

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

AMERICAN CAPITAL HOLDINGS INC

Form 10QSB

January 15, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10-QSB

☒ ANNUAL REPORT UNDER OR OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2007

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-50776

AMERICAN CAPITAL HOLDINGS, INC.

(Exact name of small business issuer as specified in its charter)

Florida

65-0895564

(State or other jurisdiction of
incorporation or organization)

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

1016 CLEMMONS STREET, SUITE 302
JUPITER, FLORIDA 33477

(Address of principal executive offices)

(561) 745-6789

(Issuer's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by
Section 13 or 15(d) of the 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 is a shell company (as defined in
Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 30, 2007 the issuer had 21,110,680 shares of common stock,
\$.0001 Par Value, outstanding.

Transitional Small Business Disclosure format: Yes ☐ No ☒

AMERICAN CAPITAL HOLDINGS, Inc.

Form 10-QSB

NOVEMBER 30, 2007

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

INDEX

PAGE NO.

PART I FINANCIAL INFORMATION

ITEM 1	FINANCIAL STATEMENTS	
	Independent Accountants' Report	3
	Consolidated Balance Sheets: November 30, 2007 and May 31, 2007 (Unaudited)	4
	Consolidated Statements of Operations: Six Months Ended November 30, 2007 and 2006	5
	Consolidated Statements of Operations: Three Months Ended November 30, 2007 and 2006	6
	Consolidated Statement of Changes in Shareholders' Equity: from May 31, 2005 Through November 30, 2007	7
	Consolidated Statements of Cash Flows: for the Six Months Ended November 30, 2007 and 2006	8
	Notes to Consolidated Financial Statements	10
ITEM 2	Management's Discussion and Analysis or Plan of Operation	19
ITEM 3	Controls and Procedures	22

PART II OTHER INFORMATION

ITEM 1	Legal Proceedings	23
ITEM 2	Unregistered Sales Of Equity Securities and Use Of Proceeds	23
ITEM 3	Defaults Upon Senior Securities	23
ITEM 4	Submission Of Matters to a Vote Of Security Holders.	23
ITEM 5	Other Information	23
ITEM 6	Exhibits	23
SIGNATURES AND CERTIFICATIONS		24
Exhibit 31.1	Certification required under Section 302 of the Sarbanes-Oxley Act of 2002 by the CEO	25
Exhibit 31.2	Certification required under Section 302 of the Sarbanes-Oxley Act of 2002 by the CFO	26
Exhibit 32	Certification of CEO and CFO Pursuant to Section 906 of the Sarbanes-Oxley Act	27

2

Wieseneck, Andres & Company, P.A.
Certified Public Accountants
772 U. S. Highway 1, Suite 100
North Palm Beach, Florida 33408
(561) 626-0400

Thomas B. Andres, C.P.A.*, C.V.A.

FAX (561) 626-3453

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Paul M. Wieseneck, C.P.A.

*Regulated by the State of Florida

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
American Capital Holdings, Inc.
Jupiter, Florida

We have reviewed the accompanying consolidated balance sheet of American Capital Holdings, Inc. as of November 30, 2007 and May 31, 2007 and the related consolidated statements of operations for the six-month periods ended November 30, 2007 and 2006, the consolidated statement of cash flows for the six-month period ending November 30, 2007 and the consolidated statement of changes in shareholders' equity from May 31, 2005 through November 30, 2007. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the U.S. generally accepted auditing standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/Wieseneck, Andres & Company, P.A.

North Palm Beach, Florida
January 14, 2008

3

AMERICAN CAPITAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS

	NOVEMBER 30, 2007	MAY 31, 2007
	-----	-----
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 251	\$ 283
Notes Receivable	147,902	155,785
Loans Receivable Related Parties	48,169	82,989
Prepaid Expenses	28,540	48,979
	-----	-----

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Total Current Assets	224,862	288,036
	-----	-----
Property and Equipment, net	20,379	25,580
	-----	-----
Other Assets		
Marketable Securities	1,101,590	806,029
Intangible Assets, net	8,938	8,938
Insurance Licenses	19,600	19,600
	-----	-----
Total Other Assets	1,130,128	834,567
	-----	-----
TOTAL ASSETS	\$ 1,375,369	\$ 1,148,183
	=====	=====

LIABILITIES & STOCKHOLDERS' EQUITY

Liabilities		
Current Liabilities		
Accounts Payable	\$ 346,358	\$ 277,164
Accrued Expenses	387,106	320,526
Loans Payable-Shareholders	344,546	367,196
Notes Payable	325,450	325,450
	-----	-----
Total Current Liabilities	1,403,460	1,290,336
	-----	-----
Total Liabilities	1,403,460	1,290,336
	-----	-----
Stockholders' Equity		
Common Stock \$.0001 par value, 100 million		
shares authorized, 23,110,680 with		
800,000 unissued and 21,110,680 with		
800,000 unissued	2,391	2,191
Paid-in-Capital	17,565,963	17,546,163
Retained Deficit	(17,332,767)	(17,690,507)
Accumulated Comprehensive Loss	(263,678)	-
	-----	-----
Total Stockholders' Equity	(28,091)	(142,153)
	-----	-----
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$ 1,375,369	\$ 1,148,183
	=====	=====

See accompanying summary of accounting policies, notes to financials to financial statements and independent accountants' review report.

