Aftermarket Enterprises, Inc.
Form 10-Q
August 07, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2009

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from __________ to __________

Commission File Number 333-141676

Aftermarket Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Nevada

20-5354797

(State or other jurisdiction of

(IRS Employer Identification No.)

incorporation or organization)

933 S. 4th Street, Unit A, Grover Beach, CA 93433

(Address of principal executive offices) (Zip Code)

(805) 457-6999

(Registrant s telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 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 [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ¨

Accelerated filer ¨

Non-accelerated filer ¨ (Do not check if a smaller reporting company)

Smaller reporting company x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer s classes of common equity, as of the latest practicable date.

2,776,996 shares of $0.001 par value common stock on August 4, 2009

Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

Aftermarket Enterprises, Inc.

FINANCIAL STATEMENTS

(UNAUDITED)

June 30, 2009

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. However, in the opinion of management, all adjustments (which include only normal recurring accruals) necessary to present fairly the financial position and results of operations for the periods presented have been made. These financial statements should be read in conjunction with the accompanying notes, and with the historical financial information of the Company.

AFTERMARKET ENTERPRISES, INC.

CONSOLIDATED BALANCE SHEETS

	June 30, 2009 (unaudited)	December 31, 2008
ASSETS		
Current assets		
Cash	$ 3,268	$ 22,974
Other current assets	11,543	1,042
Total current assets	14,811	24,016
Website (net of amortization of $30,667 and $15,827 respectively)	1,975	7,911
Total assets	$ 16,786	$ 31,927
LIABILITIES		
Current liabilities		
Accounts payable	$ 20,027	$ 14,086
Accrued liabilities	807	695
Total current liabilities	20,834	14,781
STOCKHOLDERS EQUITY (DEFICIT)		
Preferred Stock: ($0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding)	-	-
Common Stock: ($0.001 par value, 90,000,000 shares authorized; 2,776,996 and 2,776,996 shares issued and outstanding , respectively)	2,777	2,777

Additional paid in capital	187,853	187,853
Accumulated deficit	(194,678)	(173,484)
Total stockholders equity (deficit)	(4,048)	17,146
Total liabilities and stockholders equity (deficit)	$ 16,786	$ 31,927

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

AFTERMARKET ENTERPRISES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

for the Quarters and Years Ended June 30, 2009 and 2008

(unaudited)

	Three Months ended June 30, 2009	Six Months ended June 30, 2009	Three Months ended June 30, 2008	Six Months ended June 30, 2008
Revenues				
Sales (net of returns)	$ 23,821	48,418	36,760	87,491
Costs of goods sold	20,540	35,639	23,394	77,771
Gross profit	3,281	12,779	13,366	9,720
Expenses				
Amortization expense	2,968	5,936	2,968	5,936
Credit card discounts	1,028	2,116	1,645	3,888
Payroll expenses	0	0	4,982	6,695
Other general & administrative	5,342	10,913	9,745	22,945
Legal and professional fees	(597)	15,008	5,571	9,223
	8,741	33,973	24,911	48,687
Loss from operations	**(5,460)**	**(21,194)**	**(11,545)**	**(38,967)**
Interest income	0	0	12	12
Interest expense	0	0	(532)	(601)
Penalties and settlements	0	0	0	(424)
Provision for income taxes	0	0	0	0
Net loss	**$ (5,460)**	**$ (21,914)**	**$ (12,065)**	**$ (39,980)**
Net loss per common share	**$ (0.01)**	**$ (0.01)**	**$ (0.01)**	**$ (.03)**
Weighted average number of common shares used in calculation	**2,776,996**	**2,776,996**	**1,592,452**	**1,592,452**

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

AFTERMARKET ENTERPRISES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY (DEFICIT)

June 30, 2009

(unaudited)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total Stockholders Equity (Deficit)
December 31, 2006	1,100,000	$ 1,100	$ 9,900	$ (5,358)	$ 5,642
Net loss for year				(61,059)	(61,059)
Conversion of debt to equity	492,452	492	48,753	-	49,245
December 31, 2007	1,592,452	1,592	$ 58,653	$ (66,417)	$ (6,172)
Stock issued for cash	1,054,544	1,055	125,430		126,485
Stock issued for consulting services	130,000	130	3,770		3,900
Net loss for year	-	-	-	(107,067)	(107,067)
Balance, December 31, 2008	2,776,996	$ 2,777	$ 187,853	$(173,484)	$ 17,146
Net loss for year				(21,194)	(21,194)
Balance, June 30, 2009	2,776,996	$ 2,777	$ 187,853	$(194,678)	$ (4,048)

