

AZZURRA HOLDING CORP
Form 10-K
March 09, 2012

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

FORM 10-K

(Mark One)

☐ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission File Number: 0-25356

AZZURRA HOLDING CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of
Incorporation or Organization)

77-0289371
(IRS Employer Identification Number)

501 WEST BROADWAY, SUITE 800, SAN DIEGO, CALIFORNIA 92101
(619) 795-1134
(Address and Telephone Number of Principal Executive Offices)

Securities registered pursuant to Section 12(b) of the Act:

Securities Registered Pursuant to Section 12(g) of the Act:
COMMON STOCK, \$0.01 PAR VALUE

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ 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.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§

229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☐ No ☒

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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

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.

Large Accelerated Filer	<input type="radio"/>	Accelerated Filer	<input type="radio"/>
Non-Accelerated Filer	<input type="radio"/>	Smaller Reporting Company	<input checked="" type="radio"/>

(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 o

The aggregate market value of voting stock held by non-affiliates of registrant, based upon the closing price of \$0.001 for shares of the registrant's common stock on June 30, 2011, the last business day of the registrant's most recently completed second fiscal quarter as reported in the National Quotation Bureau's "pink sheets.", was approximately \$187.00. In calculating such aggregate market value, shares of Common Stock held by each officer, director and holder of 5% or more of the outstanding Common Stock (including shares with respect to which a holder has the right to acquire beneficial ownership within 60 days) were excluded because such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
Yes x No o

The number of shares of Common Stock outstanding as of March 9, 2012, was 187,000.

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The following information contains forward-looking statements, which involve risks and uncertainties. Forward-looking statements are characterized by words such as "plan," "expect," "believe," "intend," "would," "will" and similar words. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under, "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Certain Risk Factors Affecting Azzurra Holding Corporation," and elsewhere in this Annual Report on Form 10-K.

PART 1

ITEM 1. DESCRIPTION OF BUSINESS

Company Overview

Azzurra Holding Corporation, formerly, Wave Wireless Corporation ("Azzurra", the "Company," "we," "us," "our") was incorporated in 1991 as a Delaware Corporation. Our executive offices are located at 501 West Broadway, Suite 800, San Diego, California 92101, and our telephone number is 619-795-1134.

As a result of the consummation of the bankruptcy of the Company on June 28, 2007, and confirmation of a Joint Plan of Reorganization, and the subsequent sale of our operating businesses, the Company currently has no ongoing operations. The Board has determined to maintain the Company as a public shell corporation, which will seek suitable business combination opportunities. The Board believes that a business combination with an operating company has the potential to create greater value for the Company's stockholders than a liquidation or similar distribution.

During the year ended December 31, 2011, the Company was a non-operating shell company and its business operations were limited to sustaining the public shell.

Employees

As of December 31, 2011, we did not have any full- or part-time employees. Our President and Chief Executive Officer, who also serves as our Chief Financial Officer, works part-time as a consultant to the Company.

ITEM 1A. RISK FACTORS

An investment in our common stock is subject to many risks. You should carefully consider the risks described below, together with all of the other information included in this Annual Report on Form 10-K, including the consolidated financial statements and the related notes, before you decide whether to invest in our common stock. Our business, operating results and financial condition could be harmed by any of the following risks. The trading price of our common stock could decline due to any of these risks, and you could lose all or part of your investment.

THE COMPANY LACKS OPERATIONS AND HAS LOSSES WHICH ARE EXPECTED TO CONTINUE INTO THE FUTURE.

As a result of the sale of substantially all of the Company's operating assets, the Company has no operations from which to derive revenue. The Company's operating history is not a useful measure upon which an evaluation of its future success or failure can be made. The Company's ability to achieve and maintain profitability and positive cash flow is dependent upon its ability to generate revenues, and the ability to raise the capital necessary to acquire an operating entity or engage in a merger or other transaction with an operating entity.

The Company is a “shell” corporation as that is defined under Rule 12b-2. Based upon current plans, the Company expects to incur operating losses in future periods. The Company cannot guarantee that it will be successful in generating revenues in the future.

