

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

AMERICAN BUSINESS CORP
Form 10QSB
November 14, 2006

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

Form 10-QSB

(Mark One)

Quarterly report under section 13 or 15(d) of the Securities
Exchange Act of 1934 for the quarterly period ended:
September 30, 2006

Transition report under section 13 or 15(d) of the Securities
Exchange Act of 1934 for the transition period from
to
----- .

Commission File No: 33-9640-LA

AMERICAN BUSINESS CORPORATION

(Name of small business in its charter)

Colorado

90-0249312

(State or other jurisdiction
of incorporation)

(IRS Employer Id. No.)

11921 Brinley Avenue, Louisville, KY 40243

(Address of Principal Office including Zip Code)

Issuer's telephone Number: (502) 410-6900

Check whether the Registrant (1) filed all reports required to be filed
by Section 13 or 15(d) of the Securities Exchange Act of 1934 during
the preceding 12 months (or for such shorter period that the Registrant
was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes (X) No ()

Indicate by check mark whether the Registrant is a shell company (as
defined in Rule 12b-2 of the Exchange Act). Yes (X) No ()

Check whether the Registrant filed all documents and reports required
to be filed by Section 12, 13, or 15(d) of the Exchange Act after the
distribution of securities under a plan confirmed by a court.

Yes () No (X)

State the number of shares outstanding of each of the issuer's classes
of common equity, as of the latest practicable date:

Common Stock, \$.001 par value, 69,870,517 shares at September 30, 2006

Transitional Small Business Disclosure Format (Check one):

Yes [] No [X].

AMERICAN BUSINESS CORPORATION
FORM 10-QSB - QUARTER ENDED SEPTEMBER 30, 2006

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

INDEX

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.....2
 Condensed Balance Sheets at September 30, 2006
 (unaudited) and December 31, 2005.....3
 Condensed Statements of Operations for the
 Nine Months and Three Months Ended
 September 30, 2006 and 2005 (unaudited).....4
 Condensed Statement of Stockholders' Deficit for
 the Nine Months Ended September 30, 2006 (unaudited).....5
 Condensed Statements of Cash Flows for the Nine
 Months Ended September 30, 2006 and 2005 (unaudited).....6
 Notes to Condensed Financial Statements.....7

Item 2. Management's Discussion and Analysis.....9

Item 3. Controls and Procedures11

PART II - OTHER INFORMATION

Item 6. Exhibits.....12

SIGNATURES

SIGNATURES.....12
 EXHIBITS.....13-14

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The unaudited condensed balance sheet of the Registrant as of September 30, 2006, the audited balance sheet at December 31, 2005, and the unaudited condensed statements of operations, stockholders' deficit, and cash flows for the nine and three month periods ended September 30, 2006 and 2005 follow. The unaudited condensed financial statements reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented.

AMERICAN BUSINESS CORPORATION
 CONDENSED BALANCE SHEETS

111:
 112:

| Assets | [unaudited] September 30, 2006 | December 31, 2005 |
|----------------------|--------------------------------------|----------------------|
| | ----- | ----- |
| Current assets - | | |
| Cash | \$ 649 | \$ 649 |
| | ----- | ----- |
| Total current assets | 649 | 649 |
| | ----- | ----- |

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

| | | |
|----------------|-----------|-----------|
| Equipment, net | 12,524 | 15,939 |
| | ----- | ----- |
| Total assets | \$ 13,173 | \$ 16,588 |
| | ===== | ===== |

