

aVINCI MEDIA CORP
Form S-1/A
January 14, 2009

As filed with the Securities and Exchange Commission on January 14, 2009

Registration No. 333 -152869

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

AMENDMENT NO. 5
FORM S-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

aVINCI MEDIA CORPORATION
(Exact name of registrant in its charter)

Delaware	000-17288	75-2193593
(State or other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

11781 South Lone Peak Parkway, Suite 270
Draper, UT 84020
(801) 495-5700

(Address and telephone number of principal executive offices and principal place of business)

Chett B. Paulsen, Chief Executive Officer
aVINCI MEDIA CORPORATION
11781 South Lone Peak Parkway, Suite 270
Draper, UT 84020
(801) 495-5700

(Name, address and telephone number of agent for service)

Copies to:
Marc Ross
Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006
(212) 930-9700
(212) 930-9725 (fax)

Approximate date of proposed sale to the public: From time to time after this Registration Statement becomes effective.

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

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

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

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

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

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

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Smaller Reporting Company

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

(i) Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Common Stock, no par value	16,929,640	\$ 0.06(1)	\$ 1,015,778	\$ 39.92
Common Stock, no par value, issuable upon exercise of warrants exercisable at \$0.53 per share	949,350	\$ 0.53(2)	\$ 503,156	\$ 19.77
Total	17,878,990		\$ 1,518,934	\$ 59.69(3)

- (1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and Rule 457(g) under the Securities Act of 1933, using the average of the high and low price as reported on the Over the Counter Pink Sheets on January 12, 2009 which was \$ 0.06 per share.
- (2) Pursuant to Rule 457(g) under the Securities Act, the maximum offering price per security represents the exercise price of the applicable preferred stock, warrants or options.
- (3) Previously paid.

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

SUBJECT TO COMPLETION, DATED JANUARY 14, 2009

PRELIMINARY PROSPECTUS

aVINCI MEDIA CORPORATION

17,878,990 SHARES OF COMMON STOCK

This prospectus relates to the resale by the selling stockholder of up to 17,878,990 shares of our common stock, consisting of up to 16,929,640 shares of common stock and 949,350 shares issuable upon the exercise of common stock warrants. The selling stockholder may sell common stock from time to time in the principal market on which the stock is traded at the prevailing market price or in negotiated transactions. We will pay the expenses of registering these shares, other than any selling stockholder's legal or accounting costs or commissions.

Our common stock is traded on the Over the Counter Pink Sheets ("OTC Pink Sheets") under the symbol "AVMC.PK." The closing sale price on the OTC Pink Sheets on January 12, 2009, was \$0.06 per share.

Investing in these securities involves significant risks. See "Risk Factors" beginning on page 3.

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

The date of this prospectus is _____, 2008.

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

Principal Executive Offices of and mailing address for aVinci Media Corporation

11781 South Lone Peak Parkway, Suite 270
Draper, UT 84020
Telephone Number (801) 495-5700

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PROSPECTUS SUMMARY

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

aVinci Media Corporation

aVinci Media Corporation (formerly known as Secure Alliance Holdings Corporation) is a Delaware corporation. Between October 2, 2006 and June 6, 2008, we were a shell public company and conducted no business activities other than seeking appropriate merger acquisition candidates.

In June 2008 (described in Recent Developments below), these efforts led to the acquisition of Sequoia Media Group, LC by way of a reverse merger. Sequoia Media Group, LC changed its name to aVinci Media, LC in July 2008 following the reverse merger. aVinci Media, LC, is a Utah limited liability company originally organized on March 28, 2003 under the name Life Dimensions, LC.

In this prospectus, Vinci Media Corporation and our wholly owned subsidiary, aVinci Media, LC. will be referred to as AVI Media. Substantially all of our business is conducted out of an office in Draper, Utah. We also have an office in Bentonville, Arkansas to help service Wal-Mart, which is one of our largest retail customers.

