

NEW CENTURY COMPANIES INC
Form SB-2/A
October 18, 2007

As filed with the Securities and Exchange Commission on October 15, 2007
An Exhibit List can be found on page II-6.
Registration No. 333- 144702

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549
Amendment No. 1
to
FORM SB-2
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NEW CENTURY COMPANIES, INC.
(Name of small business issuer)

Delaware
(State or other jurisdiction
of incorporation)

3541
(Primary standard
industrial code number)

06-10345787
(IRS employer
identification number)

9835 Santa Fe Springs Road
Santa Fe Springs, CA 90670
(562) 906-8455
(Address and telephone number of principal executive offices
and principal place of business)

David Duquette, President
9835 Santa Fe Springs Road
Santa Fe Springs, CA 90670
(562) 906-8455
(Name, address and telephone number of agent for service)

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APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC:
From time to time after this Registration Statement becomes effective.

If any securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share (1)	Proposed maximum aggregate offering price	Amount of registration fee
Common stock , \$.10 par value (2)	3,000,000	\$ 0.36	\$ 1,080,000	\$ 33.16*

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and 457(g) under the Securities Act of 1933, using the average of the high and low price as reported on the Over-The-Counter Bulletin Board on October 11, 2007, which was \$0.36 per share.

(2) Includes shares of our common stock, par value \$0.10 per share, which may be offered pursuant to this registration statement, which shares are issuable upon conversion of convertible notes held by the selling stockholders.

* Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the commission, acting pursuant to said Section 8(a), may determine.

PROSPECTUS

SUBJECT TO COMPLETION, DATED, OCTOBER 15, 2007

NEW CENTURY COMPANIES, INC.

**3,000,000 SHARES OF
COMMON STOCK**

This prospectus relates to the resale by the selling stockholders of up to 3,000,000 shares of our common stock issuable upon conversion of convertible notes. The selling stockholders may sell common stock from time to time in the principal market on which the stock is traded at the prevailing market price or in negotiated transactions. The selling stockholders may be deemed underwriters of the shares of common stock, which they are offering. We will pay the expenses of registering these shares.

Our common stock is registered under Section 12(g) of the Securities Exchange Act of 1934 and is listed on the Over-The-Counter Bulletin Board under the symbol "NCNC.OB". The last reported sales price per share of our common stock as reported by the Over-The-Counter Bulletin Board on October 11, 2007, was \$0.36.

Investing in these securities involves significant risks. See "Risk Factors" beginning on page 6.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is October 15 2007.

The information in this Prospectus is not complete and may be changed. This Prospectus is included in the Registration Statement that was filed by New Century Companies, Inc, with the Securities and Exchange Commission. The selling stockholders may not sell these securities until the registration statement becomes effective. This Prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the sale is not permitted.

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You may only rely on the information contained in this prospectus or that we have referred you to. We have not authorized anyone to provide you with different information. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the common stock offered by this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any common stock in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus nor any sale made in connection with this prospectus shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information contained by reference to this prospectus is correct as of any time after its date.

PROSPECTUS SUMMARY

The following summary highlights selected information contained in this prospectus. This summary does not contain all the information you should consider before investing in the securities. Before making an investment decision, you should read the entire prospectus carefully, including the "risk factors" section, the financial statements and the notes to the financial statements.

NEW CENTURY COMPANIES, INC.

We are engaged in acquiring, re-manufacturing and selling pre-owned Computer Numerically Controlled ("CNC") machine tools to manufacturing customers. We provide rebuilt, retrofit and remanufacturing services for numerous brands of machine tools.

We also manufacture original equipment CNC large turning lathes and attachments under the trade name Century Turn. CNC machines use commands from onboard computers to control the movements of cutting tools and rotation speeds of the parts being produced. Computer controls enable operators to program operations such as part rotation, tooling selection and tooling movement for specific parts and then store the programs in memory for future use. The machines are able to produce parts while left unattended. Because of this ability, as well as superior speed of operation, a CNC machine is able to produce the same amount of work as several manually controlled machines, as well as reduce the number of operators required; generating higher profits with less re-work and scrap. Since the introduction of CNC tooling machines, continual advances in computer control technology have allowed for easier programming and additional machine capabilities. A vertical turning machine permits the production of larger, heavier and more oddly shaped parts on a machine, which uses less floor space when compared to the traditional horizontal turning machine because the spindle and cam are aligned on a vertical plane, with the spindle on the bottom.