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IF THE COMPANY DOES NOT SUCCESSFULLY CONSUMMATE A BUSINESS COMBINATION, THE COMPANY WILL REQUIRE ADDITIONAL FUNDS

For the Company to once again engage in operations, it will either need to raise additional funds through public or private debt or sale of equity, or it will need to acquire or enter into a merger transaction with an operating entity. The Company is currently seeking to engage in such a merger with an operating entity, but there is no guarantee that this merger will reach a successful completion. If the merger fails and the Company seeks additional financing, this financing may not be available when needed. Even if this financing is available, it may be on terms that the Company deems unacceptable or materially adverse to its interests with respect to dilution of book value, dividend preference, liquidation preference, or other terms.

THE COMPANY IS NOT AN OPERATING COMPANY AND DOES NOT HAVE ANY SIGNIFICANT CAPITAL.

Because the Company does not have significant capital, it must limit its operations and there is little chance that operations will begin at any time soon, as a result of such limited capital, unless the Company obtains additional funding to acquire an operating entity or enters into a merger transaction with an operating entity.

BECAUSE OWNERSHIP OF MORE THAN 50% OF THE COMPANY'S OUTSTANDING COMMON SHARES ARE HELD BY A FEW SHAREHOLDERS, THESE SHAREHOLDERS WILL BE ABLE TO DECIDE WHO WILL BE OUR DIRECTORS, YOU MAY NOT BE ABLE TO ELECT ANY DIRECTORS.

Over 50% of the Company's outstanding common stock is held by a few shareholders, who therefore control the Company. As a result, unless the Company issues more shares and/or these shareholders sell some of their shares, they will be able to elect all of the Company's directors and control its operations. If the Company does enter into an acquisition or merger transaction, the Company may issue a significant number of shares in connection with that transaction. This could result in a reduction in value to the common stock you own because of the ineffective voting power. The concentration of holdings could adversely affect the value of your shares and prevent the Company from undergoing a change of control in the future.

THE COMPANY HAS NOT PAID DIVIDENDS AND NONE ARE ANTICIPATED.

To date, the Company has paid no cash dividends on its common stock. For the foreseeable future, the Company expects that earnings generated from the Company's operations, if any, will be retained for use in its business and not to pay dividends.

"PENNY STOCK" RULES MAY MAKE BUYING OR SELLING THE COMPANY'S COMMON STOCK DIFFICULT.

Trading in the Company's securities is subject to the "Penny Stock" Rules.

The SEC 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 effecting transactions in our securities, which could severely limit the market price and liquidity of our securities. Broker-dealers who sell penny stocks to certain types of investors are required to comply with the Commission's regulations concerning the transfer of penny stock. These regulations require broker-dealers to:

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- Make a suitability determination prior to selling a penny stock to the purchaser;
- Receive the purchaser's written consent to the transaction; and
- Provide certain written disclosures to the purchaser.

These requirements may restrict the ability of broker-dealers to sell the Company's common stock and may affect your ability to resell our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 2. DESCRIPTION OF PROPERTY

We do not own any real property. The Company's corporate headquarters are located in the offices of our President and Chief Executive Officer, located in San Diego, California. The Company is not obligated under the terms of any lease or agreement with our President and Chief Executive Officer.

ITEM 3. LEGAL PROCEEDINGS

None.

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

None.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS
AND ISSUER PURCHASES OF EQUITY SECURITIES

There is currently no established public trading market for the Company's common stock, which is quoted in the National Quotation Bureau's "pink sheets." The following table sets forth the range of high and low sale prices of our common stock, as quoted in the National Quotation Bureau's "pink sheets". These quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not necessarily represent actual transactions.

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On March 9, 2012, there were five stockholders of record of our common stock.

