Fortress America Acquisition CORP
Form 10QSB
November 13, 2006

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

FORM 10-QSB

(Mark One)

x Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2006

o Transition report under Section 13 or 15(d) of the Exchange Act

For the transition period from _____________ to _____________

Commission File Number 000-51426

Fortress America Acquisition Corporation
(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware	20-2027651
(State or other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

4100 North Fairfax Drive, Suite 1150
Arlington, Virginia 22203-1664
(Address of Principal Executive Office)

(703) 528-7073
(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 during the past 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 x No o

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

As of November 1, 2006, 9,550,000 shares of common stock, par value $.0001 per share, were issued and outstanding.

Transitional Small Business Disclosure Format (check one): Yes o No x

Fortress America Acquisition Corporation
(a corporation in the development stage)
Condensed Balance Sheet

	September 30, 2006 (unaudited)	December 31, 2005
Assets		
Current assets:		
Cash	$ 74,854	$ 992,547
Investments held in Trust Fund	44,112,431	42,603,801
Prepaid expenses	-	50,165
Total current assets	44,187,285	43,646,513
Deferred acquisition costs	508,592	-
Deferred tax asset	364,936	132,000
Total assets	$ 45,060,813	$ 43,778,513
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	$ 374,469	$ 105,308
Income taxes payable	396,604	206,194
Deferred interest on investments	429,479	127,904
Total current liabilities	1,200,552	439,406
Common stock, subject to possible conversion, 1,559,220 shares at conversion value	8,388,604	8,388,604
Commitment		
Stockholders' equity		
Preferred stock, $.0001 par value, Authorized 1,000,000 shares; none issued	-	-
Common stock, $.0001 par value		
Authorized 50,000,000 shares		
Issued and outstanding 9,550,000 shares (which includes 1,559,220 subject to possible conversion) and 1,250,000 shares respectively	955	955
Additional paid-in capital	34,819,062	34,819,062
Income accumulated during the development stage	651,640	130,486
Total stockholders' equity	35,471,657	34,950,503
Total liabilities and stockholders' equity	$ 45,060,813	$ 43,778,513

See Notes to Unaudited Condensed Financial Statements.

Fortress America Acquisition Corporation
(a corporation in the development stage)
Condensed Statement of Operations
(unaudited)

	For the Three Months Ended September 30, 2006	For the Nine Months Ended September 30, 2006	For the Three Months Ended September 30, 2005	For the Nine Months Ended September 30, 2005	For the Period December 20, 2004 (inception) to September 30, 2006
Income:					
Net interest income	$ 444,941	$ 1,217,406	$ 213,897	$ 213,897	$ 1,742,836
Total income	444,941	1,217,406	213,897	213,897	1,742,836
Expenses:					
Formation and operating costs	129,823	427,778	133,219	134,865	748,528
Net income for the period before income taxes	315,118	789,628	80,678	79,032	994,308
State and federal income taxes	107,140	268,474	31,613	31,613	342,668
Net income for the period	$ 207,978	$ 521,154	$ 49,065	$ 47,419	$ 651,640
Weighted average number of shares outstanding - basic and diluted	9,550,000	9,550,000	7,634,783	3,610,440	6,910,863
Net income per share - basic and diluted	$ .02	$ .05	$ .01	$ .01	$ .08

See Notes to Unaudited Condensed Financial Statements.

Fortress America Acquisition Corporation
(a corporation in the development stage)
Condensed Statement of Stockholders' Equity

For the period from December 20, 2004 (inception) to September 30, 2006

	Common Stock Shares	Common Stock Amount	Addition paid-in capital	Income (Deficit) Accumulated During the Development Stage	Total
Common shares issued December 20, 2004 at $.02 per share	1,250,000	$ 125	$ 24,875		$ 25,000
Net Loss				$ (1,056)	(1,056)
Balance at December 31, 2004	1,250,000	125	24,875	(1,056)	23,944
Redemption of common stock	(1,250,000)	(125)	(24,875)		(25,000)
Common shares issued March 9, 2005 at $0.01429 per share	1,750,000	175	24,825		25,000
Common shares issued July 20, 2005, net of underwriters' discount and offering expenses (includes 1,399,300 shares subject to possible conversion)	7,000,000	700	38,687,329		38,688,029
Common shares issued August 24, 2005, net of underwriters' discount and offering expenses (includes 159,920 shares subject to possible conversion)	800,000	80	4,495,412		4,495,492
Proceeds subject to possible conversion of 1,559,220 shares			(8,388,604)		(8,388,604)
Proceeds from issuance of option			100		100
Net Income				131,542	131,542
Balance at December 31, 2005	9,550,000	955	34,819,062	130,486	34,950,503
Unaudited:					
Net income				521,154	521,154
Balance at September 30, 2006	9,550,000	$ 955	$ 34,819,062	$ 651,640	$ 35,471,657