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

AFTERMARKET ENTERPRISES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months Ended June 30, 2009 and 2008

(unaudited)

	Six months Ended June 30, 2009	Six months Ended June 30, 2008
Cash Flows from Operating Activities		
Net loss	$ (21,914)	$ (39,981)
Adjustment for items not involving cash:		
Amortization expense	5,936	5,936
Accrued interest	0	601
Change in non-cash working capital items:	(15,978)	(33,444)
(Increase) decrease in other current assets	(10,501)	(1,115)
Increase (decrease) in accounts payable	5,027	19,021
Increase (decrease) in accrued liabilities	0	(236)
Cash provided by (used in) operating activities	**(21,452)**	**(15,774)**
Cash Flow from Investing Activities		
Acquisition of website	-	
Cash used in investing activities	**-**	
Cash Flow from Financing Activities		
Proceeds from loan payable stockholders	0	21,000
Proceeds from sale of common stock	-	-
Cash provided by financing activities		
	(21,452)	5,226
Increase (decrease) in cash position		
Cash position at beginning of period	**22,974**	**549**
Cash position at end of period	**$3,268**	**$5,775**
Non-cash activities		

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

Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements

June 30, 2009

(unaudited)

NOTE 1

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Aftermarket Enterprises, Inc. (the Company) is presented to assist in understanding the Company's financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the accompanying consolidated financial statements.

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2009 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2008 audited financial statements. The results of operations for the period ended March 31, 2009 and 2008 are not necessarily indicative of the operating results for the full years.

Business Activity

Aftermarket Enterprises, Inc. (the Company) is a Nevada corporation organized on August 4, 2006 to market and sell aftermarket automotive products through the Internet. On May 12, 2004, Everything SUV, LLC was organized to sell aftermarket automotive products for SUV s through the Internet. On July 24, 2006, all rights, titles and interests to any and all memberships and ownership interests in Everything SUV, LLC were transferred to Aftermarket Express, Inc. The Company acquired all the outstanding shares of common stock of Aftermarket Express, Inc. on September 1, 2006 in a business combination. The Company has elected a fiscal year end of December 31st. All intercompany balances have been eliminated on consolidation.

Recently Issued Accounting Pronouncements

In June 2008, the FASB issued FASB Staff Position EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities,* (FSP EITF 03-6-1). FSP EITF 03-6-1 addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting, and therefore need to be included in the computation of earnings per share under the two-class method as described in FASB Statement of Financial Accounting Standards No. 128, Earnings per Share. FSP EITF 03-6-1 is effective for financial statements issued for fiscal years beginning on or after December 15, 2008 and earlier adoption is prohibited. FASB Staff Position EITF 03-6-1has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In May 2008, the Financial Accounting Standards Board (FASB) issued SFAS No. 163, Accounting for Financial Guarantee Insurance Contracts-and interpretation of FASB Statement No. 60 . SFAS No. 163 clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities.

Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements (continued)

June 30 2009

(unaudited)