	PRICE RANGE OF COMMON STOCK	
	HIGH	LOW
Year Ended December 31, 2011:		
First Quarter	\$ 0.001	\$ 0.001
Second Quarter	0.001	0.001
Third Quarter	0.001	0.001
Fourth Quarter	0.001	0.001
Year Ended December 31, 2010:		
First Quarter	\$ 0.001	\$ 0.001
Second Quarter	0.001	0.001
Third Quarter	0.001	0.001
Fourth Quarter	0.001	0.001

DIVIDENDS

To date, we have not paid any cash dividends on shares of our common stock. We do not anticipate that funds will be legally available to make the required dividend payments in the foreseeable future, and such obligations therefore will accrue in arrears until such time as we have legally available funds to make the required distributions.

EQUITY COMPENSATION PLANS

The Company does not currently have any equity compensation plans for which equity securities are authorized to be issued.

ITEM 6. SELECTED FINANCIAL DATA

Not Applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations contains forward-looking statements, which involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth under "Certain Factors Affecting the Company" beginning on Page 1 of this Annual Report on Form 10-K, and other documents filed by us with the Securities and Exchange Commission.

See also the Notes to the Consolidated Financial Statements in the accompanying financial statements.

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RESULTS OF OPERATIONS

Sales

During the year ended December 31, 2011 and 2010, the Company had no sales, and no sales are anticipated to occur until such time as the Company merges with or acquires an operating company, or otherwise commences operations.

General and Administrative

During the year ended December 31, 2011 and the year ended December 31, 2010, general and administrative expenses were approximately \$32,000 and \$28,000, respectively. General and administrative expenses during the periods reported consist principally of auditing, and related costs associated with the preparation and review of the Company's consolidated financial statements, filing fees and expenses (including XBRL), and reimbursement of costs and expenses relating to franchise and related taxes, among other costs and expenses.

Other Income and Expense

During the years ended December 31, 2011 and 2010, other income and expense represented \$1,000 in interest expense for the 2011 period and income of \$7,000 for the 2010 period. During 2011, other expense consisted of interest expense on stockholder loans. During the 2011 period other income consisted of refunds of franchise tax and other fees.

Net Loss

During the year ended December 31, 2011, the Company had net losses of \$33,000 as compared to net losses of \$21,000 during the year ended December 31, 2010. The increase in net loss during the 2011 period is primarily related to increased general and administrative costs and expenses, due to, among other things, higher costs for filing fees associated with the Company's requirement to file its financial statements in XBRL. In 2010 the Company received \$7,000 related to a refund of franchise tax and other fees.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2011, the Company had cash of approximately \$1,000, compared to approximately \$2,000 in cash at December 31, 2010. During the twelve month period ended December 31, 2011, overall cash decreased by approximately \$1,000, primarily due to the receipt of \$27,500 from the issuance of the notes to principle investors (see note 4 in notes to consolidated financial statements) offset by payment of general and administrative expenses.

The Company currently has no operations and intends to locate and combine with an existing, privately-held company that is profitable or which, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company, which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprises becoming a publicly-held corporation.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. To continue as a going concern, pending consummation of a transaction, the Company intends to either seek additional equity or debt financing. No assurances can be given that such equity or debt financing will be available to the Company nor can there be any assurance that a combination transaction will be consummated. Should the Company

need to incur any significant liabilities prior to a combination transaction, including those associated with the current minimal level of general and administrative expenses, it may not be able to satisfy those liabilities in the event it was unable to obtain additional equity or debt financing.

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ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not Applicable.

ITEM 8. FINANCIAL STATEMENTS

The information required hereunder in this Annual Report on Form 10-K is set forth in the financial statements and the notes thereto.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A(T). CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended. The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America. Prior to the filing of this report, the Company's management assessed the effectiveness of our internal control over financial reporting. Based upon this assessment, management concluded that the Company's controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports filed by it under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive Officer and the Chief Financial Officer of the Company, as appropriate to allow timely decisions regarding required disclosure.