See Notes to Unaudited Condensed Financial Statements

Fortress America Acquisition Corporation
(a corporation in the development stage)
Condensed Statement of Cash Flows
(unaudited)

	For the Nine Months Ended September 30, 2006	For the Nine Months Ended September 30, 2005	For the period December 20, 2004 (inception) to September 30, 2006
Cash flow from operating activities			
Net income	$ 521,154	$ 47,419	$ 651,640
Adjustments to reconcile net income to net cash used in operating activities:			
Deferred income taxes	(232,936)	-	(364,936)
Interest income on treasury bills	(1,508,630)	(259,569)	(2,148,431)
Decrease (Increase) in prepaid expenses	50,165	(54,166)	-
(Decrease) Increase in accounts payable and accrued expenses	(19,227)	60,687	86,081
Increase in income taxes payable	190,410	31,613	396,604
Increase in deferred interest	301,575	51,896	429,479
Net cash used in operating activities	(697,489)	(122,120)	(949,563)
Cash flows from investing activities			
Payment of deferred acquisition costs	(220,204)	-	(220,204)
Investments placed in Trust Fund	-	(41,964,000)	(41,964,000)
Net cash used in investing activities	(220,204)	(41,964,000)	(42,184,204)
Cash flows from financing activities			
Gross proceeds of public offering, including over-allotment option exercise	-	46,800,000	46,800,000
Proceeds of issuance of option	-	100	100
Proceeds from notes payable, stockholders	-	57,500	70,000
Payment of notes payable, stockholders	-	(70,000)	(70,000)
Proceeds from sale of shares of common stock	-	25,000	50,000
Redemption of common stock	-	(25,000)	(25,000)
Payment of costs of public offering, including over-allotment option exercise	-	(3,596,979)	(3,616,479)
Advances from stockholder	-	10,600	-
Net cash provided by financing activities	-	43,201,221	43,208,621
Net (decrease) increase in cash	(917,693)	1,115,101	74,854
Cash at beginning of the period	992,547	25,000	-
Cash at the end of the period	$ 74,854	$ 1,140,101	$ 74,854
Non cash investing activity:			
Accrual of acquisition costs	288,388	-	288,388
Non cash financing activity:			
Accrual of costs of public offering	-	12,000	-

See Notes to Unaudited Condensed Financial Statements.

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Fortress America Acquisition Corporation
(a corporation in the development stage)
Notes to Unaudited Condensed Financial Statements

1. Organization and Proposed Business Operations

Fortress America Acquisition Corporation (the "Company") was incorporated in Delaware on December 20, 2004 as a blank check company, the objective of which is to acquire one or more operating businesses in the homeland security industry. The Company has elected December 31 as its fiscal year-end.

The financial statements at September 30, 2006 and for the periods from inception to September 30, 2006 and the three and nine month periods ended September 30, 2006 are unaudited. In the opinion of management, all adjustments (consisting of normal adjustments) have been made that are necessary to present fairly the financial position of the Company as of September 30, 2006, the results of its operations for the three and nine month periods ended September 30, 2006 and 2005 and for the period from December 20, 2004 (inception) through September 30, 2006, and its cash flows for the nine month period ended September 30, 2006 and for the period from December 20, 2004 (inception) through September 30, 2006. Operating results for the interim period presented are not necessarily indicative of the results to be expected for a full year. The condensed balance sheet at December 31, 2005 has been derived from the audited financial statements.