4

AMERICAN CAPITAL HOLDINGS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2007 AND 2006

	NOVEMBER 30, 2007	NOVEMBER 30, 2006
	-----	-----
Revenues		
Net Sales	\$ -	\$ -
Cost of Sales	(5,200)	(5,200)
	-----	-----
Gross Profit	(5,200)	(5,200)
	-----	-----
Operating Expenses		
General and Administrative	134,385	252,422
reimbursed expenses	(513,966)	(217,793)
	-----	-----

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Total Operating Expenses	(379,581)	34,629
Income/(Loss) from Operations	374,381	(39,828)
Other Income (Expense)		
Interest Income	4,025	5,668
Interest Expense	(20,666)	(32,399)
Net Other Expenses	(16,641)	(26,731)
Net Income/(Loss) Before Other Comprehensive Losses	357,740	(66,559)
Other Comprehensive Income / (Loss)		
Unrealized Holding Loss During Period	(263,678)	-
Total Comprehensive Loss	(263,678)	-
Net Income / (Loss)	\$ 94,062	\$ (66,559)
Basic and Diluted Net Loss Per Common Share	\$.004	\$ (.003)
Weighted Average Shares Outstanding	21,438,549	20,202,287

See accompanying summary of accounting policies, notes to financial statements and independent accountants' review report.

5

AMERICAN CAPITAL HOLDINGS, INC. CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2007 AND 2006

	NOVEMBER 30, 2007	NOVEMBER 30, 2006
Revenues		
Net Sales	\$ -	\$ -
Cost of Sales	(2,600)	(2,600)
Gross Profit	(2,600)	(2,600)
Operating Expenses		
General and Administrative	48,718	93,637
reimbursed expenses	(85,000)	(85,150)
Total Operating Expenses	(36,282)	8,487
Income/(Loss) from Operations	33,682	(11,087)

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Other Income (Expense)		
Interest Income	2,012	2,014
Interest Expense	(9,663)	(10,493)
	-----	-----
Net Other Expenses	(7,651)	(8,480)
	-----	-----
Net Income/(Loss) Before Other Comprehensive Losses	26,031	(19,566)
Other Comprehensive Income / (Loss)		
Unrealized Holding Loss During Period	(263,678)	-
	-----	-----
Total Comprehensive Loss	(263,678)	-
	-----	-----
Net Income / (Loss)	\$ (237,647)	\$ (19,566)
	=====	=====
Basic and Diluted Net Loss Per Common Share	\$ (.011)	\$ (.001)
	=====	=====
Weighted Average Shares Outstanding	21,770,021	21,110,680
	=====	=====

See accompanying summary of accounting policies, notes to financial statements and independent accountants' review report.

6

AMERICAN CAPITAL HOLDINGS, INC. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FROM JUNE 1, 2005 THROUGH NOVEMBER 30, 2007

	Number of Shares Issued	At Par Value \$.0001	Add'l Paid in Capital	Retained Deficit	Accum. other Comprehen- sive Inc.	Total Stockholder Equity
	-----	-----	-----	-----	-----	-----
Bal 5/31/05	17,398,903	\$1,870	\$16,581,195	\$(15,378,157)	\$(152,718)	\$1,052,190
Sale of Common Stock	143,750	14	259,986	-	-	260,000
Conversion of debt and accrued interest to equity	590,027	59	632,468	-	-	632,527
Issuance of 500,000 Shares previously recorded as unissued	500,000	-	-	-	-	-
Sale of Common Stock	26,000	3	46,997	-	-	47,000
Warrants Issued and Exercised, payment for Accrued Interest						

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Payable	250,000	25	2,475	-	-	2,500
Adjustment to Prior Years Unrealized Holding Loss	-	-	-	-	152,718	152,718
Dividends Paid	-	-	-	(621,327)	-	(621,327)
Net Loss	-	-	-	(1,764,119)	-	(1,764,119)
Bal 05/31/06	18,908,680	1,971	17,523,121	(17,763,603)	0	(238,511)
Stock issued	2,202,000	220	23,042	0	0	23,262
Net Income	0	0	0	73,096	0	73,096
Bal. 5/31/07	21,110,680	2,191	17,546,163	(17,690,507)	0	(142,153)
Stock issued	2,000,000	200	19,800	0	0	20,000
Accumulated other Comprehensive loss	-	-	-	-	(263,678)	(263,678)
Net Income	0	0	0	357,740	0	357,740
Bal 11/30/07	23,110,680	\$2,391	\$17,565,963	\$(17,332,767)	\$(263,678)	\$(28,091)

Read the accompanying summary of accounting policies and notes to financial statements.

7

AMERICAN CAPITAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 2007 AND 2006

	NOVEMBER 30, 2007	NOVEMBER 30, 2006
Cash Flows from Operating Activities		
Cash refunded from suppliers	\$ 4,398	\$ 0
Cash paid to suppliers of goods and services	(501)	(174,143)
Interest Paid	0	(12,740)
Interest Received	2	66
Net Cash Flows Used in Operating Activities	(3,899)	(186,817)
Cash Flows from Investing Activities		
Purchase of Equipment	0	0
Return of Investment Deposit	0	0
Net Cash Flows Provided By (Used In) Investing Activities	0	0
Cash Flows from Financing Activities		
Loans from Related Companies	100	252,800
Repayment of Loans from Related Companies	(4,031)	(99,419)
Payment for Debtor in Possession financing	0	0
Proceeds from Sale of Stock	0	29,300
Purchase of Notes Receivable	0	0
Payments on Notes Payable	0	0

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Net Cash Flows Provided By Financing Activities	(3,931)	(182,681)
Net Increase / (Decrease) in Cash	(32)	(4,136)
Cash and Cash Equivalents at Beginning of Period, June 1, 2007 and 2006	283	5,287
Cash and Cash Equivalents at End of Period, November 30, 2007 and 2006	\$ 251	\$ 1,151
	=====	=====

See accompanying summary of accounting policies, notes to financial statements and independent accountants' review report.