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

Changes in Internal Control Over Financial Reporting

The Company's Chief Executive Officer and Chief Financial Officer has determined that there have been no changes in the Company's internal control over financial reporting during the period covered by this Report identified in connection with the evaluation described in the above paragraph that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The Company's sole executive officer and director as of December 31, 2011 is Daniel W. Rumsey, age 50. Mr. Rumsey is currently the Company's President, Chief Executive Officer, Chief Financial Officer, and Chairman of the Board of Directors. Mr. Rumsey was appointed Chief Restructuring Officer on March 10, 2005, and to the Board of Directors on May 13, 2005. Mr. Rumsey resigned from his position as Chief Restructuring Officer and was reappointed in October 2006 upon the filing of the Bankruptcy Petition. Prior to his appointment as Chief Restructuring Officer in March 2005, he served as the Company's Vice President, Chief Financial Officer and General Counsel. Mr. Rumsey currently is the President and Founder of SEC Connect, LLC, an EDGAR filing agent, and is Managing Partner of the Disclosure Law Group. He also serves as a director of Bazi International, Inc. Mr. Rumsey received his J.D. from the University of Denver College of Law in 1985, and his B.S. from the University of Denver in 1983.

BOARD COMMITTEES AND MEETINGS

The Company currently does not have any committees of the Board of Directors.

CODE OF ETHICS

The Company has adopted a Code of Ethics that applies to the Company's Chief Executive Officer and Chief Financial Officer, or persons performing similar functions. The Company will provide to the public, free of charge, a copy of the code of ethics upon request in writing to the Company's Chief Executive Officer at Azzurra Holding Corporation at 501 West Broadway, Suite 800, San Diego, California 92101.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who beneficially own more than 10% of the Common Stock, to file with the SEC initial reports of beneficial ownership ("Form 3") and reports of changes in beneficial ownership of Common Stock and other equity securities of the Company ("Form 4"). Officers, directors and greater than 10% stockholders of the Company are required by SEC rules to furnish to the Company copies of all Section 16(a) reports that they file. To the Company's knowledge, based solely on a review of the copies of such reports furnished to the Company and written representations that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with for fiscal 2011.

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ITEM 11. EXECUTIVE COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth certain information about the compensation paid or accrued during the fiscal year converted by this Annual Report to our Chief Executive Officer and our Chief Financial Officer.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	All Other Compensation (\$)	Total (\$)
Daniel W. Rumsey	2011	-	-	6,209(1)	6,209(1)
Chief Executive Officer and Chief Financial Officer	2010	-	-	13,731(2)	13,731(2)

(1) During 2011 Mr. Rumsey was reimbursed \$5,000 for payment of administrative and other expenses on behalf of the Company, and an additional \$1,209 for reimbursement of franchise and related taxes paid to the States of Delaware and California, necessary to maintain the Company in good standing.

(2) With the exception of one month during 2010, during which Mr. Rumsey was reimbursed \$500 per month, the Company reimbursed Mr. Rumsey \$1,000 per month during 2010 for out of pocket and other expenses incurred in maintaining the Company. In addition, the Company reimbursed Mr. Rumsey for an additional \$1,731 for reimbursement of franchise and related taxes paid to the States of Delaware and California, necessary to maintain the Company in good standing.

DIRECTOR COMPENSATION

No compensation was paid to any directors for their service on the Company's Board of Directors during 2011.

EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT ARRANGEMENTS AND CHANGE OF CONTROL AGREEMENTS

None.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Under the terms and conditions of the Joint Plan, as confirmed by the Court, holders of our equity interests, including common stock and preferred stock, as of the effective date of the Joint Plan, June 28, 2007, have terminated. The following table presents information concerning the beneficial ownership of all shares of common stock of the Company issued in connection with the Joint Plan, as of December 1, 2007. The Company has no other shareholders at December 31, 2011.

Beneficial ownership is determined under the rules of the Securities and Exchange Commission and generally includes voting or investment power over securities. Except in cases where community property laws apply or as indicated in the footnotes to this table, the Company believes that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as being beneficially owned by that stockholder. The percentage of beneficial ownership is based on 187,000 shares of common stock outstanding as of December 31, 2011.