The Company was formed on December 20, 2004 and consummated an initial public offering ("IPO") on July 20, 2005. In addition, on August 24, 2005 the underwriters for the IPO exercised their over-allotment option (the "Over-Allotment Option Exercise" and, together with the IPO, the "Offering"). The Offering generated total net proceeds of $43,183,521. The Company's management has broad discretion with respect to the specific application of the net proceeds of the Offering, although substantially all the net proceeds of the Offering are intended to be generally applied toward consummating a business combination with (or acquisition of) one or more operating businesses in the homeland security industry ("Business Combination"). Furthermore, there is no assurance that the Company will be able to successfully effect a Business Combination. Upon the closing of the Offering, approximately $41,964,000 of the net proceeds was deposited in a trust fund account ("Trust Fund") and has been invested in Treasury Bills until the earlier of (i) the consummation of its first Business Combination; or (ii) the liquidation of the Company. The Treasury Bills have been accounted for as trading securities and are recorded at their market value of approximately $44,112,431 at September 30, 2006. The excess of market value over cost, exclusive of the deferred interest described further below, is included in interest income in the accompanying statement of operations. The proceeds not deposited into the Trust Fund may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. The Company, after signing a definitive agreement for the acquisition of a target business, will submit such transaction for stockholder approval. All of the Company stockholders prior to the Offering, including all of the officers and directors of the Company ("Initial Stockholders"), have agreed to vote their 1,750,000 founding shares of common stock in accordance with the vote of the majority in interest of all other stockholders of the Company ("Public Stockholders") with respect to any Business Combination. After consummation of the Company's first Business Combination, all of these voting safeguards will no longer be applicable.

Fortress America Acquisition Corporation
(a corporation in the development stage) (continued)
Notes to Unaudited Financial Statements

In the event (i) the Business Combination is not approved by a majority of the shares of common stock held by the Public Stockholders or (ii) 20% or more of the shares of common stock held by the Public Stockholders vote against the Business Combination and exercise their conversion rights described below, the Business Combination will not be consummated.

With respect to the first Business Combination which is approved and consummated, any Public Stockholder who voted against the Business Combination may demand that the Company convert his or her shares into cash. The per share conversion price will equal the amount in the Trust Fund, calculated as of two business days prior to the proposed Business Combination, divided by the number of shares of common stock held by Public Stockholders at the consummation of the Offering. Accordingly, Public Stockholders holding approximately 19.99% of the aggregate number of shares owned by all Public Stockholders may seek conversion of their shares in the event of a Business Combination. Such Public Stockholders are entitled to receive their per share interest in the Trust Fund computed without regard to the shares held by the Initial Stockholders. Accordingly, a portion of the net proceeds of the Offering (19.99% of the amount originally held in the Trust Fund) has been classified as common stock subject to possible conversion in the accompanying balance sheets and 19.99% of the related interest earned has been recorded as deferred interest.

The Company’s Amended and Restated Certificate of Incorporation provides for the mandatory liquidation of the Company in the event that the Company does not consummate a Business Combination within 12 months from the date of the consummation of the Offering, or 18 months from the consummation of the Offering if certain extension criteria have been satisfied. There is no assurance that the Company will be able to successfully effect a Business Combination during this period. This factor raises substantial doubt about the Company’s ability to continue as a going concern. The accompanying financial statements are prepared assuming the Company will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. In the event of liquidation, it is likely that the per share value of the residual assets remaining available for distribution (including Trust Fund assets) will be less than the initial public offering price per share in the Offering.

Fortress America Acquisition Corporation
(a corporation in the development stage) (continued)
Notes to Unaudited Financial Statements

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123 (revised 2004) ("SFAS 123(R)"), "Share Based Payment". SFAS 123(R) requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The Company is required to adopt SFAS 123(R) effective January 1, 2006. The Company does not believe that the adoption of SFAS No. 123(R) will have a significant impact on its financial condition or results of operations.

In June 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes." FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is currently reviewing this new standard to determine the effects, if any, on its results of operations or financial position.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

2. Commitment

Commencing January 1, 2005, the Company occupied office space from, and had certain office and secretarial services made available to it by, an unaffiliated third party. Rent expense under this agreement for each of the periods from December 20, 2004 (inception) to September 30, 2006 and from January 1, 2006 to September 30, 2006 amounted to $1,362 and $0, respectively. The rental agreement expired June 30, 2005.

Commencing on the consummation of the Offering, the Company occupies office space provided by an affiliate of an Initial Stockholder. Such affiliate has agreed that, until the acquisition or a target business by the Company, it will make such office space, as well as certain office and secretarial services, available to the Company, as may be required by the Company from time to time. The Company has agreed to pay such affiliate $7,500 per month for such services. Rent expense under this agreement for each of the periods from December 20, 2004 (inception) to September 30, 2006 and from January 1, 2006 to September 30, 2006 amounted to $105,000 and $67,500, respectively.

3. Proposed Acquisition

On June 5, 2006, Fortress America Acquisition Corporation ("FAAC") entered into a Membership Interest Purchase Agreement (the "Purchase Agreement") with VTC, L.L.C. ("VTC"), Vortech, LLC (together with VTC, the " Acquisition Companies"), Thomas P. Rosato ("Rosato") and Gerard J. Gallagher (together with Rosato, the "Members"), pursuant to which FAAC will acquire (the "Acquisition") all of the issued and outstanding membership units of the Acquisition Companies from the Members.