8

AMERICAN CAPITAL HOLDINGS, INC. CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2007 AND 2006

Reconciliation of Net Loss to Net Cash Flows Used in Operating Activities

	NOVEMBER 30, 2007	NOVEMBER 30, 2006
	-----	-----
Net Income (Loss)	\$ 94,062	\$ (66,559)
Add Non-Cash Items:		
Decrease in Notes Receivable	7,883	-
Decrease in Notes Receivable Related Co.	34,820	-
Depreciation	5,200	5,200
Uncomprehensive Holding Loss	263,678	-
Cash was increased by:		
Increase in Accrued Expenses	66,580	75,258
Increase in Account Payable	69,194	53,726
Decrease in Prepaid Expenses	20,439	-
Cash was decreased by:		
Decrease in Accounts Payable	-	-
Increase in Prepaid Expenses	-	(43,834)
Trading Securities received for services	(557,957)	(210,608)
Net Cash Flows Used in Operating Activities	\$ 3,899	\$ (186,817)
	=====	=====

See accompanying summary of accounting policies, notes to financial statements and independent accountants' review report.

9

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

NOTE A - DESCRIPTION OF BUSINESS

American Capital Holdings, Inc. (American Capital Holdings) is a Florida Corporation whose primary business consists of insurance and proprietary financial products designed to utilize tax incentives, and mitigate the impact of balance sheet liabilities. The Company's main office is located at 1016 Clemmons Street, Suite 302, Jupiter, Florida 33477, and the telephone number is (561) 745-6789.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation, Use of Estimates

The Company maintains its accounts on the accrual basis of accounting. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue and dividends from investments are recognized at the time the investment dividends are declared payable by the underlying investment. Capital gains and losses are recorded on the date of sale of the investment.

Cash

Cash consists of deposits in banks and other financial institutions having original maturities of less than ninety days.

Allowance for Doubtful Accounts

It is the policy of management to review the outstanding accounts receivable at year end, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts for uncollectible amounts.

Depreciation

Property and equipment are recorded at cost and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method.

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Amortization

The accounting for a recognized intangible asset acquired after June 30, 2001 is based on its useful life to the Company. If an intangible asset has a finite life, but the precise length of that life is not known, that intangible asset shall be amortized over management's best estimate of its useful life. An intangible asset with a indefinite useful life is not amortized. The useful life to an entity is the period over which the asset is expected to contribute directly or indirectly to the future cash flows of that entity.

Investments

Investments are stated at the lower of cost or market value.

10

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

NOTE C - BUSINESS COMBINATION

The company acquired the net assets of I.S. Direct New York, an unrelated company, through a reverse merger with its wholly owned subsidiary of I.S. Direct Agency, Inc. The acquisition was accounted for as a business combination in accordance with SFAS 141, paragraphs nine through twelve. I.S. Direct, Inc. issued its shares of American Capital common stock it received in the exchange of its stock at its inception with American Capital for the net assets of I.S. Direct New York. The assets acquired by I.S. Direct, Inc., a wholly owned subsidiary, include life and health insurance licenses to operate in all fifty states, \$980,000 and website and software costs for \$20,000. The two assets of I.S. Direct are included in the Consolidated Balance Sheet of American Capital Holdings, Inc. All intercompany transactions have been eliminated at consolidation. The licenses and software costs have been written down to their estimated fair value of \$19,600 at May 31, 2007.

NOTE D - NOTES RECEIVABLE

Notes Receivable at November 30, 2007 and May 31, 2006 consist of the following:

	Nov. 30 07	May 31 07
	-----	-----
8% non-collateralized notes due on demand.		
Interest is payable quarterly. Included in the balance		
is \$37,902 and 33,879 of accrued interest receivable.	\$ 147,902	\$ 143,879
 Nine 8% promissory notes purchased from holders of notes		
with Air Media Now, Inc. By mutual agreement of both		
parties, these notes are not accruing interest.	0	11,906
	-----	-----
Total Notes Receivable	\$ 147,902	\$ 155,785
	=====	=====

All the notes receivable have been determined to be collectable and therefore, management has not established an allowance for doubtful accounts.

NOTE E - LOANS RECEIVABLE RELATED PARTIES

The loans receivable from related corporate entities are non-collateralized, non-interest bearing and are due on demand. During the six months ending November 30, 2007, eCom, a related party, repaid American Capital \$363,762 by issuing 121,254,133 shares of common stock. On November 29, 2004, eCom

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

was adjudicated as a Chapter 11 Debtor in the involuntary bankruptcy proceedings of the United States Bankruptcy Court - Southern District of Florida (In Re: Case No. 04-34535 BKC-SHF). Pending bankruptcy court order of eCom's Final Order, which is expected in due course, there should not be a material affect on the financial condition of American Capital.

11

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

NOTE E - LOANS RECEIVABLE RELATED PARTIES - CONTINUED

The loans due American Capital as of November 30, 2007 and May 31, 2007 are as follows:

	November 30, 2007	May 31, 2007
	-----	-----
eCom eCom.com Inc.	0	0
AmEnviro, Inc.	43,098	43,098
USA Performance Products	3,862	3,862
A Super Deal.com	0	5,960
Swap and Shop.net	0	2,920
A Classified Ad	0	5,390
Diamond Energy	0	6,280
Green Energy Group	0	0
CRT Holdings, Inc. (FL)	0	5,160
eSecureSoft Company	0	0
American Environmental, Inc.	0	9,110
Other	1,209	1,209
	-----	-----
Total	\$ 48,169	\$ 82,989
	=====	=====

NOTE F - INVESTMENTS

Available-for-Sale Securities:

eCom eCom.com, Inc. is a Florida Corporation and trades on the OTC/PINK:ECEC. eCom was the former parent of USA SportsNet Company. As of November 30, 2007 American Capital Holdings, Inc., owns 145,049,370 common shares of eCom. The Company's investment amounts to 68.8% of the outstanding shares of eCom.