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Name and Address of Beneficial Owner	Common Stock	Percentage of Shares Outstanding
SDS Capital Group SPC, Ltd. 113 Church Street P.O. Box 134GT Grand Canyon, Cayman Islands	80,000	43%
JTA Resources LLC * c/o Jason T. Adelman 30 E. 72nd Street, 5th Floor New York, NY 10021	80,000	42%
Smithfield Fiduciary LLC c/o Highbridge Capital Management 1350 Avenue of the Americas 33rd Floor New York, NY 10019	10,000	5%
Daniel W. Rumsey 501 West Broadway, Suite 800 San Diego, CA 92101	17,000	9%

* JTA Resources LLC claims beneficial ownership of shares owned by CGA Resources LLC, which owns of record 10,000 shares of common stock. JTA and CGA may be considered a control group for purposes of calculating beneficial ownership, due to the relationship between the principals of each respective entity.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

During the year ended December 31, 2011, we contracted with SEC Connect, whose principal is the Company's Chief Executive Officer, to provide the Company with EDGAR filing services. For the year ended December 31, 2011, we paid SEC Connect \$9,500 in fees, which amount includes fees paid to comply with the requirement that the Company file its financial statements with the Securities and Exchange Commission in XBRL. We believe the terms of this agreement are no less favorable to us than we could have obtained from an unaffiliated party.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

AUDIT FEES

Cherry, Bekaert & Holland, L.L.P. ("Cherry Bekaert") has been retained by the Audit Committee as the independent registered public accounting firm to audit our financial statements for the fiscal year ending December 31, 2011. The aggregate fees Cherry Bekaert billed us in 2011 and 2010 for audit services, including for review of our interim financial statements was \$9,800 in each of the two fiscal years.

TAX FEES

The Company engaged Cherry Bekaert for preparation of the Company's 2010 Federal and state tax returns, prepared in 2011, and the Company's 2009 Federal and state tax returns prepared in 2010. The aggregate fees Cherry Bekaert billed us in 2011 for tax services was \$2,000 as compared to \$3,000 in 2010. Cherry Bekaert did not perform any other non-audit related services in 2011 or 2010.

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AUDIT COMMITTEE PRE-APPROVAL POLICIES

The Audit Committee has adopted an Audit Committee Charter, which sets forth the procedures and policies pursuant to which services to be performed by the independent auditor are to be pre-approved. Under the Charter, proposed services either may be pre-approved by agreeing to a framework with descriptions of allowable services with the Audit Committee ("general pre-approval"), or require the specific pre-approval of the Audit Committee. Unless a type of service has received general pre-approval, it requires specific pre-approval by the Audit Committee if it is to be provided by the independent registered public accounting firm.

The Audit Committee will annually review and pre-approve the services that may be provided by the independent auditor that are subject to general pre-approval. Under the Charter, the Audit Committee may delegate pre-approval authority one or more designated members of the Audit Committee the authority to pre-approve audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next meeting.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

We have listed the exhibits filed as part of this Annual Report on Form 10-K in the accompanying exhibit index, which follows the signature page to this Annual Report. The exhibits marked with an asterisk (*) are included with and filed as part of this Annual Report on Form 10-K.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors
Azzurra Holding Corporation

We have audited the accompanying consolidated balance sheets of Azzurra Holding Corporation and subsidiary (the “Company”) as of December 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Azzurra Holding Corporation and subsidiary as of December 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the years then ended in conformity with accounting principles generally accepted in the United States of America.

As more fully discussed in Note 3, during 2007 the Company discontinued its remaining operations. As a result, the Company is exploring opportunities to effect an acquisition of the Company by merger, exchange or issuance of securities. The discontinuance of all the Company's remaining operations in 2007 raises substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Cherry, Bekaert & Holland, L.L.P.