Business

Through our subsidiary, aVinci Media, LC, we deploy a software technology that employs “Automated Multimedia Object Models,” its patent-pending way of turning consumer captured images, video, and audio into complete digital files in the form of full-motion movies, DVD’s, photo books, posters and streaming media files. aVinci Media, LC filed its first provisional patent in early 2004 for patent protection on various aspects of its technology with a full filing occurring in early 2005, and aVinci Media, LC has filed several patents since that time as part of its intellectual property strategy. Our technology carries the brand names of “aVinci” and “aVinci Experience.”

In May 2004 aVinci Media, LC signed its first client agreement with BigPlanet, a division of NuSkin International, Inc. (“NuSkin”). Under the terms of the BigPlanet agreement, aVinci Media, LC supplied BigPlanet with its software technology that BigPlanet marketed, sold, and fulfilled for its consumers. Revenues from BigPlanet represent substantially all of aVinci Media, LC’s sales through 2007 at approximately \$3.4 million from May 2004 through December 2007. aVinci Media, LC’s agreement with BigPlanet expired on December 31, 2007. BigPlanet continues to offer aVinci Media, LC’s DVD products and pays a per-product royalty for products resulting in a monthly royalty of less than \$2,000 per month.

Since inception aVinci Media, LC has continued to develop and refine its technology to be able to provide higher quality products through a variety of distribution models including in-store kiosks, retail kits, and online downloads. aVinci Media, LC’s business strategy has been to develop a product solution that provides users with professionally created templates to automatically create personalized products by simply adding user images.

aVinci Media, LC’s business efforts during 2006 and 2007 were directed at developing relationships with mass retailers. aVinci Media, LC signed an agreement to provide its technology in Meijer stores at the end of 2006. Due to problems a third party supplier had deploying its kiosk software in Meijer stores, aVinci Media, LC was delayed in deploying its software technology that was to be provided through the third party kiosk. During 2007, Meijer signed Hewlett Packard as its kiosk vendor and aVinci Media, LC entered into an agreement to provide its software in Meijer

stores on Hewlett Packard kiosks. aVinci Media, LC's software integration onto the Hewlett Packard kiosk was completed in 2008 and deployed in April 2008 in Meijer stores.

During 2007, aVinci Media, LC signed an agreement with Fujicolor to deploy its technology on their kiosks located in domestic Wal-Mart stores. aVinci Media, LC s initial integration and deployment with Fujicolor in domestic Wal-Mart stores took place in the third quarter of 2007, with a software update in the third quarter of 2008 to enhance the user experience and the product offering.

In January 2008, aVinci Media, LC signed an agreement with Costco.com, to deliver its DVD product online. aVinci Media, LC’s DVD product began being offered at Costco.com on the “photo” category at the end of March 2008.

Recent Developments

Pursuant to an Agreement and Plan of Merger and Reorganization dated December 6, 2007 and amended March 31, 2008 (the “Merger Agreement”), by and among aVinci Media Corporation (then operating as Secure Alliance Holdings Corporation), SMG Utah, LC, a Utah limited liability company and wholly owned subsidiary of the Secure Alliance Holdings Corporation (“Merger Sub”), and aVinci Media, LC, Merger Sub merged with and into aVinci Media, LC, with aVinci Media, LC remaining as the surviving entity and our wholly owned operating subsidiary (the “Merger”). The Merger was effective on June 6, 2008, upon the filing of Articles of Merger with the Utah Division of Corporations. In connection with the Merger transaction, we amended our Certificate of Incorporation to (i) change our name from Secure Alliance Holdings Corporation to aVinci Media Corporation; (ii) increase our authorized shares of common stock from 100,000,000 to 250,000,000; (iii) authorize a class of preferred stock consisting of 50,000,000 shares of \$.01 per value preferred stock; and (iv) effect a 1-for-2 reverse stock split.

In connection with the Merger, we effected a 1-for-2 reverse split of its issued and outstanding common stock. Accordingly, the 19,484,032 shares of our common stock issued and outstanding immediately prior to the Merger were reduced to approximately 9,742,016 shares (subject to rounding) as a result of the Merger. Each issued and outstanding membership interest of aVinci Media, LC was converted into the right to receive .87096285 post-merger shares. We issued 38,986,114 post split shares of our common stock in the Merger to the holders of aVinci Media, LC membership interests representing approximately 80% of our common stock outstanding immediately after the Merger. As a result of the reverse split and the Merger, there were 48,728,130 shares of our common stock issued and outstanding on June 6, 2008.