This statement also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those years. SFAS No. 163 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In May 2008, the Financial Accounting Standards Board (FASB) issued SFAS No. 162, The Hierarchy of Generally Accepted Accounting Principles . SFAS No. 162 sets forth the level of authority to a given accounting pronouncement or document by category. Where there might be conflicting guidance between two categories, the more authoritative category will prevail. SFAS No. 162 will become effective 60 days after the SEC approves the PCAOB s amendments to AU Section 411 of the AICPA Professional Standards. SFAS No. 162 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In March 2008, the Financial Accounting Standards Board, or FASB, issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133. This standard requires companies to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity s financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. SFAS No. 161 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In December 2007, the SEC issued Staff Accounting Bulletin (SAB) No. 110 regarding the use of a "simplified" method, as discussed in SAB No. 107 (SAB 107), in developing an estimate of expected term of "plain vanilla" share options in accordance with SFAS No. 123 (R), Share-Based Payment. In particular, the staff indicated in SAB 107 that it will accept a company's election to use the simplified method, regardless of whether the company has sufficient information to make more refined estimates of expected term. At the time SAB 107 was issued, the staff believed that more detailed external information about employee exercise behavior (e.g., employee exercise patterns by industry and/or other categories of companies) would, over time, become readily available to companies. Therefore, the staff stated in SAB 107 that it would not expect a company to use the simplified method for share option grants after December 31, 2007. The staff understands that such detailed information about employee exercise behavior may not be widely available by December 31, 2007. Accordingly, the staff will continue to accept, under certain circumstances, the use of the simplified method beyond December 31, 2007. The Company currently uses the simplified method for plain vanilla share options and warrants, and will assess the impact of SAB 110 for fiscal year 2009. SAB No. 110 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In December 2007, the FASB issued SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51. This statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Before this statement was issued, limited guidance existed for reporting noncontrolling interests. As a result, considerable diversity in practice existed. So-called minority interests were reported in the consolidated statement of financial position as liabilities or in the mezzanine section between liabilities and equity. This statement improves comparability by eliminating that

Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements (continued)

June 30 2009

(unaudited)

diversity. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008 (that is, January 1, 2009, for entities with calendar year-ends). Earlier adoption is prohibited. The effective date of this statement is the same as that of the related Statement 141 (revised 2007). The Company will adopt this Statement beginning March 1, 2009. SFAS No. 160 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In December 2007, the FASB, issued FAS No. 141 (revised 2007), Business Combinations . This Statement replaces FASB Statement No. 141, Business Combinations, but retains the fundamental requirements in Statement 141. This Statement establishes principles and requirements for how the acquirer: (a) recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree; (b) recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and (c) determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. This statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. An entity may not apply it before that date. The effective date of this statement is the same as that of the related FASB Statement No. 160, Noncontrolling Interests in Consolidated Financial Statements. FAS No. 141 has no effect on the Company s financial position, statements of operations, or cash flows at this time.

In February 2007, the FASB, issued SFAS No. 159, The Fair Value Option for Financial Assets and Liabilities Including an Amendment of FASB Statement No. 115. This standard permits an entity to choose to measure many financial instruments and certain other items at fair value. This option is available to all entities. Most of the provisions in FAS 159 are elective; however, an amendment to FAS 115 Accounting for Certain Investments in Debt and Equity Securities applies to all entities with available for sale or trading securities. Some requirements apply differently to entities that do not report net income. SFAS No. 159 is effective as of the beginning of an entity s first fiscal year that begins after November 15, 2007. It is not believed that this will have an impact on the Company s consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the Board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements. However, for some entities, the application of this statement will change current practice. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company is currently assessing the impact of the statement but it is not believed that this will have an impact on the Company s consolidated financial position, results of operations or cash flows.

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Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements (continued)

June 30 2009

(unaudited)

NOTE 1

ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company had $14,811.00 in cash or cash equivalents at June 30, 2009. Of this, $11,543.00 consisted of Undeposited Funds which are funds resulting from credit card transactions completed during the period which had not yet been deposited into our bank account as of the end of the period.

Use of Estimates in the preparation of the financial statements

The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue Recognition

The Company recognizes revenue from product sales when the following four revenue recognition criteria are met: persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the selling price is fixed or determinable, and collectability is reasonably assured. Product sales and shipping revenues are recorded when the products are shipped and title passes to customers. The customer s credit card is authorized at the time the order is placed, thereby providing reasonable assurance of collectability. The credit card is then charged for the amount of the sale when the product is shipped from the supplier. Our agreement with our suppliers is that all orders for products that are in stock are shipped within 48 hours of receipt of the order by the supplier. We interact telephonically and electronically with our suppliers on a daily basis and are aware of when outstanding orders are shipped. Approximately 50% of our suppliers notify us via email when orders have been shipped and, with rare exceptions, all orders for merchandise that is in stock are shipped within 48 hours of the time of the order. If we are not notified electronically that the order has been shipped, we confirm it telephonically prior to charging the customers card. Delivery to the customer is deemed to have occurred when the product is shipped from the supplier.