Tampa, Florida
March 9, 2012

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AZZURRA HOLDING CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2011	December 31, 2010
ASSETS		
Current assets:		
Cash	\$ 1	\$ 2
Total current assets and total assets	\$ 1	\$ 2
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Notes payable	28	-
Accounts payable and accrued expenses	\$ 5	\$ 1
Total current liabilities and total liabilities	33	1
Stockholders' equity (deficit):		
Common stock, par value \$0.01 per share; 250 shares authorized; and 187 shares issued and outstanding	1	1
Additional paid-in capital	554	554
Accumulated deficit	(587)	(554)
Total stockholders' equity (deficit)	(32)	1
Total liabilities and stockholders' equity (deficit)	\$ 1	\$ 2

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

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AZZURRA HOLDING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31, 2011	Year Ended December 31, 2010
Sales	\$ -	\$ -
Cost of sales	-	-
Gross profit (loss)	-	-
OPERATING EXPENSES:		
General and administrative	32	28
Total operating expenses	32	28
LOSS FROM OPERATIONS:	(32)	(28)
OTHER INCOME (EXPENSE), NET:	(1)	7
Net loss	\$ (33)	\$ (21)
Basic and diluted loss per common share	\$ (0.18)	\$ (0.12)
Shares used in basic and diluted per share computation	187	179

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

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AZZURRA HOLDING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010
(In thousands)

	Common Shares	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2009	170	1	554	(533)	22
Common Stock for services	17	-	-	-	-
Net loss	-	-	-	(21)	(21)
Balance at December 31, 2010	187 \$	1 \$	554 \$	(554) \$	1
Net loss	-	-	-	(33)	(33)
Balance at December 31, 2011	187 \$	1 \$	554 \$	(587) \$	(32)

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

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AZZURRA HOLDING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31, 2011	Year Ended December 31, 2010
Cash flows from operating activities:		
Net loss	\$ (33)	\$ (21)
Changes in operating assets and liabilities:		
Current liabilities	4	(3)
Net cash used in operating activities	(29)	(24)
Cash flows from financing activities:		
Proceeds from shareholder loans	28	-
Net cash provided by financing activities	28	-
Net increase (decrease) in cash and cash equivalents	(1)	(24)
Cash and cash equivalents at beginning of the period	2	26
Cash and cash equivalents at end of the period	\$ 1	\$ 2

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

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AZZURRA HOLDING CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BACKGROUND AND ORGANIZATION

Azzurra Holding Corporation, formerly known as Wave Wireless Corporation (“Wave”), is a Delaware corporation. Wave became Azzurra Holding Corporation (the “Company”) subsequent to the consummation of the transactions contemplated by the Joint Plan of Reorganization, as amended, of Wave, pursuant to Chapter 11 of Title 11 of the United States Code, on June 28, 2007.

The Company currently has no ongoing operations. The Board of Directors has determined to maintain the Company as a public shell corporation, which will seek suitable business combination opportunities. The Board believes that a business combination with an operating company has the potential to create greater value for the Company’s stockholders than a liquidation or similar distribution

2. BASIS OF PRESENTATION SIGNIFICANT ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Accounting Estimates

In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expense during the reporting period. Actual results could differ from those estimates.

Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All significant inter-company accounts and transactions have been eliminated.

Income Tax

Deferred income tax assets and liabilities are computed annually for differences between the financial statement and federal income tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Management has evaluated all the tax positions that could have a significant effect on the consolidated financial statements in accordance with the standard and determined that the Company had no uncertain income tax positions which would require adjustment or disclosure as of December 31, 2011 and 2010.

Net Loss per Share

Basic and diluted loss per common share are computed by dividing the net loss by the weighted average common shares outstanding. No options or warrants were outstanding for any period.

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Recent Accounting Pronouncements

There have been no recent accounting pronouncements which would have any impact on the Company.

3. GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern.

The Company currently has no operations and intends to locate and combine with an existing, privately-held company that is profitable or which, in management's view, has growth potential, irrespective of the industry in which it is engaged. However, the Company does not intend to combine with a private company, which may be deemed to be an investment company subject to the Investment Company Act of 1940. A combination may be structured as a merger, consolidation, exchange of the Company's common stock for stock or assets or any other form which will result in the combined enterprise's becoming a publicly-held corporation.