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Fortress America Acquisition Corporation
(a corporation in the development stage) (continued)
Notes to Unaudited Financial Statements

On June 26, 2006, FAAC and the other parties to the Purchase Agreement entered into an Amended and Restated Membership Interest Purchase Agreement, pursuant to which the cash portion of the initial purchase consideration was reduced from $19.0 million to $11.0 million, the portion the initial purchase consideration consisting of convertible promissory notes was increased from $8.0 million to $10.0 million and the portion of the initial purchase consideration consisting of FAAC common stock was increased from approximately $11.5 million to approximately $17.5 million (subject, in both cases, to a dollar for dollar reduction for assumed debt up to a maximum of $161,000). As a result of the increase in value of the initial purchase consideration consisting of FAAC common stock, the maximum number of shares of FAAC common stock issuable at closing has increased from 2,107,385 to 3,205,128. The aggregate initial purchase consideration, before adjustments for assumption of debt and working capital adjustments, remained unchanged at $38.5 million. Through September 30, 2006, the Company incurred $508,592 of costs in connection with the acquisition which have been recorded as deferred acquisition costs on the accompanying September 30, 2006 balance sheet.

4. Common Stock

On December 20, 2004, the Company issued 1,250,000 shares of common stock. On March 8, 2005, the Company authorized the redemption of the 1,250,000 shares of common stock at the original subscription price. On March 9, 2005, the Company issued 1,750,000 shares of common stock to the original stockholders along with new stockholders (in the aggregate, these stockholders are the Initial Stockholders).

On July 20, 2005, the Company issued 7,000,000 shares of Common Stock in connection with the IPO. On August 24, 2005, the Company issued 800,000 share of Common Stock pursuant to the Over-Allotment Option Exercise.

5. Preferred Stock

The Company is authorized to issue 1,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

This Quarterly Report on Form 10-QSB and the documents incorporated by reference into the Quarterly Report on Form 10-QSB include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes," "estimates," "anticipates," "expects," "intends," "may," "will" "should," or, in each case, their negative or other variations or comparable terminology. Such statements include, but are not limited to, any statements relating to our ability to consummate any acquisition or other business combination and any other statements that are not historical facts. These statements are based on management's current expectations, but actual results may differ materially due to various factors, including, but not limited to:

· our dependence on key personnel, some of whom may or may not join us following a business combination;

· our personnel allocating their time to other businesses and potentially having conflicts of interest with our business;

· our potentially being unable to timely complete a business combination;

· the ownership of our securities being concentrated;

· risks associated with the homeland security industry; and

· those other risks and uncertainties detailed in the Company's filings with the Securities and Exchange Commission.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report on Form 10-QSB. In addition, even if our results of operations, financial condition and liquidity, and developments in the industry in which we operate, are consistent with the forward-looking statements contained in this Quarterly Report on Form 10-QSB, those results or developments may not be indicative of results or developments in subsequent periods.

Introduction

The following discussion should be read in conjunction with our financial statements and related notes thereto contained in this report.

We were formed on December 20, 2004, to serve as a vehicle to acquire an operating business in the homeland security industry through a merger, capital stock exchange, asset acquisition or other similar business combination. We intend to utilize cash derived from the proceeds of our recently completed public offering, our capital stock, debt or a combination of cash, capital stock and debt, in effecting a business combination.

Three month period ended September 30, 2006 compared to three month period ended September 30, 2005

For the three months ended September 30, 2006, we had total income of $444,941, consisting of net interest income on investments held in trust and on cash balances maintained. For the three months ended September 30, 2005, we had total income of $213,897, consisting of net interest income on investments held in trust and on cash balances maintained.

Total expenses for the three months ended September 30, 2006 were $236,963, consisting of $129,823 in operating expenses and $107,140 in income tax expense. We had a net gain of $207,978 for this period. For the three months ended September 30, 2005, total expenses were $164,832, consisting of $133,219 in formation and operating expenses and $31,613 in income tax expense. We had a net gain of $49,065 for this period.

Nine month period ended September 30, 2006 compared to nine month period ended September 30, 2005

For the nine months ended September 30, 2006, we had total income of $1,217,406, consisting of net interest income on investments held in trust and on cash balances maintained. For the nine months ended September 30, 2005, we had total income of $213,897, consisting of net interest income on investments held in trust and on cash balances maintained.