Advertising

The Company expenses advertising costs as incurred. There were no advertising costs incurred during the quarter ending 6-30-09.

Shipping and Handling Costs

Shipping and handling costs are included in cost of sales.

Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements (continued)

June 30 2009

(unaudited)

NOTE 2

BUSINESS ACQUISITIONS

On September 1, 2006, we acquired Aftermarket Express, Inc. which is now our wholly owned subsidiary. We purchased Aftermarket Express, Inc. from its stockholders for $31,300 paid in the form of $21,300 in cash and $10,000, interest free Promissory Note with a maturity date of November 29, 2006. The Promissory Note was paid in full on November 2, 2006.

NOTE 3

COMMITMENTS

None.

NOTE 4

RELATED PARTY TRANSACTIONS

None.

NOTE 5

WEBSITE

We receive all of our revenues through our website. Once the order is received from the website, the customer s credit card is authorized for the total cost of the sale, including shipping and handling. Upon successful authorization of the credit card, the order is sent to the appropriate supplier via email. Upon confirmation that the order has been shipped by the supplier, the customer s credit card is charged for the full value of the sale, including shipping and handling. Since we do not maintain an inventory, credit cards are not charged until shipment to assure the manufacture has the item in stock for immediate shipment. If the item is not available for immediate shipment, electronic communication is sent to the customer informing them of any delays and their order is cancelled or put on hold depending upon their preference.

NOTE 6

GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) obtaining capital from management and significant shareholders sufficient to meet its minimal operating expenses, and (2) seeking out and completing a merger with an existing operating company. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Aftermarket Enterprises, Inc.

Notes to Consolidated Financial Statements (continued)

June 30 2009

(unaudited)

NOTE 7

STOCKHOLDERS EQUITY

We have 100,000,000 shares of stock authorized for issuance, consisting of 10,000,000 preferred and 90,000,000 common.

Currently there are no shares of preferred stock issued or outstanding.

As of December 31, 2006, there were 1,100,000 shares of common stock issued and outstanding.

During the fiscal year 2007, 492,452 shares of common stock were issued in connection with the conversion of outstanding promissory notes into common stock.

As of December 31, 2007, there were 1,592,452 shares of common stock issued and outstanding.

During the fiscal year 2008, we issued 1,054,544 shares of common stock for cash of $126,485 and 130,000 shares for consulting services valued at $3,900.

As of December 31, 2008, there were 2,776,996 shares of common stock issued and outstanding.

As of March 31, 2009, there were 2,776,996 shares of common stock issued and outstanding.

As of June 30, 2009, there were 2,776,996 shares of common stock issued and outstanding.

NOTE 8

CREDIT CARD DEPOSITS HELD

On May 28, 2009, First Data, our merchant bank, placed a hold on our credit card deposits as a result of suspicious activity on our merchant account. This suspicious activity consisted of individuals unknown to the company attempting to place orders with the company repeatedly, using a different credit card each time and for an amount that well exceeds the dollar amount of our average order. On June 18, 2009, First Data completed their investigation and released the funds being held. As of the end of the period the funds had not yet arrived in our account, resulting in a higher than normal Undeposited Funds balance.

Item 2. Management s Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This periodic report contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the Plan of Operations provided below, including information regarding the Company s financial condition, results of operations, business strategies, operating efficiencies or synergies, competitive positions, growth opportunities, and the plans and objectives of management. The statements made as part of the Plan of Operations that are not historical facts are hereby identified as "forward-looking statements."

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the unaudited Financial Statements and accompanying notes. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from these estimates under different assumptions or conditions. The Company believes there have been no significant changes during the three month periods ended June 30, 2009, to the items disclosed as significant accounting policies since the Company s last audited financial statements for the year ended December 31, 2007.

The Company s accounting policies are more fully described in Note 1 of the consolidated financial statements. As discussed in Note 1, the preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions about the future events that affect the amounts reported in the consolidated financial statements and the accompanying notes. The Company believes that the following addresses the Company s most critical accounting policies.

We recognize revenue in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, Revenue Recognition (SAB 104). Under SAB 104, revenue is recognized at the point of passage to the customer of title and risk of loss, when there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured. We recognize revenue as services are provided. Revenues are reflected net of coupon discounts.