Liabilities and Stockholders' Deficit

| | | |
|---|--------------|--------------|
| Current liabilities | | |
| Accrued expenses | \$ 139,376 | \$ 425,564 |
| Accrued interest | 5,088,252 | 4,433,871 |
| Due to related parties | 4,537,420 | 4,211,671 |
| Notes payable in default | 6,311,460 | 6,311,460 |
| Redeemable Series B,D and E Preferred Stock, including accrued premium and penalties of \$10,860,302 and \$9,679,052 in 2006 and 2005, respectively | 16,110,302 | 14,929,052 |
| Estimated liabilities for claims and litigation | 1,874,845 | 1,588,657 |
| | ----- | ----- |
| Total current liabilities | 34,061,655 | 31,900,275 |
| | ----- | ----- |
| Stockholders' deficit | | |
| Preferred stock, no par value; 10,000,000 shares authorized, 545,250 shares of Series A through E issued and outstanding in 2006 and 2005 | 135,076 | 135,076 |
| Common stock, par value \$.001 per share; 500,000,000 shares authorized, 69,870,517 shares issued and outstanding in 2006 and 2005 | 69,870 | 69,870 |
| Additional paid-in capital | 14,872,987 | 14,872,987 |
| Accumulated deficit | (49,126,415) | (46,961,620) |
| | ----- | ----- |
| Total stockholders' deficit | (34,048,482) | (31,883,687) |
| | ----- | ----- |
| Total liabilities and stockholders' deficit | \$ 13,173 | \$ 16,588 |
| | ===== | ===== |

See notes to condensed financial statements.

3

AMERICAN BUSINESS CORPORATION
CONDENSED STATEMENTS OF OPERATIONS
[Unaudited]

| | Nine Months Ended September 30, | | Three Months Ended September 30, | |
|----------|------------------------------------|------------------|-------------------------------------|------------------|
| | 2006 | 2005 RESTATED | 2006 | 2005 RESTATED |
| | ----- | ----- | ----- | ----- |
| Revenues | \$ - | \$ - | \$ - | \$ - |
| | ----- | ----- | ----- | ----- |

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

| | | | | |
|--|----------------|----------------|--------------|--------------|
| Operating Expenses: | | | | |
| Administrative expenses | 226,757 | 311,597 | 87,661 | 118,737 |
| Depreciation and amortization | 3,415 | 3,415 | 1,139 | 1,139 |
| Interest expense | 1,934,623 | 1,929,065 | 645,367 | 643,596 |
| | ----- | ----- | ----- | ----- |
| Total operating expenses | 2,164,795 | 2,244,077 | 734,167 | 763,472 |
| | ----- | ----- | ----- | ----- |
| Net loss | \$ (2,164,795) | \$ (2,244,077) | \$ (734,167) | \$ (763,472) |
| | ===== | ===== | ===== | ===== |
| | | | | |
| Net loss per common share - basic and fully-diluted | \$ (0.03) | \$ (0.03) | \$ (0.01) | \$ (0.01) |
| | ===== | ===== | ===== | ===== |
| | | | | |
| Weighted average number of common shares outstanding - basic and fully-diluted | 69,870,517 | 69,870,517 | 69,870,517 | 69,870,517 |
| | ===== | ===== | ===== | ===== |

See notes to condensed financial statements.

4

AMERICAN BUSINESS CORPORATION
CONDENSED STATEMENT OF STOCKHOLDERS' DEFICIT

| | Preferred Stock Series A - E | | Common Stock | | Additional | Accumulated | Total |
|--|---------------------------------|-----------|--------------|-----------|--------------------|-----------------|------------------------|
| | Shares | Amount | Shares | Amount | Paid-in Capital | Deficit | Stockholder Deficit |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance, December 31, 2005 | 545,250 | \$135,076 | 69,870,512 | \$ 69,870 | \$14,872,987 | \$ (46,961,620) | \$ (31,883,68) |
| (unaudited) | | | | | | | |
| Net loss - nine months ended September 30, 2006 | - | - | - | - | - | (2,164,795) | (2,164,79) |
| | ----- | ----- | ----- | ----- | ----- | ----- | ----- |
| Balance, September 30, 2006 | 545,250 | \$135,076 | 69,870,512 | \$ 69,870 | \$14,872,987 | \$ (49,126,415) | \$ (34,048,48) |
| | ===== | ===== | ===== | ===== | ===== | ===== | ===== |

See notes to condensed financial statements.