In the year ending May 31, 2006, by mutual agreement, the Company's entire investment of marketable securities in eCom eCom.com, Inc was transferred to a note holder reducing the note payable to zero. The original cost basis for these marketable securities was \$254,869. Through May 31, 2005, a net unrealized holding loss in the amount of \$152,718 had been recognized. As a result of the transfer, an unrealized holding gain of the amount of \$152,718, which eliminated the Accumulated Comprehensive Loss, and a loss on the disposition of marketable securities in the amount of \$20,339 was recognized in the Consolidated Statement of Operations at May 31, 2006. Also as a result of the transfer, the following balance sheet account was adjusted; the company's remaining investment in eCom eCom, \$102,151 was written down to zero.

Shares issued to American Capital Holdings during the six months ended November 30, 2007 for services rendered are as follows:

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

12

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

NOTE F - INVESTMENTS - CONTINUED

Company name	Shares issued during the six months end. Nov. 30, 2007	Total Shares held on Nov. 30, 2007	Cost of Shares held on Nov. 30, 07
-----	-----	-----	-----
eSecureSoft Company	2,125,000	10,992,064	\$ 109,921
USAS Digital	2,641,000	13,755,997	137,560
Green Energy Group	0	3,786,626	37,866
AAB National	2,753,000	10,649,090	106,491
A Classified Ad	2,664,000	10,758,054	107,581
Core Medical Group	2,417,000	10,506,192	105,062
A Super Deal	2,721,000	11,325,920	113,259
MyZipSoft	3,036,000	9,375,058	93,751
eCom eCom.com	121,254,133	145,049,370	541,872
-----	-----	-----	-----
Marketable Securities	139,611,133	226,198,371	\$ 1,353,363

Air Media Now!, Inc. is a Florida Corporation and trades on the OTC/PINK:AMNW. As of November 30, 2007 American Capital Holdings, Inc., owns 83,701,374 common shares of Air Media Now. The Company's investment amounts to 55.1% of the outstanding shares of eCom. As a part of an acquisition of ACHI on January 12, 2004, the Company acquired approximately 53 million shares common shares of Air Media Now!, Inc. (Air Media Now). Air Media Now owned the rights to market certain intellectual property that had never been fully developed by its previous owners. Air Media Now has no assets but is currently traded on the pink sheets (AMNW:PK). The stock was trading at \$.03 at November 30, 2007. Air Media Now had not filed financial statements subsequent to December 31, 2002 with the Securities and Exchange Commission. American Capital Holdings, Inc. wrote off any and all of its recorded investment in Air Media Now as an impairment expense in the year ended May 31, 2004. Air Media Now is a consolidated subsidiary of American Capital Holdings at November 30, 2007 and May 31, 2007.

NOTE G - PROPERTY AND EQUIPMENT

Equipment is stated at cost less depreciation. As of November 30, 2007, equipment consisted of computer hardware, software, and office furniture and equipment. Depreciation expense of \$5,200 and \$10,100 has been recorded for the periods ending November 30, 2007 and May 31, 2007 respectively.

NOTE H - PREPAID EXPENSES

Prepaid expenses consist primarily of retainers paid for legal work for the Company, along with prepaid registration fees submitted to the Securities and Exchange Commission in anticipation of future security registrations.

NOTE I - INTANGIBLE ASSETS

Intangible assets consist of website software development costs, and fees related to applications for patents and trademarks. The intangible assets are not in use and are currently not being amortized.

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

NOTE J - LOAN PAYABLE RELATED PARTY

As of November 30, 2007 and May 31, 2007 loans payable to shareholders in the amount of \$344,546 and \$367,196 are due on demand.

NOTE K - NOTES PAYABLE

Promissory Notes as of November 30, 2007 and May 31, 2007 consisted of:

	November 30, 2007	May 31, 2007
	-----	-----
Four interest bearing, non-collateralized loans.		
The loans have various maturities throughout 2006.	\$ 325,450	\$ 325,450
	-----	-----
Total Notes Payable	325,450	325,450
Less Current Portion	(325,450)	(325,450)
	-----	-----
Net Long-term Debt	\$ 0	\$ 0
	=====	=====
The short-term notes payable mature as follows:		
November 30, 2007	\$ 325,450	\$ 325,450
	-----	-----
Total Notes Payable	\$ 325,450	\$ 325,450
	=====	=====

The notes and loans can be converted to shares of the Company's \$.0001 par value common stock at the option of the holder. The notes pay interest at 10% per annum. Interest is paid quarterly. The loan can be converted at 80% of the average closing price of Company's common stock for the preceding five (5) consecutive trading days with a floor of \$1.

NOTE L - WARRANTS

The Company has issued 1,005,000 detachable warrants for each dollar of debt as described in Note L above. Management has determined that the value of the detachable warrants to be \$.01 on the date of issuance and have charged paid in capital \$10,050 during the period. Each warrant entitles the holder to purchase one (1) share of common stock at \$.01. The Company also issued 400,000 warrants to one of the former owners of IS Direct Agency for providing his insurance licensing in all fifty states. The warrants can be exercised for \$.01 each. An additional 216,209 warrants were issued in connection with the Spaulding acquisition, one warrant for every ten shares owned. Each unit of Spaulding entitled the owner to one warrant with an exercise price of \$6.00. As of November 30, 2007 there remains no outstanding warrants which expired during the year ending May 31, 2006.

