affect the Company's business by increasing the costs of vehicles purchased.

The Company acquires vehicles primarily through wholesales, auctions, repossessions, and individuals. There can be no assurance that sufficient inventory will continue to be available to the Company or will be available at comparable costs that will be marketable. Any reduction in the availability of inventory or increases in the cost of vehicles could adversely affect our profit percentages as the Company focuses on keeping payments affordable to our customer base. The Company might have to absorb cost increases. The overall new car sales volumes in the United States have decreased dramatically in the last year and this could potentially have a significant negative effect on the supply of cars available to the Company in future periods.

6

The used automotive retail industry is highly competitive and fragmented, which could result in increased cost to the Company for vehicles and adverse price competition.

The Company competes principally with other independent BH/PH dealers, and to a lesser degree with (i) the used vehicle retail operations of franchised automobile dealerships, (ii) independent used vehicle dealers, and (iii) individuals who sell used vehicles in private transactions. The Company competes for both the purchase and resale of used vehicles. The Company's competitors may sell the same or similar makes of vehicles that NowAuto Group offers in the same or similar markets at competitive prices. Increased competition in the market, including new entrants to the market, could result in increased wholesale costs for used vehicles and lower-than-expected vehicle sales and margins. Further, if any of the Company's competitors seek to gain or retain market share by reducing prices for used vehicles, the Company would likely reduce its prices in order to remain competitive, which may result in a decrease in its sales and profitability and require a change in its operating strategies.

The used automotive retail industry operates in a highly regulated environment with significant attendant compliance costs and penalties for non-compliance.

The used automotive retail industry is subject to a wide range of federal, state, and local laws and regulations, such as local licensing requirements and laws regarding advertising, vehicle sales, financing, and employment practices. Facilities and operations are also subject to federal, state, and local laws and regulations relating to environmental protection and human health and safety. The violation of these laws and regulations could result in administrative, civil, or criminal penalties against the Company, or in a cease and desist order, which would cause us to incur costs in complying with these laws and regulations. Further, over the past several years, private plaintiffs and federal, state, and local regulatory and law enforcement authorities have increased their scrutiny of advertising, sales, and finance and insurance activities in the sale of motor vehicles.

The severe downturn in recent global economic and United States market conditions could have an adverse affect on the used automotive retail industry in the future and may have even greater consequences for the non-prime segment of the industry.

In the normal course of business, the used automotive retail industry is subject to changes in regional U.S. economic conditions, including, but not limited to, interest rates, gasoline prices, inflation, personal discretionary spending levels, and consumer sentiment about the economy in general. The recent severe downturn and disruptions in global economic and market conditions have adversely affected consumer demand and/or increased the Company's costs, resulting in lower profitability for the Company. Due to the Company's focus on non-prime borrowers, its actual rate of delinquencies, repossessions and credit losses on loans could be higher under adverse economic conditions than those experienced in the automotive retail finance industry in general. The Company is unable to predict with certainty the future impact that the most recent global economic conditions will have on consumer demand in our markets or on the Company's costs and delinquencies.

The recent volatility and disruption of the capital and credit markets, and adverse changes in the global economy, could have a negative impact on the Company's ability to access the credit markets in the future and/or obtain credit on favorable terms.

Recently, the capital and credit markets have become increasingly tight as a result of adverse economic conditions that have caused the failure and near failure of a number of large financial services companies. While currently these conditions have not impaired the Company's ability to access the credit markets and finance its operations, there can be no assurance that there will not be a further deterioration in the financial markets. If the capital and credit markets continue to experience crises and the availability of funds remains low, it is possible that the Company's ability to access the capital and credit markets may be limited or available on less favorable terms at a time when the Company would like, or need, to do so. This could have an impact on the Company's ability to refinance maturing debt or react to changing economic and business conditions. In addition, if current global economic conditions persist for an extended period of time or worsen substantially, the Company's business may suffer in a manner which could cause the Company to fail to satisfy its financial obligations and restrictive covenants under its credit facilities.

Risks Related to the Company

The Company's business is geographically concentrated; therefore, the Company's results of operations may be adversely affected by unfavorable conditions in its local markets.

The Company's performance is subject to local economic, competitive, and other conditions prevailing in the area of operations. The Company provides financing in connection with the sale or lease of substantially all of its vehicles. The Company's current results of operations depend substantially on general economic conditions and consumer spending habits in these local markets. Any decline in the general economic conditions or decreased consumer spending in these markets may have a negative effect on the Company's results of operations.

The Company's business is dependent upon the efficient operation of its information systems.

The Company relies on its information system to mange its sales, inventory, consumer financing, and customer information effectively. The failure of the Company's information system to perform as designed, or the failure to maintain and continually enhance or protect the integrity of these systems, could disrupt the Company's business, impact sales and profitability, or expose the company to customer or third-party claims.

Changes in the availability of cost of capital and working capital financing could adversely affect the Company's growth and business strategies.