We account for income taxes in accordance with Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes (SFAS No. 109). Under SFAS No. 109, deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets will be reflected on the balance sheet when it is determined that it is more likely than not that the asset will be realized. A valuation allowance has currently been recorded to reduce our deferred tax asset to $0.

Plan of Operations

We operate an online store which sells Sport Utility Vehicle (SUV) accessories. This store was obtained through the purchase of the website www.everythingsuv.com and related business of Aftermarket Express, Inc. We hoped to leverage this presence into additional aftermarket accessories product lines, but our core business has been adversely affected by the current economic recession and we have been unable to take steps to diversify our activities. Currently, our product line continues to focus on the SUV marketplace. We hope to be able to take the same concept and operational processes and broaden it to serve the overall aftermarket accessory marketplace in the future, but at present are focused on stabilizing and strengthening our core business. .

Since purchasing the business, we have implemented an outbound email follow up activity to better communicate with our existing customers. The business is wholly dependent on internet searches to locate our web site or from repeat customers. Management believes with a more aggressive marketing approach, our online presence can be expanded and sales can be increased.

In the past quarter, we have focused on increased website search engine submissions, updating available product lines to address the most current models and further optimizing our site in the interest of increasing website traffic. We will continue these activities through the course of the next quarter with aims at increasing overall revenue.

Results of Operations

We continued to lose money during the three months ended June 30, 2009, with a net loss of $5,460 compared to a loss of $12,065 for the three months ended June 30, 2008. For the six months ended June 30, 2009, we had a net loss of $21,914 compared to a net loss for the six months ended June 30, 2008, of $39,980. We had sales of $23,821 for the three months ended June 30, 2009 compared to sales of $36,760 for the three months ended June 30, 2008. For the six months ended June 30, 2009, we had sales of $48,418 compared to sales for the six months ended June 30, 2008, of $87,491. We believe sales decreased due to the general economic conditions faced by consumers as the economy faltered. Without additional revenue, we will continue to suffer losses. We expect our legal and professional fees, which include our audit and accounting fees, will continue for the foreseeable future and we expect them to remain at current levels.

Revenues were generated through our web site purchased in September 2006. We did not engage in any additional marketing or advertising as we focused on revising our web site and marketing plan. We anticipate sales to continue to be lower than last year, although we are taking steps to increase our website traffic and sales.

Since we are not a manufacturer of the products we sell and we buy from suppliers, our cost of goods sold is somewhat out of our hands and we have limited markup capabilities if we want to stay price competitive. On all products we carry, we perform a market analysis of the product and competing product prices both online and in available stores. This analysis can generally be performed online without much difficulty. Once a price point for a product is determined, we try and set the price at a competitive level, often matching competitor s prices or slightly reducing our price over a competitor if possible. Since we typically have no inventory carrying cost, we generally can be competitive on price point. Generally, our prices reflect a gross margin of an average of 25% to 35%. If a product is widely available at a price that forces us to sell it for less than a gross profit of 30%, we will still offer the product for sale but only if there is minimal customer service activity associated with the sale. As with most retail and online stores, we have to minimize all other expenses in order to have a chance to make a profit.

Liquidity and Capital Resources

As of June 30, 2009, we had a working capital of ($6,023). It is possible that we will need to raise additional capital to cover ongoing losses until we are able to increase our sales. We have reduced expenses to the lowest possible level and believe that we will be able to cover or nearly cover costs for the next quarter. However, even with reducing expenses, we still face severe challenges and may need additional capital if sales cannot be maintained or grown at a level that allows us to pay for all expenses of operation as they occur.

Our primary source of liquidity in the past has been cash provided by debt instruments and operating activities. If our efforts to increase sales are not successful, and if the reduction to expenses do not result in profits from current sales levels, or if current sales levels unexpectedly drop, we will have to obtain additional financing. Presently, we do not feel bank financing is feasible and believe we would have to rely on loans from existing stockholders and management or further equity offerings. At this time there are no commitments from any parties to provide further financing.

On May 28, 2009, First Data, our merchant bank, placed a hold on our credit card deposits as a result of suspicious activity on our merchant account. This suspicious activity consisted of individuals unknown to the company attempting to place orders with the company repeatedly, using a different credit card each time and for an amount that well exceeds the dollar amount of our average order. On June 18, 2009, First Data completed their investigation and released the funds being held. As of the end of the period the funds had not yet arrived in our account, resulting in a higher than normal Undeposited Funds balance.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements as of June 30, 2009.