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED NOVEMBER 30, 2007

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

NOTE M - DIVIDENDS

The Company paid certain expenses on behalf of the various related companies that were spun off from eCom eCom.com, Inc. The payable on the books of the spin off company, which is an account receivable on the books of American Capital Holdings, was converted to common stock of that company. It was not the intention of American Capital to be a holding company so it, therefore, distributed the newly acquired shares of common stock, pro-rata to the current stockholders of American Capital on August 6, 2006.

NOTE N - COMMITMENTS AND CONTINGENCIES

The Company leased approximately 1,231 square feet office facilities in Palm Beach Gardens, Florida under an operating lease of \$2,331 per month which expired on January 31, 2007. ISDA leased approximately 200 square feet of office facilities in Buffalo, NY under a month to month agreement of \$425.00 per month. The Company no longer maintains an office in Buffalo, NY.

Future minimum lease payments including sales tax as of November 30, 2007 are:
Fiscal Years ending:

November 30, 2007	0

Total Minimum Lease Payments	\$ 0

Rent expense for the six month period ending November 30, 2007 was \$0.

NOTE O - INCOME TAXES

No provision for federal and state income taxes has been recorded because the Company has incurred net operating losses since inception. The Company's net operating loss carry-forward as of November 30, 2007 totals approximately \$16,000,000. These carry-forwards, which will be available to offset future taxable income, and expire beginning in May 31, 2024.

The Company does not believe that the realization of the related net deferred tax asset meets the criteria required by generally accepted accounting principles and, accordingly, the deferred income tax asset arising from such loss carry forward has been fully reserved.

The Company accounts for income taxes in accordance with FASB Statement No. 109, Accounting for Income Taxes (FASB 109). Under FASB 109, income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related to certain income and expenses recognized in different periods for financial and income tax reporting purposes. Deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

15

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE O - INCOME TAXES - CONTINUED

Deferred taxes also are recognized for operating losses and tax credits that are available to offset future taxable income and income taxes, respectively. A valuation allowance is provided if it is more likely than not that some or all of the deferred tax assets will not be realized. To facilitate the purchase of the assets of ACHI, the Company recorded a one for twenty

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

reverse split on the Effective Date of the currently outstanding common stock, while maintaining the conversion and exercise prices of the Senior Notes, the Secured Notes, the Subordinated Notes and the related warrants. All prior period share and per-share amounts have been restated to account for the reverse split. Any fractional shares remaining after the reverse split will be paid out in cash to the shareholder on the Effective Date.

Warrants were granted to Promissory Noteholders with detachable warrants. Management has determined that the fair value of each warrant is \$0.01.

The computation of diluted loss per share before extraordinary item for the periods ending November 30, 2007 and 2006 do not include shares from potentially dilutive securities as the assumption of conversion or exercise of these would have an antidilutive effect on loss per share before extraordinary items. In accordance with generally accepted accounting principles, diluted loss per share from extraordinary item is calculated using the same number of potential common shares as used in the computation of loss per share before extraordinary items.

NOTE P - DEFERRED TAX ASSET

Deferred income taxes are provided for temporary differences between the financial reporting and income tax basis of the Company's assets and liabilities. Temporary differences, net operating loss carry forwards and valuation allowances comprising the net deferred taxes on the balance sheets is as follows:

	Nov. 30, 2007	May 31, 2007
	-----	-----
Loss carry forward for tax purposes	\$ 16,000,000	\$ 16,000,000
	=====	=====
Deferred tax asset (34%)	5,600,000	5,600,000
Valuation allowance	(5,600,000)	(5,600,000)
	-----	-----
Net deferred tax asset	\$ -	\$ -
	=====	=====

No provision for federal and state income taxes has been recorded because the Company has incurred net operating losses since inception. The Company's net operating loss carry-forward as of November 30, 2007 was approximately \$16,000,000. These carry-forwards, which will be available to offset future taxable income, will expire through the year 2024.

The Company does not believe that the realization of the related net deferred tax asset meets the criteria required by generally accepted accounting principles and, accordingly, the deferred income tax asset arising from such loss carry forward has been fully reserved.

16

AMERICAN CAPITAL HOLDINGS, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE Q - SUBSEQUENT EVENTS

On or about October 10, 2006, a stockholder of the Company filed suit in the California Superior Court but the lawsuit was removed to the United States District Court for the Eastern District Court of California. American Capital Holdings, the defendant, move to have the case transferred to the United States District Court for the Southern District of Florida based on the venue being improper. On February 28, 2007 the U.S. District Judge then presiding over the case granted defendant's motion and ordered that the case be transferred. The case has not yet been transferred or re-filed.

NOTE R - RELATED PARTY TRANSACTIONS

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

The Company has receivables due from nine related entities. eCom eCom.com, Inc. owes \$196,450 for services paid to the Company's transfer agent and accountant, including \$100,000 of debtor-in-possession financing, as authorized by the United States Bankruptcy Court, Case No. 04-35435-SHF. Additional advances were made after February 1, 2005, resulting in a balance due from MyZipSoft of \$108,262. On August 31, 2005 10,826,190 of shares of MyZipSoft were issued to American Capital Holdings. These MyZipSoft shares were distributed to the shareholders of record of American Capital Holdings on August 31, 2005. Additional advances to support operations were made into each of the following eight spin-offs of eCom; A Super Deal.com, Inc, Swap and Shop.net Corp, A Classified Ad, Inc, AAB National Company, Pro Card Corporation, USAS Digital Inc, USA Performance Products, and eSecureSoft Company. These related party transactions totaled \$377,664, on August 31, 2005 and an additional \$72,767 during the three months ending November 30, 2005. The following shares were issued to American Capital Holdings by the following companies as compensation for these advances and services.