The Company generates cash from income from continuing operations. The cash is primarily used to fund finance receivables growth, which have historically grown slightly faster than revenues. To the extent finance receivables growth exceeds income from continuing operations, generally the Company increases its borrowings under its revolving credit facilities to provide the cash necessary to finance operations. On a long-term basis, the Company expects its principal sources of liquidity to consist of income from continuing operations and borrowings under revolving credit facilities and/or fixed interest term loans. Any adverse changes in the Company's ability to borrow under revolving credit facilities or any increase in the cost of such borrowings, would likely have a negative impact on the Company's ability to finance receivables growth which would adversely affect the Company's growth and business strategies.

The Company's growth is dependent upon the availability of suitable lot sites.

The Company leases all of the properties where its stores are located. If and when the Company decides to open new stores, or relocated existing ones, the inability to acquire suitable real estate, either through lease or purchase, at favorable terms could limit the expansion of the Company's store base and could have a material adverse effect on the Company's expansion strategy and future operating results.

The Company's business is subject to seasonal fluctuations

Our vehicle sales and finance business is seasonal in nature. The period November through mid January is historically the slowest period for vehicle sales. Many of our operating expenses such as administrative personnel, rent and insurance are fixed and cannot be reduced during periods of decreased sales. Conversely, the period late January through May is historically the busiest time for vehicle sales as many of our customers use income tax refunds as down payment on the purchase of a vehicle. The hot summer months are also quite slow.

The Company's Leverage

We are highly leveraged. Our debt is collateralized by our finance contracts and automobile inventory. Our substantial leverage could have adverse consequences, including (i) limiting our ability to obtain additional financing, (ii) requiring us to use substantial portions of operating cash flow to meet interest and principal repayment obligations, (iii) exposing us to interest rate fluctuations due to floating interest rates on certain borrowings, (iv) increasing our vulnerability to changes in general economic conditions and competitive pressures, and (v) limiting our ability to capitalize on potential growth opportunities.

We must Maintain Confidentiality

We receive highly confidential information from customers that is stored in our files and on our computer systems. Our security procedures may fail to adequately protect information that we are obligated to keep confidential. Any breach of security relating to customers' confidential information could result in legal liability for us and a harmful reduction in the use of our website by our customers.

Performance Dependent on Executive Officers

Our performance is highly dependent on the continued services of our executive officers and other key personnel, the loss of any of whom could materially affect our business, results of operations and financial condition.

Dilution of Shareholder Ownership Interest

Holders of our common stock have no preemptive rights with respect to future issuances of common stock and accordingly, may not be able to maintain their current percentage ownership interest in us. Our articles of incorporation and applicable provisions of Nevada law provide that, under certain circumstance, we may issue authorized capital at the approval of our board of directors, and no shareholder vote or other form of shareholder approval is required to issue such capital. Consequently, we may issue shares of common stock in connection with future financings or acquisitions and any future such issuances will significantly dilute all current shareholders' ownership percentage in us.

Section 404 of the Sarbanes-Oxley Act of 2002

Failure to maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on the market's perception of our business and our ability to raise capital. We are in the process of documenting and testing our internal control procedures in order to satisfy the requirements of Section 404, which will require annual management assessments of the effectiveness of our internal controls over financial reporting. If we fail to maintain the adequacy of our internal controls, as such standards are modified, supplemented, or amended from time to time, we may not be able to ensure that we can conclude on an ongoing basis that we have effective internal controls over financial reporting in accordance with Section 404. While we continue to dedicate resources and management time to ensuring that we have effective controls over financial reporting, failure to achieve and maintain an effective internal control environment could have a material adverse effect on the market's perception of our business and our ability to raise capital.

Penny Stock Rules

Trading in our securities will be subject to the "penny stock" rules for the foreseeable future. The Securities and Exchange Commission has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends our securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker/dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by such requirements may discourage broker-dealers from recommending transactions in our securities, which could severely limit the liquidity of our common stock and consequently adversely affect the market price.

Going Concern

The accompanying financial statements have been prepared assuming that we will continue as a going concern. We sustained a material loss in the year ended June 30, 2005. This loss continued through June 30, 2009. This raised substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

Since our initial loss, great efforts have been made to improve our profitability. Margins on cars sold have increased. Costs, especially overhead, have been reduced. Head count is kept to a minimum. Accountability has been greatly enhanced by development of qualified accounting staff and the implementation of an Enterprise-wide and fully integrated software system. The Company continues to develop the Financing function whose focus includes, but is not limited to, improved stability scoring and credit approval process, improvement of the total portfolio aging, and reduction of account losses. Subsequent to the date of this report, the corporate office and Service Department relocated to the same facility. This new facility greatly enhances the Service Department's efficiency and capacity and gives upper management closer oversight of operations.