Forward-looking Statements

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for forward-looking statements made by or on behalf of our Company. Our Company and our representatives may from time to time make written or oral statements that are forward-looking, including statements contained in this Quarterly Report and other filings with the Securities and Exchange Commission and in reports to our Company s stockholders. Management believes that all statements that express expectations and projections with respect to future matters, as well as from developments beyond our Company s control including changes in global economic conditions are forward-looking statements within the meaning of the Act. These statements are made on the basis of management s views and assumptions, as of the time the statements are made, regarding future events and business performance. There can be no assurance, however, that management s expectations will necessarily come to pass. Factors that may affect forward-looking statements include a wide range of factors that could materially affect future developments and performance, including the following:

Changes in Company-wide strategies, which may result in changes in the types or mix of businesses in which our Company is involved or chooses to invest; changes in U.S., global or regional economic conditions, changes in U.S. and global financial and equity markets, including significant interest rate fluctuations, which may impede our Company s access to, or increase the cost of, external financing for our operations and investments; increased competitive pressures, both domestically and internationally, legal and regulatory developments, such as regulatory actions affecting environmental activities, the imposition by foreign countries of trade restrictions and changes in international tax laws or currency controls; adverse weather conditions or natural disasters, such as hurricanes and earthquakes, labor disputes, which may lead to increased costs or disruption of operations.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative, but by no means exhaustive. Accordingly, all forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

NA-Smaller Reporting Company

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our President and CFO, evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our President and CFO concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms and (ii) accumulated and communicated to our management, including our President and CFO, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Management s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance of achieving their control objectives.

Our management, with the participation of the President and CFO, evaluated the effectiveness of our internal control over financial reporting as of June 30, 2009. Based on this evaluation, our management, with the participation of the President and CFO, concluded that, as of June 30, 2009, our internal control over financial reporting was effective. Given we have only one officer that serves as President and CFO, our controls are limited by the lack of personnel and segregation of duties. As we grow our business we will be actively looking at how to segregate our duties to provide better controls.

Changes in internal control over financial reporting

There have been no changes in internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. Legal Proceedings

None

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

Recent Sales of Unregistered Securities

We have not sold any restricted securities during the three months ended June 30, 2009.

Use of Proceeds of Registered Securities

On April 15, 2008, the SEC declared our registration statement effective, file no. 333-141676. On August 11, 2008, we closed our offering under the registration statement having sold 1,054,545 shares of our common stock for gross proceeds of $126,545. Cost of the offering was $60 leaving net proceeds of $126,485. No commissions were paid to anyone. No officer or director received any of the proceeds of the offering. We have used the proceeds of the offering to repay $21,995 in indebtedness and $51,632 of accounts payable. The balance of the proceeds have been used to purchase equipment and software and for marketing.

Purchases of Equity Securities by Us and Affiliated Purchasers

During the three months ended June 30, 2009, we have not purchased any equity securities nor have any officers or directors of the Company.

ITEM 3. Defaults Upon Senior Securities

We are not aware of any defaults upon senior securities.

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

No matters were submitted to a vote of security holders during the quarter ended June 30, 2009.

ITEM 5. Other Information.

None

ITEM 6. Exhibits

(a)

Exhibits.

The following exhibits are filed herewith or are incorporated by reference to exhibits previously filed.

Exhibit #	Title of Document	Location
3 (i)	Articles of Incorporation	Incorporated by reference*
3 (ii)	Bylaws	Incorporated by reference*

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Specimen Stock Certificate

Incorporated by reference*

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Rule 13a-14(a)/15d-14a (a) Certification CEO & CFO

This filing

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Section 1350 Certification CEO & CFO

This filing

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*Incorporated by reference from the original filing of Aftermarket Enterprises, Inc. s registration statement on Form SB-2, file number 333-141676, filed on March 30, 2007.

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, thereunto duly authorized.

Aftermarket Enterprises, Inc.

(Registrant)

Date:

August 4, 2009

By: /s/ Adam Anthony

Adam Anthony, CEO, Principal Accounting

Officer and Director