The primary industry segments in which our machines are utilized to make component parts are in aerospace, power generation turbines, military, component parts for the energy sector for natural gas and oil exploration, medical, aerospace and mining fields.

We sell our products to customers in the United States, Canada and Mexico.

Over the last several years, we have designed and developed a large horizontal CNC turning lathe with productivity features new to the metalworking industry. We believe that a potential market for the Century Turn Lathe, in addition to the markets mentioned above, is aircraft landing gear.

We are also engaged in assembling sound-wall modules made from Quilite(R), a lightweight, graffiti resistant concrete alternative used in freeway sound barriers and in other sound absorbing structures and non-weight bearing applications, where privacy or screening is necessary.

Our principal offices are located at 9835 Santa Fe Springs Rd. Santa Fe Springs, CA 90670 and our telephone number is (562) 906-8455. We are a Delaware corporation.

The Offering

Common stock offered by selling stockholders	Up to 3,000,000 shares of common stock issuable upon conversion of convertible notes. This number represents approximately 22.3% of our total number of shares outstanding.
Common stock to be outstanding after the offering	Up to 16,444,656 shares.*
Use of proceeds	We will not receive any proceeds from the sale of the common stock.
OTCBB Symbol	NCNC.OB

*The above information regarding common stock to be outstanding after the offering is based on 13,444,656 shares of common stock outstanding as of October 11, 2007 and assumes the issuance of 3,000,000 shares upon conversion of convertible notes by our selling stockholder.

Dollar Value of Securities Registered for Resale in this Prospectus

The total dollar value of the securities underlying the convertible notes in the financing transaction that we have registered for resale (using the number of underlying securities that we have registered for resale and the market price per share for those securities on the date of the sale of the convertible note) are as follows:

	Market Price at February 28, 2006	Dollar Value of Underlying Securities
Securities Underlying the Convertible Notes issued to CAMOFI Master LDC		
3,000,000	\$ 0.63	\$ 1,890,000

FINANCING TRANSACTIONS

We are registering shares of common stock and shares of common stock underlying convertible notes, in connection with the following financing transaction:

CAMOFI PRIVATE PLACEMENT

On February 28, 2006, to obtain funding for our operations, we entered into a Securities Purchase Agreement ("CAMOFI Purchase Agreement") with CAMOFI Master LDC ("CAMOFI") for the sale of (i) \$3,500,000 in 12% Senior Secured Convertible Note (the "CAMOFI Note") which is convertible into common stock at a fixed conversion price of \$0.63 and (ii) stock purchase warrants (the "Warrant") to purchase 3,476,190 shares of our common stock at a fixed exercise price of \$0.63. We closed the financing pursuant to the CAMOFI Purchase Agreement on February 28, 2006.

The CAMOFI Note bears interest at 12% and matures on February 28, 2009. Interest on the aggregate of the unconverted and then outstanding principal amount is payable monthly in arrears, in cash or registered shares of common stock at the Company's election, or a combination thereof, beginning on the first day of the first month after the issuance date of March 1, 2006. Notwithstanding the foregoing, payment in shares of common stock can only occur if during the 20 trading days immediately prior to the payment date, the payment in shares of common stock

would not exceed 25% of the volume for any of the previous 20 trading days, we shall have given the holder notice, and the following conditions (the “Equity Conditions”) have been met: (i) we have duly honored conversions and redemptions; (ii) all liquidated damages and other amounts owing in respect of the CAMOFI Note have been paid; (iii) there is an effective registration statement pursuant to which the holder is permitted to resell all of the shares issuable pursuant to the CAMOFI Purchase Agreement; (iv) our stock is listed or quoted for trading on either of the Nasdaq SmallCap Market, the American Stock Exchange, the New York Stock Exchange, the Nasdaq National Market or the OTC Bulletin Board and the shares issuable pursuant to the CAMOFI Purchase Agreement are listed for trading; (v) there is sufficient number of authorized but unissued and unreserved shares for the issuance of shares issuable pursuant to the CAMOFI Purchase Agreement; (vi) we are not in default under the CAMOFI Purchase Agreement; (vii) the shares issued or issuable will not exceed 4.99%; (viii) no public announcement of a pending or proposed fundamental transaction (such as a merger or consolidation of the Company, any completed tender offer or exchange, any reclassification of our common stock or compulsory share exchange where our common stock is effectively converted into or exchanged for other securities, cash or property) or change of control transaction has occurred that has not been consummated; (ix) the closing price of our common stock is at least 115% of the conversion price of the CAMOFI Note, (as adjusted).