5

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

AMERICAN BUSINESS CORPORATION
 STATEMENTS OF CASH FLOWS
 [Unaudited]

| | Nine Months Ended September 30, | |
|---|------------------------------------|------------------|
| | 2006 | 2005 RESTATED |
| | ----- | ----- |
| Cash flows from operating activities - | | |
| Net loss | \$ (2,164,795) | \$ (2,244,077) |
| Adjustments to reconcile net loss to net cash used in operating activities | | |
| Depreciation and amortization expense | 3,415 | 3,415 |
| Changes in operating assets and liabilities: | | |
| Accrued expenses | (286,188) | 95,000 |
| Estimated liability for claims and litigation | 286,188 | -- |
| Accrued interest | 654,381 | 747,815 |
| Accrued premium and penalties on Redeemable Preferred Stock | 1,181,250 | 1,181,250 |
| | ----- | ----- |
| Net cash used in operating activities | (325,749) | (216,597) |
| | ----- | ----- |
| Cash flows from financing activities | | |
| Net proceeds from related parties | 325,749 | 209,835 |
| | ----- | ----- |
| Net cash provided by financing activities | 325,749 | 209,835 |
| | ----- | ----- |
| Net change in cash | -- | (6,762) |
| Cash at beginning of period | 649 | 6,845 |
| | ----- | ----- |
| Cash at end of period | \$ 649 | \$ 83 |
| | ===== | ===== |

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND
 FINANCING ACTIVITIES

None.

See notes to condensed financial statements.

6

AMERICAN BUSINESS CORPORATION
 NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Basis of presentation

The interim financial statements included herein are presented in accordance with accounting principles generally accepted in the United States of America and have been prepared by the Registrant, without

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Registrant believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which, in the opinion of management, are necessary for fair presentation of the information contained therein. The Registrant's operating results for the nine and three months ended September 30, 2006, and 2005 are not necessarily indicative of the results that may be or were expected for the years ended December 31, 2006, and 2005. It is suggested that these interim financial statements be read in conjunction with the audited financial statements and notes thereto of the Registrant included in its Form 10-KSB for the period ended December 31, 2005

Note 2 - Estimates

In preparing the enclosed condensed financial statements in accordance with U.S. generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB and Article 10 of Regulation S-X, management must make estimates and assumptions. These estimates and assumptions affect the amounts reported for assets, liabilities, revenues and expenses, as well as affecting the disclosures provided. Future results could differ from the current estimates.

Note 3 - Restatement

During 2005, the Company's management determined that previously reported financial position and results of operations were materially misstated as a result of an accounting error attributable to the failure, since March 2002, to accrue interest, penalties and redemption premium on the Company's defaulted notes payable and Series B, D and E Preferred Stock. Management has analyzed and corrected the Company's internal financial reporting system. The following is a summary of the affect of this restatement on the nine and three months ended September 30, 2005:

7

| | As Previously Reported | Net Effect of Restatement | As Restated |
|--|---------------------------|------------------------------|----------------|
| | ----- | ----- | ----- |
| Nine Months Ended September 30, 2005 | | | |
| Interest expense | \$ 93,434 | \$ 1,835,631 | \$ 1,929,065 |
| Net loss | (408,446) | (1,835,631) | (2,244,077) |
| Net loss per share: | | | |
| Basic and fully diluted | (0.00) | (0.02) | (0.02) |
| | ----- | ----- | ----- |
| Three Months Ended September 30, 2005 | | | |
| Interest expense | 31,719 | 611,877 | 643,596 |
| Net loss | (151,595) | (611,877) | (763,472) |
| Net loss per share: | | | |
| Basic and fully diluted | (0.00) | (0.01) | (0.01) |
| | ----- | ----- | ----- |

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

Note 4 - Related Party Transactions

As previously reported, and by virtue of beneficial ownership of: (i) 11,689,729 shares of the Company's common stock, (ii) 900,000 common shares issuable upon conversion of outstanding shares of Series A Convertible preferred stock, and (iii) 45,000,000 common share voting equivalents attributable to outstanding shares of Series C preferred stock, or 49.7% of the Registrant's total capitalization, the Registrant may be deemed to be controlled by Midwest Merger Management, LLC, a Kentucky limited liability company and its affiliates ("Midwest").