Management's plans for dealing with adverse effects of conditions or events:

1. Plans for disposal of assets or increase in equity ownership.

The Company has no current plans to either dispose of assets or increase equity ownership. Access to capital markets is strained under current conditions. Assets of the Company are largely inventory, accounts receivable and lease receivables. These assets are currently pledged as collateral for the Company's line of credit and therefore will not be sold. The Company and its lender have modified loan arrangements as a result of current economic conditions and believes that additional modifications could be executed if the need arose; however, management has no current plans to further modify or restructure its debt. Lastly, the Company has made every effort to minimize its expenditures and expects to continue this practice.

There have been several inquiries into the sale of the Company's public "shell." Management has welcomed such inquiries; however, as of this date, no company has passed the Company's due diligence requirements. There is no way of determining if sale of the shell could occur, particularly under current market conditions.

2. Considerations.

(a) The Company's primary assets are inventory (vehicles) and accounts receivable, all of which are pledged as collateral for the Company's line of credit. Both the Company and its lender have repeatedly declined to sell the accounts receivable to a third party because most third party purchasers acquire only the top category of accounts, leaving only the lowest value of accounts for the Company. Furthermore, the size of the Company's account receivable balance is too small to attract institutional investor interest.

As mentioned in item 1, the asset that has been marketed – albeit on a limited basis – is the public company "shell." It is impossible for management to measure the marketability or value of the shell at this time.

The Company is unaware of any other restrictions on its assets other than the collateral pledge to the Company's lender.

(b) Management sees no restrictions or other considerations that could adversely affect its existing debt. Alternative forms of borrowing, e.g., subordinated debt, factoring, sale-leaseback are either unacceptable to management (additional debt) or unavailable.

There are no restrictions under the Company's current borrowing that restricts the Company from other borrowings in the future. However, there are limited institutions serving the Company's market and most are currently in no position to expand beyond already existing borrowers. The Company receives regular inquiries from institutional lenders; however, terms and structure vary and generally are not as favorable as the Company's current line of credit.

(c) The Company does not incur R&D expenditures. Leases are transacted rather than purchases. The Company maintains tight controls over expenditures (see Accounts Payable balances), even using just-in-time inventory management. The Company has heretofore refused to obtain "flooring" financing for inventory, believing that incurring debt for additional inventory is an unwise practice and has caused many independent dealerships to fail. The Company also recycles its inventory as a means to keep expenditures down.

(d) Access to the equity capital markets is not currently feasible for most micro and sub-micro cap stocks. Management's approach has been to grow through operating capital and borrowing rather than to seek additional equity capital.

3. Other Considerations

While the Company is relatively new, it has managed to continue to grow when many in its market have closed down or reduced their market exposure. Virtually the entire reason behind the losses has been the charge-off of defaulted loans. The Company has taken considerable steps to improve, i.e., reduce defaulted loans, including tighter credit requirements, hiring of more experienced collection staff, and improved IT systems. While management expects to continue to see a challenging market for the sub- and below sub-prime auto finance markets, management believes that it has captured market share (evidenced by double digit year-over-year sales growth from existing stores), improved collections, and created programs that emphasize maintaining contracts rather than simply charging them off. Management believes the effective control of bad debt expense will determine its profitability far more than any other single or combination of actions.

Item 2 - Description of Properties

Our corporate offices at 4240 E. Elwood Street, Phoenix, AZ. are leased and consists of approximately 4,860 sq ft. All administrative staff are located here. The current lease has a $8,000 monthly payment and expires on September 30, 2010.

We currently operate 3 lots all located in the Phoenix area. All the properties are rented. This allows a certain flexibility when local markets change or relocate. A summary of the 3 properties is listed below.

- Ø3301 E Van Buren has a capacity of up to 90 cars. Monthly rents are $3800 and the lease expires on November 30, 2009
- Ø2126 W Main, Mesa, AZ has a capacity of up to 20 cars Monthly rents are $2800 and the lease will renew on December 31, 2009.
- Ø9810 N Cave Creek Rd, Phoenix, AZ has a capacity of up to 30 cars. Monthly rents are $3,057 and lease will renew on April 30, 2010.

Item 3 - Legal Proceedings

In the normal course of business we may become a defendant in various types of litigation. We know of no pending or threatened legal proceedings to which we are or will be a party that, if successful, might result in a material adverse change in our business, properties or financial condition.

Item 4 - Submission of Matters to Vote of Security Holders

No matters were submitted during our fourth quarter of the fiscal year covered by this report to a vote of our shareholders.

Part II

Item 5 - Market for Common Equity, Dividends, Related Stockholder Matters and Small Business issuer Purchases of Equity Securities

Market Information

Our stock first began trading in July of 2004 on the Pink Sheets under the symbol NWAU.PK. As a result of the merger in 2005 (see Item 1), our stock began trading on the OTC Bulletin Board under the symbol NAUG.BB. The reported high and low bid prices listed below are for the common stock reported for NAUG.BB for the periods indicated.

	High	Low
Fiscal 2009		
Fourth Quarter	$ 0.0275	$ 0.004
Third Quarter	$ 0.0275	$ 0.005
Second Quarter	$ 0.012	$ 0.01
First Quarter	$ 0.035	$ 0.03
Fiscal 2008		
Fourth Quarter	$	