Pending negotiation and consummation of a combination, the Company anticipates that it will have, aside from carrying on its search for a combination partner, no business activities, and, thus, will have no source of revenue. To continue as a going concern, pending consummation of a transaction, the Company intends to either seek additional equity or debt financing. No assurances can be given that such equity or debt financing will be available to the Company nor can there be any assurance that a combination transaction will be consummated. Should the Company need to incur any significant liabilities prior to a combination transaction, including those associated with the current minimal level of general and administrative expenses, it may not be able to satisfy those liabilities in the event it was unable to obtain additional equity or debt financing.

4. NOTES PAYABLE

On March 25 and March 31, 2012, the Company issued two promissory notes in the principal amount of \$12,500 and \$15,000, respectively, to two principal investors (the "Notes"). The Notes are payable on demand, and accrue interest at the rate of 7% annually.

5. STOCKHOLDERS' EQUITY

At December 31, 2011, the authorized shares of Azzurra Holding Corporation consist of 250,000 shares of common stock, \$0.01 par value and 187,000 shares were issued and outstanding.

6. INCOME TAXES

Deferred tax assets consist of the following (in thousands):

	December 31,	
	2011	2010
Net operating loss carry-forwards	\$ 134,991	\$ 134,937
Credit carry-forwards	3,209	3,626
Reserves and other	84	83
Total deferred tax assets	\$ 138,284	\$ 138,646
Valuation allowance	(138,284)	(138,646)
Net deferred tax asset	\$ -	\$ -

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The Federal net operating loss carryforward for tax purposes and state net operating loss carryforward for tax purposes is approximately \$362.8 million and \$147.4 million, respectively, at December 31, 2011, which begin to expire in 2012. The Company's ability to utilize these carryforwards may be severely limited or lost pursuant to Section 382 of the Internal Revenue Code as a result of the change in control of the Company under the Joint Plan confirmed by the Court on June 14, 2007. Other limitations may apply as well. The Company has made no determination as to what these limitations may be.

Deferred income taxes reflect the tax consequences on future years of differences between the tax bases of assets and liabilities and their bases for financial reporting purposes. In addition, future tax benefits, such as net operating loss carry-forwards, are recognized to the extent that realization of such benefits is more likely than not. The Company has assessed its ability to realize future tax benefits, and concluded that as a result of the history of losses, it was more likely than not, that such benefits would not be realized. Accordingly, the Company has recorded a full valuation allowance against future tax benefits.

Reconciliation of the statutory Federal income tax rate to its effective tax rate is as follows:

	December 31,	
	2011	2010
Income tax benefit at federal statutory rate	35.0%	35.0%
State income taxes net of federal benefit	5.8%	5.8%
Expiring credits and other	128.7%	503.7%
Change in valuation allowance	(169.5)%	(544.5)%
Total	0%	0.0%

The federal income tax returns of the Company for 2009, 2010 and 2011 are subject to examination by the Internal Revenue Service, generally for the three years after they were filed.

7. RELATED PARTY TRANSACTION

During the year ended December 31, 2011, we contracted with SEC Connect, whose principal is the Company's Chief Executive Officer, to provide the Company with EDGAR filing services. For the year ended December 31, 2011, we paid SEC Connect \$9,500 in fees, which amount includes fees paid to comply with the requirement that the Company file its financial statements with the Securities and Exchange Commission in XBRL. We believe the terms of this agreement are no less favorable to us than we could have obtained from an unaffiliated party.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

AZZURRA HOLDING CORPORATION

Date: March 9, 2012

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

INDEX OF EXHIBITS

31.1	Rule 13a-14(a)/15d-14(a) Certification
31.2	Rule 13a-14(a)/15d-14(a) Certification
32.1	Section 1350 Certification
32.2	Section 1350 Certification
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase

*Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.