In addition to the foregoing interest, effective December 31, 2005, Midwest acquired the 6% Secured Convertible Note formerly owned by Brentwood Capital Corp. The amount including accrued interest due under the note at September 30, 2006 is \$2,266,155, which may be converted into common stock at the rate of \$0.01 per share. If Midwest converted that note into its common share equivalent at September 30, 2006, Midwest's ownership of the Company would increase to 83.0%.

In connection with its ongoing support of the Registrant's efforts to reorganize, Midwest has advanced an aggregate of \$4,537,420 to fund its activities through and including the end of this fiscal quarter. At September 30, 2006, the aggregate indebtedness to Midwest was as follows:

| | |
|-----------------------------|-------------|
| 6% Secured Convertible Note | \$2,266,155 |
| Working capital advances | 2,271,265 |
| | ----- |
| | \$4,537,420 |
| | ===== |

The Registrant intends to settle its aggregate obligations to Midwest in the course of its planned reorganization with a profitable privately owned business (see Note 8 and 9).

Note 5 - Per Share Results

The common share equivalents associated with the Registrant's issued and outstanding convertible notes and Preferred Stock were not included in computing per share results as their effects were anti-dilutive.

8

Note 6 - Income Taxes (Benefits)

At December 31, 2005, the Registrant had available approximately \$34,700,000 of net operating loss carry-forwards, which expire between December 31, 2008 and December 31, 2021, that may be used to reduce future taxable income. Federal income tax regulations require the Company's continued compliance with change in control and other guidelines which, if not met, may significantly reduce the Company's ability to utilize its loss carry-forward.

As discussed in Note 9, the Company's plans include the merger with another profitable company which could impact the change of control provisions under the Internal Revenue Code which could significantly limit the future benefit of the loss carry-forwards.

Note 7 - Series B, D and E Preferred Stock

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

Pursuant to the provisions of their respective indentures, the Series B, D and E Preferred Stock are entitled to receive a redemption premium of 12% annually. The provisions of the Series B, D and E Preferred Stock also allow the holders to redeem their shares upon the occurrence of certain events including the Registrant's inability to issue free trading common stock to such holders because the shares have not been registered under the Securities Act. During such periods of non-compliance, the Series B, D and E Preferred indentures entitle their holders to specified penalties. As the effectiveness of a registration statement under the Securities Act is outside of Registrant's control, the Series B, D and E Preferred Stock, together with accrued premium and penalties, have been classified on the Registrant's balance sheet at December 31, 2005 and June 30, 2006, as a liability.

Note 8 - Going Concern

The Registrant's condensed financial statements have been presented on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

As shown in the accompanying financial statements, the Registrant had negative working capital at September 30, 2006, of \$(34,061,006). In addition, the Registrant has incurred an accumulated deficit of \$(49,126,415) through September 30, 2006. The Registrant is dependent upon the efforts of Midwest to fund its continued survival. The Registrant's ability to continue to receive this level of support from Midwest is uncertain. The condensed financial statements do not include any adjustments that might be necessary if the Registrant is unable to continue as a going concern (see Note 7).

Note 9 - Bankruptcy Proceedings

On August 28, 2006 the Company reported on Form 8-K that it had been served, on August 28, 2006, with notice that three of its creditors filed an Involuntary Petition for relief under Chapter 7 of the U.S. Bankruptcy Code in the United States Court for the Western District of Kentucky in Louisville, KY on August 23, 2006 (Case Number 06-32184). The Company has 20 days from the date of service to examine the

9

veracity of the claims of the three petitioners, of which one is Midwest, and respond to the Petition before the Bankruptcy Court.