The CAMOFI Note is convertible into shares of the Company's common stock at the option of the Holder at a price of \$0.63 per share. To effect conversions, the Holder is required to execute a notice of conversion specifying the principal amount of the Note to be converted and the date the conversion is to be effected. If the Company fails to timely deliver to the Holders certificates by the third trading day after the conversion date specified in the notice of conversion, the Company shall be required to pay in cash for each \$1,000 of principal being converted, \$10 per trading day (increased to \$20 per trading day after 5 trading days after such damages begin to accrue) for each trading day after such third trading day until such certificates are delivered. The Company may also be required to compensate the Holder for a Buy-in, where the Holder is required by its brokerage firm to purchase common stock to deliver in satisfaction of a sale by such holder of the conversion shares.

The conversion price of the CAMOFI Note is subject to adjustment in the event the Company (a) pays a stock dividend or makes a distribution of its shares, (b) subdivides its common stock into a larger number of shares, (c) combines outstanding shares of common stock into a smaller number of shares, (d) issues by reclassification of shares of common stock of the Company, (e) offers, sells, grant any option to purchase or offer sell, or grant any right to reprice its securities or otherwise disposes of or issue any common stock or common stock equivalents at an effective price per share less than the then conversion price. Notwithstanding the foregoing, there shall be no adjustment of the conversion price in the case of an issuance of (i) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted by a majority of the non-employee members of the Board of Directors of the Company or a majority of the members of a committee of non-employee directors established for such purpose, or (ii) securities upon the exercise of or conversion of any securities issued pursuant to the CAMOFI Note, convertible securities, options or warrants issued and outstanding as of February 28, 2006, provided that such securities have not been amended since such date to increase the number of such securities.

We have the right to prepay in cash, all, or a portion of the CAMOFI Note, at 120% of the principal amount plus accrued interest at the date of prepayment. In addition, we are required to repay the CAMOFI Note at 120% of the principal amount thereof plus accrued interest to the date of repayment in the event we shall (A) sell all or a portion of the our assets, (B) become subject to change in control transaction, or (C) Quilite International, LLC's audited financial statement are materially worse than its unaudited financial statements. In determining whether Quilite's audited financial statements are materially worse than its unaudited financial statements, we will rely on a qualified third party accounting expert to determine the differences. The comparison will take place prior to the closing of any transaction between the Company and Quilite. Presently, the Company has not set a time for the consummation of any transactions with Quilite.

On the first day of each month, commencing September 1, 2006, we are required to redeem 1/30th of the original principal amount of the CAMOFI Note plus accrued but unpaid interest, the sum of all liquidated damages and any other amounts then owing to such Holder in respect of the Note which shall be paid in cash, equal to 105% of such amount; provided, however, upon 10 trading days prior written irrevocable notice, in lieu of a cash redemption payment, we may elect to pay 100% of such amount due in shares of our common stock based on a conversion price equal to 85% of the average of the 10 consecutive VWAPs immediately prior to the applicable payment. As of October 11, 2007, we have repaid approximately \$1,283,000 of the principal balance of the Note. However, we are currently not in compliance with certain payment requirements under the terms of the Note by failing to make required payments under the CAMOFI Note in the aggregate amount of \$550,394 for the periods from July 1, 2007 through October 1, 2007.