Pursuant to the Merger Agreement, we made a cash distribution of \$2,000,000 (the “Dividend”) to our stockholders of record as of May 20, 2008. The Dividend was paid on June 4, 2008. The former holders of aVinci Media, LC membership units did not receive any portion of the Dividend.

The foregoing description of the Merger Agreement and the transactions contemplated thereby do not purport to be complete and are qualified in their entirety by reference to the Merger Agreement. Additional information about the Merger and related proposals is set forth in the definitive Proxy Statement filed with the Securities and Exchange Commission on April 29, 2008 and thereafter distributed to our stockholders.

The Offering

Common stock offered by selling stockholder	Up to 17,878,990 shares, consisting of the following:
	· 16,929,640 shares of common stock;
	· 949,350 shares issuable upon the exercise of common stock warrants;
Use of proceeds	We will not receive any proceeds from the sale of the common stock.

OTC Pink Sheets Symbol

AVMC

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RISK FACTORS

This investment has a high degree of risk. Before you invest you should carefully consider the risks and uncertainties described below and the other information in this prospectus. If any of the following risks actually occur, our business, operating results and financial condition could be harmed and the value of our stock could go down. This means you could lose all or a part of your investment.

Risks Related to Our Business

All of AVI Media's current operations are conducted through aVinci Media, LC, and since aVinci Media, LC's inception, it has been spending more than it makes which has required it to rely upon outside financings to fund operations. If AVI Media is not able to generate sufficient revenues to fund its business plans, AVI Media may be required to limit operations.

aVinci Media, LC, has operated at a loss since inception and is not currently generating sufficient revenues to cover the operating expenses of AVI Media. If our revenues do not begin to grow, or if revenues decline and our expenses do not decline at a greater rate, we may be unable to generate positive cash flow. We contemplate raising additional outside capital within the next 12 months to help fund current growth plans. We anticipate that our current cash resources are sufficient to fund our operations through April 2009. Additional cash of approximately \$2.2 million will be needed to fund operations through the end of 2009 based on our current plans. If new sources of financing are insufficient or unavailable, we will modify our growth and operating plans to the extent of available funding, if any. Any decision to modify our business plans would harm our ability to pursue our aggressive growth plans. If we cease or stop operations, our shares could become valueless. Historically, we have funded our operating, administrative and development costs through the sale of equity capital or debt financing. If our plans and/or assumptions change or prove inaccurate, or we are unable to obtain further financing, or such financing and other capital resources, in addition to projected cash flow, if any, prove to be insufficient to fund operations, our continued viability could be at risk. To the extent that any such financing involves the sale of our common stock or common stock equivalents, our current stockholders could be substantially diluted. There is no assurance that we will be successful in achieving any or all of these objectives over the coming year.

AVI Media anticipates its business will become highly seasonal in nature which may cause its financial results to vary significantly by quarter.

The photo retail business is very seasonal in nature with a significant proportion of recurring revenues occurring the fourth quarter of the calendar year, particularly around the Thanksgiving and Christmas holidays. Additionally, any disruptions in our operations during the fourth quarter could greatly impact our annual revenues and have a significant adverse effect on our relationships with our customers. Our limited revenue and operating history makes it difficult for us to assess the impact of seasonal factors on our business or whether our business is susceptible to cyclical fluctuations in the economy.

AVI Media's technology solutions and business approach are relatively new and if they are not accepted in the marketplace, its business could be materially and adversely affected.

Products created with our technology have only been available in the marketplace since 2005. We have been pursuing a business model that requires retail and vendor partners to recognize the advantages of our technology to make it available to end consumers. Having generated limited revenues, there can be no assurance that our products will receive the widespread market acceptance necessary to sustain profitable operations. Our operations may be delayed, halted, or altered for any of the reasons set forth in these risk factors and other unknown reasons. Such delays or failure would seriously harm our reputation and future operations. If our products or our business model are not accepted in the market place, our business could be materially and adversely affected.