Total expenses for the nine months ended September 30, 2006 were $696,252, consisting of $427,778 in operating expenses and $268,474 in income tax expense. We had a net gain of $521,154 for this period. For the nine months ended September 30, 2005, total expenses were $166,478, consisting of $134,865 in formation and operating expenses and $31,613 in income tax expense. We had a net gain of $47,419 for this period.

Period from December 20, 2004 (inception) through September 30, 2006

For the period from December 20, 2004 (inception) through September 30, 2006, we had total income of $1,742,836, consisting of net interest income on investments held in trust and on cash balances maintained. Total expenses for this period were $1,091,196, consisting of $748,528 in formation and operating expenses and $342,668 in income tax expense. We had a net gain of $651,640 for this period.

General

We consummated our IPO on July 20, 2005. Gross proceeds from our IPO were $42,000,000. On August 24, 2005, we sold an additional 800,000 units pursuant to the underwriters' over-allotment option, raising additional gross proceeds of $4,800,000. After deducting the underwriting discounts and commissions and the offering expenses, the total net proceeds to us from the offering were approximately $43,183,521, of which $41,964,000 was deposited into the trust fund. The remaining proceeds ($1,219,521) were made available to be used by us to provide for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses.

We will use substantially all of the net proceeds of the Offering to acquire a target business in the homeland security industry, including identifying and evaluating prospective acquisition candidates, selecting the target business, and structuring, negotiating and consummating the business combination. To the extent that our capital stock is used in whole or in part as consideration to effect a business combination, the proceeds held in the trust fund as well as any other net proceeds not expended will be used to finance the operations of the target business. We believe we will have sufficient available funds outside of the trust fund to operate through January 20, 2007, assuming that a business combination is not consummated during that time. Over this period, we anticipate approximately $75,000 of expenses for the due diligence and investigation of a target business, $350,000 of expenses for legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiating of a business combination, $135,000 for the administrative fee payable to Global Defense Corporation, $100,000 of expenses in legal and accounting fees relating to our SEC reporting obligations and $567,000 for general working capital that will be used for miscellaneous expenses and reserves, including approximately $67,500 for director and officer liability insurance premiums.

ITEM 3. CONTROLS AND PROCEDURES.

We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer, of the effectiveness of our disclosure controls and procedures as of September 30, 2006. Based on that evaluation, our chief executive officer concluded that our disclosure controls and procedures are effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. During the most recently completed fiscal quarter, there has been no significant change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II.

OTHER INFORMATION

ITEM 6: EXHIBITS

(a) Exhibits:

3.1 Amended and restated certificate of incorporation (incorporated by reference to Exhibit 3.2 to Amendment No. 3 to Registrant's Registration Statement on Form S-1 (File No. 333-123504) filed with the SEC on July 5, 2005).

3.2 By-laws (incorporated by reference to Exhibit 3.2 to Amendment No. 3 to Registrant's Registration Statement on Form S-1 (File No. 333-123504) filed with the SEC on March 23, 2005).

4.1 Specimen Unit Certificate (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement No. 333-123504, effective July 13, 2005).

4.2 Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement No. 333-123504, effective July 13, 2005).

4.3 Specimen Warrant Certificate (incorporated by reference to Exhibit 4.3 of the Company's Registration Statement No. 333-123504, effective July 13, 2005).

4.4 Warrant Agreement dated as of July 13, 2005 between Continental Stock Transfer & Trust Company and the Company (incorporated by reference to Exhibit 4.4 of the Company's Annual Report on Form 10-K filed with the SEC on March 31, 2006).

4.5 Warrant Clarification Agreement dated as of October 27, 2006 between Continental Stock Transfer & Trust Company and the Company.

4.6 Amendment to Unit Purchase Option dated as of October 27, 2006 between the Company and Sunrise Securities Corp.

10.1 Second Amended and Restated Membership Interest Purchase Agreement dated as of July 31, 2006 by and among the Company, VTC, L.L.C., Vortech, LLC, Thomas P. Rosato and Gerard J. Gallagher.

31 Section 302 Certification by Principal Executive and Financial Officer

32 Section 906 Certification by Principal Executive and Financial Officer

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FORTRESS AMERICA ACQUISITION CORPORATION

Dated: November 13, 2006

/s/ Harvey L. Weiss

Harvey Weiss
Chief Executive Officer

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EXHIBIT INDEX

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31	Section 302 Certification by Principal Executive and Financial Officer
32	Section 906 Certification by Principal Executive and Financial Officer