Upon the occurrence of an event of default, at the Holder's election, the full principal amount of the Note, together with interest and any other amounts owed pursuant to the CAMOFI Note shall become immediately due and payable in cash. The aggregate amount payable upon an event of default shall be equal to 120% of the principal amount of the CAMOFI Note, plus all accrued and unpaid interest thereon and all other costs, expenses, and liquidated damages due with respect to such CAMOFI Note. Commencing 5 days after the occurrence of any event of default that results in the eventual acceleration of the CAMOFI Note, the interest rate on the Note shall accrue at the rate of 20% per annum,

or such lower maximum amount of interest permitted to be charged under applicable law. Pursuant to the terms of the Note, an event of default means (subject to any applicable grace or cure period) (i) any default in the payment of any principal interest or liquidated damages in connection with the Note; (ii) failure to observe any covenant or agreement contained in the Note; (iii) a default under any of the other documents executed in connection with the CAMOFI Purchase Agreement or any other material agreement, lease document or instrument to which the Company or any subsidiary is bound which default is not cured within 10 trading days; (iv) any representation or warranty made in any of the documents or in any written statement delivered to CAMOFI shall be untrue in all material respects as of the date made or deemed made; (v) any proceeding under applicable bankruptcy or insolvency laws commenced against the Company or its subsidiaries, which remains un-dismissed after 60 days or any adjudication of the Company or any of its subsidiaries is adjudicated insolvent or bankrupt.

The Warrant to purchase 3,476,190 shares of our common stock issued in connection with the purchase of the Note is exercisable at a price of \$0.63 per share and will expire on February 28, 2013. In the event that there is no effective registration statement covering the resale of the shares underlying the Warrant, the Warrant may be exercised by means of a cashless exercise. The Warrant provides for certain adjustments upon the occurrence of certain events, including, but not limited to, any payment of a stock dividend or distributions to our shareholders; subdivision of our common stock into a larger number of shares; reclassification of our common stock; and the combination of our common stock into a smaller number of shares.

In connection with the CAMOFI Note, we issued 250,000 restricted shares of our common stock to the Placement Agent, Ascendant Securities, LLC. Also, we issued Ascendant Securities, LLC, and its assignee 722,539 warrants which warrants are exercisable at price of \$0.63 and which expire on February 28, 2013. In addition, we paid aggregate fees and expenses of \$392,500 to CAMOFI.

In connection with the CAMOFI Purchase Agreement, we entered into an escrow agreement by and among, CAMOFI, Katten Muchin Rosenman, as Escrow Agent, and us and a letter agreement with CAMOFI, pursuant to which \$1,500,000 was deposited into escrow by CAMOFI. Pursuant to the terms of the letter agreement, the \$1,500,000 will be released to us upon consummation of the acquisition of Quilite International LLC, provided however, (v) the terms of such acquisition are satisfactory to CAMOFI; (w) CAMOFI shall be satisfied, in its sole discretion, with the progress of negotiations for the extension or renewal of our Headquarters lease; (x) no default or Event of Default shall have occurred or be continuing; (y) there shall have been no material adverse change in our business and the business of our subsidiaries or results of operations; and (z) the Equity Conditions shall have all been satisfied. Based upon changed circumstances the parties determined to release the funds held in escrow to the Company as follows: (a) \$750,000 on July 10, 2006, which was used for general working capital purposes and (b) \$750,000 on August 4, 2006, which was used to repay a portion of the CAMOFI Note.

On December 19, 2006, we entered into an Amended and Restated Registration Rights Agreement (the "Amended and Restated Agreement") with CAMOFI. Pursuant to the Amended and Restated Agreement we agreed to file registration statements to cover the resale of the shares issuable upon conversion of the CAMOFI Note and warrants as follows: (i) on or before January 31, 2007, prepare and file with the United States Securities and Exchange Commission ("SEC") a Registration Statement covering the resale of all common Stock issuable upon conversion of the 12% Senior Secured Convertible Note dated February 28, 2009, up to 33% of our issued and outstanding stock; (ii) within 90 days from effectiveness of the Registration Statement referred to in i) above, prepare and file a Registration Statement covering the resale of all common Stock issuable upon conversion of the 12% Senior Secured Convertible Note dated February 28, 2009 to the extent not registered above plus all shares of common stock underlying the Purchaser Warrants, up to 33% of our issued and outstanding stock; (iii) within 90 days from effectiveness of the Registration Statement referred to in ii) above, prepare and file a Registration Statement covering the resale of all common Stock issuable upon conversion of the 12% Senior Secured Convertible Note dated February 28, 2009 plus all shares of common stock underlying the Purchaser Warrants to extent not registered above, up to 33% of our issued and outstanding stock; and (iv) within 90 days from effectiveness of the Registration Statement referred to in iii) above, prepare and file a Registration Statement covering the resale of all additional Purchaser Warrants to extent not registered above, up to 33% of our issued and outstanding stock.