On September 18, 2006, we responded to the Petition acknowledging that we were indebted to the Petitioners. However, the Company has been paying its creditors as agreed or is seeking an agreeable basis for payment with remaining creditors. To that extent, the Company has requested the Bankruptcy Court supervision sought by Petitioners be pursuant to Chapter 11 instead of Chapter 7 of the Bankruptcy Code. On October 30, 2006, the Bankruptcy Court approved our request.

We plan to vigorously defend our plans to combine with a profitable, privately owned business and have no reason to believe that Midwest's participation in the involuntary petition precludes its continued support of our efforts.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

The following discussion contains forward-looking statements regarding the Registrant, its business, prospects and results of operations that are subject to certain risks and uncertainties posed by many factors and events that could cause the Registrant's actual business, prospects and results of operations to differ materially from those that may be anticipated by such forward-looking statements. Factors that may affect such forward-looking statements include, without limitation, the Registrant's ability to resolve the affairs of its creditors and other investors; or to locate and thereafter negotiate and consummate a business combination with a profitable privately owned company.

When used in this discussion, words such as "believes," "anticipates," "expects," "intends," and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. The Registrant undertakes no obligation to revise any forward-looking statements in order to reflect events or circumstances that may subsequently arise. Readers are urged to carefully review and consider the various disclosures made by us in this report and other reports filed with the SEC that attempt to advise interested parties of the risks and factors that may affect the Registrant's business.

Nine Months Ended September 30, 2006 and 2005:

Revenue - As a direct result of the Registrant's inability to continue its failing freight transportation services beyond November 2000, the Registrant had no revenues during either the nine months ended September 30, 2006 ("9M6") or the nine months ended September 30, 2005 ("9M5"). The Registrant continues working through the restructure of its debt and the mitigation of outstanding claims and litigation.

Expenses and Income Taxes - Operating expenses for 9M6 were \$2,164,795 compared to \$2,244,077 (Restated) for 9M5. This level of expenses is consistent with the Registrant's strategy of redirecting its focus toward becoming a candidate to acquire or merge with a profitable,

10

privately-held business operation. Accordingly, the Registrant's recurring administrative expenses include: (i) accrued interest on its defaulted notes and accrued premium and penalties relating to its Series B, D and E preferred stock, (ii) professional fees (legal and accounting) and management fees associated with the resolution of the Registrant's affairs with its former creditors and investors, maintenance of reporting requirements and good standing, (iii) ancillary expenses, and (iv) minimum franchise taxes.

Net Loss - As a result of the foregoing, the Registrant experienced a net loss of \$(2,164,795) for 9M6 compared to a net loss of \$(2,244,077) for 9M5 (Restated). When related to the weighted average number of common shares outstanding during each period, per share results were a net loss of \$(0.03) for both periods.

Quarters Ended September 30, 2006 and 2005:

Revenue - As a direct result of the Registrant's inability to continue its failing freight transportation services beyond November 2000, the Registrant had no revenues during either the third quarter ended June

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

30, 2006 ("3Q6") or the third quarter ended September 30, 2005 ("3Q5"). The Registrant continues working through the restructure of its debt and the mitigation of outstanding claims and litigation.

Expenses and Income Taxes - Operating expenses for 3Q6 were \$734,167 compared to \$763,472 (Restated) for 3Q5. This level of expenses is consistent with the Registrant's strategy of redirecting its focus toward becoming a candidate to acquire or merge with a profitable, privately-held business operation. Accordingly, the Registrant's recurring administrative expenses include: (i) accrued interest on its defaulted notes and accrued premium and penalties relating to its Series B, D and E preferred stock, (ii) professional fees (legal and accounting) and management fees associated with the resolution of the Registrant's affairs with its former creditors and investors, maintenance of its reporting requirements, and good standing, (iii) other ancillary expenses, and (iv) the payment of minimum franchise taxes.