Shares issued to American Capital Holdings during the twelve months ended May 31, 2006 and distributed to the shareholders of American Capital Holdings, Inc. to shareholders of record of American Capital Holdings as of August 31, 2005 and November 30, 2005 and February 28, 2006 are as follows:

Company name	Shares Distributed on August 31, 2005	Shares Distributed on November 30, 2005	Shares Distributed on February 28, 2006
-----	-----	-----	-----
eSecureSoft Company	6,560,606	743,531	702,425
USAS Digital	4,502,351	1,050,875	1,266,658
Pro Card Corporation	5,265,896	1,463,125	593,125
AAB National	7,099,350	952,500	836,453
A Classified Ad	3,694,725	1,722,500	728,750
Swap and Shop	3,886,226	747,475	869,375
A Super Deal	6,757,351	856,750	916,005
MyZipSoft	10,826,190	0	510,550

The Company has received loans from various Officers and Directors. As of November 30, 2007, the company owes \$124,470 to Barney Richmond and \$10,152 to Richard Turner.

17

AMERICAN CAPITAL HOLDINGS, INC. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE S - RECENT ACCOUNTING PRONOUNCEMENTS

The FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations with an effective date for financial statements issued for fiscal years beginning after June 15, 2002. The statement addresses financial accounting and reporting for obligations related with the retirement of tangible long-lived assets and the costs associated with asset retirement. The statement requires The recognition of retirement obligations which will, therefore, generally increase liabilities; retirement costs will be added to the carrying value of long-lived assets, therefore, assets will be increased; and depreciation and accretion expense will be higher in the later years of an assets life than in earlier years. The Company adopted SFAS No. 143 at January 1, 2002. The adoption of SFAS No. 143 had no impact on the Company's operating results or financial positions.

The FASB also issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets and is effective for financial statements issued

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

for fiscal years beginning January 1, 2002. This statement addresses financial accounting and reporting for the impairment or the disposal of long-lived asset. An impairment loss is recognized if the carrying amount of a long-lived group exceeds the sum of the undiscounted cash flow expected to result from the use and eventual disposition of the asset group. Long-lived assets should be tested at least annually or whenever changes in circumstances indicate that its carrying amount may not be recoverable. This statement does not apply to goodwill and intangible assets that are not amortized. The Company adapted SFAS No. 144 in the first quarter of 2002, and there was no impact on the Company's operating results or financial position.

In April 2002, the FASB issued SFAS No. 145, "Rescission of the FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections ("SFAS No. 145"). SFAS No. 145 eliminates the requirement to classify gains and losses from the extinguishment of indebtedness as extraordinary, requires certain lease modifications to be treated the same as a sale-leaseback transaction, and makes other non-substantive technical corrections to existing pronouncements. SFAS No. 145 is effective for fiscal years beginning after May 15, 2002. SFAS No. 145 was adopted on June 1, 2003 and did not have a material effect on the Company's financial position or results of operations.

The FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" and is effective for financial instruments entered into after May 31, 2003. This Statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability because that financial instrument embodies an obligation of the issuer. The Company has adopted SFAS No. 150, and there has been no impact on the Company's operating results or financial position.

Goodwill and intangible assets acquired prior to July 1, 2001 will continue to be amortized and tested for impairment in accordance with pre- SFAS No. 142 requirements until adoption of SFAS No. 142. Under the provision of SFAS No.142, intangible assets with definite useful lives will be amortized to

18

AMERICAN CAPITAL HOLDINGS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE S - RECENT ACCOUNTING PRONOUNCEMENTS - CONTINUED

their estimated residual values over those estimated useful lives in proportion to the economic benefits consumed. Such intangible assets remain subject to the impairment provisions of SFAS No. 121. Intangible assets with indefinite useful lives will be tested for impairment annually in lieu of being amortized. The impact of adopting SFAS Nos. 141 and 142 will not cause a material change in the Company's consolidated financial statements as of the date of this report.

ITEM 2. Management's Discussion and Analysis or Plan of Operation

American Capital Holdings, Inc., ("ACH") is a holding company which owns five (5) proprietary financial products. These products are known as Guaranteed Principle Insured Convertible Securities ("GPICS (TM)"), Energy Tax Incentive Preferred Securities ("ETIPS(TM)"), Equipment Tax Incentive Convertible Securities ("ETICS(TM)"), Guaranteed Pension Accounting Contract Solutions ("GPACS(TM)") and Government Pension Accounting Contract Solutions ("GPACS(TM)"). The GPACS(TM) products are designed to provide solutions for unfunded government and private sector pension plan liability. The GPICS(TM), ETIPS(TM) and ETICS(TM) products are investment structures designed to facilitate the use of energy and depreciation tax incentives while insuring the

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

capital investment through guarantees of principal. Our Chairman, Barney A. Richmond, has applied for a patent for one of these products, known as Government Pension Accounting Contract Solutions (GPACS(TM)). If and when the patent is granted, Mr. Richmond will assign the patent to ACH.

The GPACS(TM) and some of our other products use insurance as a part of their structures. The insurance contracts will be written through several licensed insurance carriers.