Our product solution focuses on an aspect of the digital photo industry that we believe is not being addressed in any meaningful way. We provide a nearly finished product that takes user images and combines them with stock images to create context for user images in a themed presentation. We also offer a unique DVD product that has not been widely sold in the marketplace in the form we offer. The uniqueness of our product solution results in our products going to the market with a high level of uncertainty and risk. As the market for its product technology is new and evolving, it is difficult to predict the size of the market, the future growth rate, if any, or the level of premiums the market will pay for our services. There can be no assurance that the market for our services will emerge to a profitable level or be sustainable. There can be no assurance that any increase in marketing and sales efforts will result in a larger market or increase in market acceptance for our services. If the market fails to develop, develops more slowly than expected or becomes saturated with competitors, or if our proposed services do not achieve or sustain market acceptance, our proposed business, results of operations and financial condition will continue to be materially and adversely affected.

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Ultimately, our success will depend upon consumer acceptance of our product delivery model and our largely pre-configured products. We rely on our retail and internet vending customers to market our products to end consumers. While we assist retailers with their marketing programs, we cannot assure that retailers will continue to market our services or that their marketing efforts will be successful in attracting and retaining end user consumers. The failure to attract end user consumers will adversely affect our business. In addition, if our service does not generate revenue for the retailer, whether because of failure to market it, we may lose retailers as customers, which would adversely affect our revenue.

aVinci Media, LC has for the past few years depended on a single customer for a significant portion of its revenue. If we are unable to replace that customer and add additional customers it could materially harm our operating results, business, and financial condition.

During 2004, 2005, 2006, and 2007, over 90% of aVinci Media LC's revenue was derived from a single customer, BigPlanet. The contract with BigPlanet expired on December 31, 2007. aVinci Media LC continues to provide our technology to BigPlanet on a monthly basis resulting in less than \$2,000 a month in royalties. We added several additional customer contracts during 2007, but they are currently generating less revenue per month than BigPlanet generated per month over the last few years. If in the event we are unable to replace the revenue generated from BigPlanet, and increase revenue from current customers and all additional customers, our operations and financial results will significantly suffer, jeopardizing long-term operations. We may not succeed in generating additional revenues, and may be faced with intense price competition, both of which may affect our gross margins and could significantly impact ongoing operations.

AVI Media needs to develop and introduce new and enhanced products in a timely manner to remain competitive.

The markets in which we operate are characterized by rapidly changing technologies, evolving industry standards, frequent new product introductions and relatively short product lives. The pursuit of necessary technological advances and the development of new products require substantial time and expense. To compete successfully in the markets in which we operate, we must develop and sell new or enhanced products that provide increasingly higher levels of performance and reliability. For example, our business involves new digital audio and video formats, such as DVD-Video and DVD-Audio, and, more recently, the new recordable DVD formats including DVD-RAM, DVD-R/RW, and DVD+RW.

Currently, there is extensive activity in our industry targeting the introduction of new, high definition formats including Blue Ray®. To the extent that competing new formats remain incompatible, consumer adoption may be delayed and we may be required to expend additional resources to support multiple formats. We expend significant time and effort to develop new products in compliance with these new formats. To the extent there is a delay in the implementation or adoption of these formats, our business, financial condition and results of operations could be adversely affected. As new industry standards, technologies and formats are introduced, there may be limited sources for the intellectual property rights and background technologies necessary for implementation, and the initial prices that we may negotiate in an effort to bring our products to market may prove to be higher than those ultimately offered to other licensees, putting us at a competitive disadvantage. Additionally, if these formats prove to be unsuccessful or are not accepted for any reason, there will be limited demand for our products. We cannot assure you that the products it is currently developing or intend to develop will achieve feasibility or that even if it is successful, the developed product will be accepted by the market. We may not be able to recover these costs of existing and future product development and our failure to do so may materially and adversely impact its business, financial condition and results of operations.

If AVI Media is unable to respond to customer technological demands and improve its products, its business could be materially and adversely affected.