Net Loss - As a result of the foregoing, the Registrant experienced a net loss of \$(734,167) for 3Q6 compared to a net loss of \$(763,472) for 3Q5 (Restated). When related to the weighted average number of common shares outstanding during each period, per share results were a net loss of \$(0.01) for both periods.

Liquidity and Capital Resources

The Registrant does not have any capital resources. Consistent with the inability to continue its failed freight transportation services business beyond November 2000, and its subsequent disposition of its remaining interest in that operation in connection with funding of the GE Credit Corp. settlement in September 2002, the Registrant's principal activity has been centered in resolving the claims of its former creditors so it may seek a new business combination. In this connection, Midwest has agreed to provide Registrant with reasonable legal, accounting and administrative resources to resolve its affairs while it conducts its search for a business combination candidate.

11

In connection with resolving its affairs, the Company has quantified its remaining liability for claims and litigation arising from its failed transportation business to approximate \$1,875,000 at September 30, 2006. The adequacy of this liability is reviewed quarterly by the Company's management and, in view of the Company's pending bankruptcy proceedings, the remaining claims will be dealt with in an orderly fashion under the supervision of the court.

The Registrant is entirely dependent upon: (i) Midwest providing the Registrant with certain advisory services in connection with the resolution of its affairs on favorable terms; (ii) the willingness of Midwest to provide the Registrant with certain office and administrative facilities and to fund virtually all of the Registrant's settlements with its creditors; and (iii) the Registrant's successful implementation of a business combination with a profitable operating company. There can be no assurances that Midwest will be successful in resolving all or substantially all of Registrant's affairs, that it will fund any further settlements, or that the combined efforts of Midwest and the Registrant will lead to a successful business combination.

Midwest has advanced the Registrant \$4,537,420 at September 30, 2006,

Edgar Filing: AMERICAN BUSINESS CORP - Form 10QSB

\$121,152 of which evidences its continued support during 3Q6. As previously reported, Midwest was one of the petitioners seeking relief pursuant to Chapter 7 of the Bankruptcy Code. Nonetheless, Midwest consented to the Company's reorganization pursuant to Chapter 11 with the understanding that its dominant creditor position may only be resolved with the consent of the Bankruptcy court.

Item 3. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The Registrant maintains controls and procedures designed to ensure that information required to be disclosed in the reports that the Registrant files or submits under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures performed as of the end of the period covered by this report, the Chief Executive and Chief Financial officers of the Registrant concluded that the Registrant's disclosure controls and procedures were effective as more further described in Rule 13a-15(c) of the Securities Exchange Act of 1934.

(b) Changes in Internal Controls

The Registrant made no significant changes in its internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation of those controls by the Chief Executive and Chief Financial officers.

12

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS

31.1 - Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 - Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

American Business Corporation

By: /s/ Anthony R. Russo

Chief Executive Officer, and Director

By: /s/ Anthony R. Russo

Chief Financial Officer

Dated: November 14, 2006

13

EXHIBIT 31.1

AMERICAN BUSINESS CORPORATION

CERTIFICATIONS PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony R. Russo, the Registrant's Chief Executive and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of American Business Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this quarterly report; and
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
 - a) Designed and recently commenced the implementation of such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared; and
 - b) Evaluated the increasing effectiveness of the Registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation.

Dated: November 14, 2006

/s/ Anthony R. Russo

Chief Executive Officer
and Chief Financial Officer

14

EXHIBIT 32.1

AMERICAN BUSINESS CORPORATION

CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of American Business Corporation on Form 10-QSB for the quarterly period ended September 30, 2006, as filed with the Securities and Exchange Commission on November 14, 2006 (the "Report"), the undersigned, in the capacities and on the dates indicated below, hereby certifies pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2003, that:

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

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of American Business Corporation.

Date: November 14, 2006

/s/ Anthony R. Russo

Chief Executive Officer
and Chief Financial Officer