IS Direct is a wholly-owned subsidiary of ACH, and is a licensed insurance agency through which we will sell our products. On May 1, 2006 Vince Cherrix became President of IS Direct. Mr. Cherrix is currently licensed for property and casualty insurance, and life and health insurance and annuities in Florida, South Carolina, Pennsylvania and Maryland. With the hiring of Mr. Cherrix, the business plan of IS Direct has changed. IS Direct had expected to obtain the necessary licenses for it to operate in all 50 states, it will now focus on selling its GPAC's products through agents of licensed insurance carriers. Due to the fact that the company will no longer incur the cost of maintaining licenses in all 50 states, the company wrote down the value of its goodwill associated with the insurance licenses. The company also wrote down the value of the company's website during the current fiscal year.

On October 30, 2004, we entered into an agreement to purchase 80% of Cosmopolitan Life Insurance Company. On July 8, 2005 management withdrew its application to acquire Cosmopolitan Life Insurance due to financial issues uncovered during our due diligence investigation. Management is currently looking at recovering the surplus note which requires Arkansas Department of Insurance approval.

A special meeting of the shareholders of the Company was held on December 7, 2005. A motion was passed to remove Barry M. Goldwater, Jr., Norman E. Taplin
19

AMERICAN CAPITAL HOLDINGS, INC.

and Michael Pickens from the Board of Directors of the Company. The Company also accepted the resignations of Michael Camilleri and Matthew Salmon.

On January 6, 2006, the Company accepted the resignation of Douglas Sizemore from the Board of Directors of the Company.

ACH's principal executive offices are currently located at 1016 Clemmons St., Suite 302, Jupiter, FL 33477, and our telephone number is (561) 745-6789. The Company's fiscal year ends May 31, 2007.

Business Strategy

We intend to use the financial products of our subsidiaries as solutions, addressing the needs of governmental and private sector businesses regarding unfunded pension liabilities and other post-employment benefit ("OPEB") liabilities. We also plan to sell annuities and other insurance products, through our subsidiaries, to both the public and private sectors. We also intend to invest and/or sell our proprietary ETIPS(TM) and ETICS(TM) products in the public marketplace.

Our GPACS(TM) products, which refers to both the Guaranteed Pension Accounting Contract Solutions product and the Government Pension Accounting Contract Solutions product, relate to a business method of adjusting the balance sheet of a business or governmental organization, and particularly to a system for organizing the unfunded obligations of the organization so that the liability on the balance sheet becomes offset by an asset. The product also provides a systematic investing capability to enhance the profitability of the

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

organization and the improved treatment of tax obligations.

GPACS was created in response to the General Accounting Standards Board ("GASB") Statement 45, which generally requires state and local governmental employers to account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as currently required pension obligations. Annual OPEB costs for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. The provisions of Statement 45 do not require governments to fund their OPEB plans.

An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation. However, the unfunded actuarial liability is required to be amortized over future periods. Statement 45 is effective for periods beginning after December 15, 2006, 2007, or 2008, depending on the size of the government entity based on annual revenues used for GASB 34 implementation requirements.

In May of 2004, the GASB issued a corresponding "plan" statement, Statement 43 - Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. Statement 43 is effective one year prior to Statement 45. This statement requires a statement of plan net assets, statement of changes in plan net assets, schedule of funding progress, and schedule of employer contributions in the stand-alone financial reports of OPEB plans, as well as in the financial statements of governments having OPEB trust funds.

20

AMERICAN CAPITAL HOLDINGS, INC.

Actuarial services will be required one year earlier if the "plan" Statement 43 is applicable, unless an alternative measurement method is utilized. However, the alternative measurement method is only an option for plans with a total membership of fewer than one hundred. Many OPEB plans are currently paying benefits on a pay-as-you-go basis. If a government does not have an acceptable trust or equivalent arrangement established, actuarial valuations will not be necessary until Statement 45 is effective. Establishing a trust may be an option for funding OPEB benefits; employers should consider the impact of required actuarial services.

Our GPICS(TM), ETIPS(TM) and ETICS(TM) products are each investment structures designed to maximize the benefit of energy and equipment tax incentives, in order to facilitate investment in energy related and other business enterprises. An essential feature of these products is a guarantee of the principal invested, as a result of the structuring of the investment.

Our plan of operation includes the underwriting of the insurance aspects of our products through our subsidiaries. Pending approvals of our recent acquisitions of Universe and Cosmopolitan, we will use third party insurance carriers. However, upon receiving the approvals, which are expected in due course, we will retain as much premium and commission money as possible within our subsidiaries.

IS Direct currently sells primarily term and whole life insurance products. However, upon the completion of our pending proposed acquisition of Universe, the scope of products available for sale by IS Direct is expected to broaden. Universe is a life insurance company which we expect to use to underwrite the insurance policies required by our GPACS products.

Results of Operations

Comparison of the six months ended November 30, 2007 with the six months ended November 30, 2006.

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Revenue for the six month period ended November 30, 2007 was \$0 compared to \$0 recorded during the same period of the prior year.

Gross profit reflects a loss of \$5,200 in the current year versus a loss of \$5,200 for the prior years six month period. Depreciation expense contributed \$5,200 to the current years deficit in gross profit and \$5,200 to the prior years six month period deficit.

General and administrative costs of \$134,385 for the current six month period reflect costs of staffing our administrative and sales. This represents a \$118,037 decrease from the administrative costs incurred for the six months ending November 30, 2006. During the current six month period the Company charged eCom a restructuring charge of \$428,966 to reimburse the Company for its legal and administrative fees to carry out the reorganization of eCom.

Our operations for the six months ended November 30, 2007 resulted in a net income of \$379,581 versus a net loss of 39,828 for the six months ended November 30, 2006.

21

AMERICAN CAPITAL HOLDINGS, INC.