In connection with the Restated and Amended Agreement, we issued to CAMOFI warrants to purchase 1,500,000 shares of our common stock, at an exercise price of \$0.35 for a term of seven years.

On May 1, 2007, we entered into a second Amended and Restated Registration Rights Agreement (the "Second Amended and Restated Agreement") with CAMOFI. Pursuant to Section 2 of the Second Amended and Restated Agreement we agreed to file, in 30 days from the date thereof, a Registration Statement to register up to 33% of our issued and outstanding stock covering the resale of common stock issuable upon conversion of the 12% Senior Secured Convertible Note dated February 28, 2009, and to use our best efforts to have the registration statements mentioned above declared effective 90 days after the date of filing. In addition, we agreed to use our best efforts to keep the registration statement continuously effective under the Securities Act until all the securities covered by such registration statement have been sold or may be sold without volume restriction pursuant to Rule 144(k). Pursuant to the Second Amended and Restated Registration Rights Agreement, CAMOFI agreed to waive any liquidated damages accrued prior to the date of the Amendment. However, the failure to timely file the Registration Statement and have the registration statement declared effective, will subject us to liquidated damages equal to 1.5% of the outstanding principal of the Notes for any registrable securities then held by CAMOFI for the first 30 days (or part thereof) after the default date and an additional 1.5% for any subsequent 30-day period (or part thereof), thereafter or a maximum of

10% of the remaining balance of the CAMOFI Notes. If we fail to pay any partial liquidated damages within seven days after the date payable, we will be required to pay interest thereon at a rate of 20% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to CAMOFI, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full.

On July 18, 2007, CAMOFI agreed to waive their right to require us to register up to 33% of our issued and outstanding stock and consented to the inclusion of 3,000,000 shares or 27% of the public float of the Company in this registration statement. Therefore, the Company's obligation pursuant to the second Amended and Restated Agreement and July 18, 2007 waiver, is to file one registration statement to register up to 3,000,000 shares or 27% of the public float of the Company's common stock.

We are currently not in compliance with our obligations under the Second Amended and Restated Agreement to have this Registration Statement declared effective within 90 days of filing and to respond to comments of the SEC within 14 calendar days after receipt. If we do not obtain a waiver of such default by CAMOFI we will be obligated to pay liquidated damages to CAMOFI as described above.

The CAMOFI Note is secured by substantially all of our assets.

CAMOFI has contractually agreed to restrict its ability to convert the CAMOFI Note and exercise the Warrant and receive shares of our common stock such that the number of shares of our common stock held by them and their affiliates after such conversion or exercise does not exceed 4.99% of our then issued and outstanding shares of common stock.

The CAMOFI Note and corresponding warrants were offered and sold to CAMOFI in a private placement transaction made in reliance upon exemptions from registration pursuant to Section 4(2) under the Securities Act of 1933 and Rule 506 promulgated thereunder. CAMOFI is an accredited investor as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933.

Additional Disclosure regarding the CAMOFI Private Placement

We have made and may be required to make interest, financing and liquidated damages payments in connection with the CAMOFI Purchase Agreement. The following is a tabular disclosure of the dollar amount of each such payment (including the value of any payments to be made in common stock, and excluding any repayment of principal) in connection with the CAMOFI Purchase Agreement that we have made or may be required to make to CAMOFI, any of its affiliates, or any person with whom CAMOFI has a contractual relationship regarding the transaction (including any interest payments, liquidated damages, payments made to "finders" or "placement agents" and any other payments or potential payments):

Tabular Disclosure of Payments Made or Required to be Made In Connection With CAMOFI Purchase Agreement

Name	Type of Payment	Origins of Payment	Date of Payment Made or Required to Be Made	No of shares or warrants	Fair Value of Securities issued *	Value of Payment
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DEBT DISCOUNT (See Note 6 to Consolidated Financials Statements for the Year Ending December 31, 2006, included in this prospectus)

CAMOFI Master, LDC, shareholder	warrants to purchase shares of common stock					
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