Liquidity and Capital Resources:

As of November 30, 2007 current assets totaled \$224,862 compared to \$288,036 at May 31, 2007. The \$63,174 decrease was due to decreases in prepaid expenses and loans from related companies. The other related company reduced their amount due the Company by issuing stock valued at \$557,957 during the six month period ending November 30, 2007.

Accounts Payable increased from \$277,164 to \$346,358 during the current six months. Current Liabilities increased from \$1,290,336 at the end of the prior fiscal year to \$1,403,460 at the end of the current quarter, an increase of \$113,124 due to the increase in accounts payable and accrued expenses during the quarter ending November 30, 2007.

To the extent that additional funds are required to support operations or to expand our business, we may sell additional equity, issue debt or obtain other credit facilities through financial institutions. Any sale of additional equity securities will result in dilution to our shareholders.

ITEM 3. CONTROLS AND PROCEDURES

Evaluation of the Company's Disclosure Controls and Internal Controls:

Within the 90 days prior to the date of this Quarterly Report on Form 10-QSB, the Company evaluated the effectiveness of the design and operation of its 'disclosure controls and procedures' ("Disclosure Controls"). This 'evaluation' ("Controls Evaluation") was done under the supervision and with the participation of management, including the Chief Executive Officer/Chairman ("CEO") and Chief Financial Officer ("CFO"). As a result of this review, the Company adopted guidelines concerning disclosure controls and the establishment of a disclosure control committee made up of senior management.

Limitations on the Effectiveness of Controls:

The Company's management, including the CEO/CHAIRMAN and CFO, does not expect that its Disclosure Controls or its 'internal controls and procedures for financial reporting' ("Internal Controls") will prevent all error and all fraud. control system, no matter how well conceived and managed, can provide only reasonable assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

22

AMERICAN CAPITAL HOLDINGS, INC.

Conclusions:

Based upon the Controls Evaluation, the CEO/CHAIRMAN and CFO have concluded that, subject to the limitations noted above, the Disclosure Controls are effective to timely alert management to material information relating to the Company during the period when its periodic reports are being prepared.

In accordance with SEC requirements, the CEO/CHAIRMAN and CFO note that, since the date of the Controls Evaluation to the date of this Quarterly Report, there have been no significant changes in Internal Controls or in other factors that could significantly affect Internal Controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

On or about October 10, 2006, a stockholder of the Company filed suit in the California Superior Court but the lawsuit was removed to the United States District Court for the Eastern District Court of California. American Capital Holdings, the defendant, move to have the case transferred to the United States District Court for the Southern District of Florida based on the venue being improper. On February 28, 2007 the U.S. District Judge then presiding over the case granted defendant's motion and ordered that the case be transferred. The case has not yet been transferred or re-filed.

ITEM 2. Unregistered sales of equity securities and use of proceeds.

None

ITEM 3. Defaults Upon Senior Securities.

None

ITEM 4. Submission of Matters to a Vote of Security Holders.

None

ITEM 5. Other Information.

None

ITEM 6. Exhibits and Reports on Form 8-K.

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

(a) Exhibits:

Exhibit 31.1	Certification required under Section 302 of the Sarbanes-Oxley Act of 2002 by the CEO on page	25
Exhibit 31.2	Certification required under Section 302 of the Sarbanes-Oxley Act of 2002 by the CFO on page	26
Exhibit 32	Section 1350 Certification on page	27

23

AMERICAN CAPITAL HOLDINGS, INC.

(b) Reports on Form 8-K:

None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunder duly authorized.

January 14, 2008

By: /s/ Barney A. Richmond
Barney A. Richmond,
Chief Executive Officer

January 14, 2008

By: /s/ Richard C. Turner
Richard C. Turner,
Chief Financial Officer

SIGNATURES AND CERTIFICATIONS

EXHIBIT 31.1

CERTIFICATION REQUIRED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Barney A. Richmond, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of American Capital Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this report (the "Evaluation Date"); and

c) presented in this report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

6. The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: January 14, 2008

/s/ Barney A. Richmond

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

Barney A. Richmond
Principal Executive Officer
EXHIBIT 31.2

CERTIFICATION REQUIRED UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard C. Turner, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of American Capital Holdings, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls.

6. The registrant's other certifying officer and I have indicated in this report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Dated: January 14, 2008

/s/ Richard C. Turner

Richard C. Turner
Chief Financial Officer

26

EXHIBIT 32

CERTIFICATIONS OF CEO AND CFO PURSUANT TO SECTION 906 OF THE

Edgar Filing: AMERICAN CAPITAL HOLDINGS INC - Form 10QSB

SARBANES-OXLEY ACT

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of American Capital Holdings Inc., a Florida corporation (the "Company"), on Form 10-QSB for the period ending November 30, 2007 as filed with the Securities and Exchange Commission (the "Report"), Barney A. Richmond, President of the Company and Richard C. Turner, Chief Financial Officer of the Company, respectively, do each hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to his knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Barney A. Richmond

Barney A. Richmond
Principal Executive Officer
Date: January 14, 2008

/s/ Richard C. Turner

Richard C. Turner
Chief Financial Officer
Date: January 14, 2008

[A signed original of this written statement required by Section 906 has been provided to American Capital Holdings, Inc. and will be retained by American Capital Holdings, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibits to Form 10-QSB will be provided to shareholders of the Registrant upon written request addressed to American Capital Holdings, Inc., 1016 Clemmons St., Suite 302, Jupiter, Florida 33477. Any exhibits furnished are subject to a reasonable photocopying charge.

The Securities and Exchange Commission has not approved or disapproved of this Form 10-QSB nor has it passed upon its accuracy or adequacy.