To remain competitive, we must continue to enhance and improve the responsiveness, functionality and features of our solutions and products. The photo industry is characterized by rapid technological change, changes in user and customer requirements and preferences and frequent new product and service introductions. Our success will depend, in part, on our ability to license leading technologies useful in our business, enhance existing software offerings, develop new product offerings and technology that address the varied needs of our existing and prospective customers and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. There can be no assurance that we will successfully implement new technologies or adapt our solutions, products, proprietary technology and transaction-processing systems to customer requirements or emerging industry standards. If we are unable to adapt in a timely manner in response to changing market conditions or customer requirements for technical, legal, financial or other reasons, our business could be materially adversely affected.

AVI Media expects to experience rapid growth. If it is unable to manage its growing operations effectively, AVI Media's business could be negatively impacted.

Expected rapid growth in all areas of our business may place a significant strain on our operational, human, and technical resources. We expect that operating expenses and staffing levels will increase in the future to keep pace with our customer demands and requirements. To manage our growth, we must expand our operational and technical capabilities and manage our employee base, while effectively administering multiple relationships with various third parties, including business partners and affiliates. We cannot assure that we will be able to effectively manage our growth. The failure to effectively manage our growth could result in an inability to meet customer demands, leading to customer dissatisfaction and loss. Loss of customers could negatively impact our operating results.

AVI Media competes with others who provide products comparable to its products. If AVI Media is unable to compete with current and future competitors, its business could be materially and adversely affected.

The digital photography products and services industries are intensely competitive, and we expect competition to increase in the future as current competitors improve their offerings, new participants enter the market or industry consolidation further develops. Digital image services are provided by a wide range of companies. Our competitors consist of professional videographers on the high-cost end and slideshow software programs on the low-cost end, with varying software tools in the middle. Software providers who supply consumer tools or solutions for consumers to make their own DVD productions include Adobe, Microsoft, Ulead, PhotoShow, Roxio, among others. Specific competitors in the market for the provision of personalized photo products include MediaClip, Muvee, Animoto, Slide, Roxio PhotoShow, and One True Media. Internet portals and search engines such as Yahoo!, AOL and Google also offer digital photography solutions, and home printing solutions offered by Hewlett Packard, Lexmark, Epson, Canon and others.

Competition may result in pricing pressures, reduced profit margins or loss of market share, any of which could substantially harm our business and results of operations. Our success is dependent upon our ability to maintain our current customers and obtain additional customers. Most of our competitors have longer operating histories, significantly greater financial, technical and marketing resources, greater name and product recognition, and larger existing customer bases. Although we have been able to enter into relationships with many potential competitors, we cannot provide any assurance our relationships will continue or that these potential competitors will not pursue their own product solutions that we currently provide to them. With large and varied competitors and potential competitors in the marketplace, we cannot be certain that we will be able to compete successfully against current and future competitors. If we are unable to do so, it will have a material adverse effect on our business, results of operations and financial condition.

AVI Media relies on its ability to download software and fulfill orders for its customers. If AVI Media is unable to maintain reliability of its network solution it may lose both present and potential customers.

Our ability to attract and retain customers depends on the performance, reliability and availability of our services and fulfillment network infrastructure. We may experience periodic service interruptions caused by temporary problems in our own systems or software or in the systems or software of third parties upon whom we rely to provide such service. Fire, floods, earthquakes, power loss, telecommunications failures, break-ins and similar events could damage these systems and interrupt our services. Computer viruses, electronic break-ins or other similar disruptive events also could disrupt our services. System disruptions could result in the unavailability or slower response times of the websites we host for our customers, which would lower the quality of the consumers' experiences. Service disruptions could adversely affect our revenues and, if the service disruptions were prolonged, would seriously harm our business and reputation. We do not carry business interruption insurance to compensate for losses that may occur as a result of these interruptions. Our customers depend on Internet service providers and other website operators for access to our systems. These entities have experienced significant outages in the past, and could experience outages, delays and other difficulties due to system failures unrelated to our systems. Moreover, the Internet network infrastructure may not be able to support continued growth. Any of these problems could adversely affect our business.

The infrastructure relating to our services are vulnerable to unauthorized access, physical or electronic computer break-ins, computer viruses and other disruptive problems. Internet service providers have experienced, and may continue to experience, interruptions in service as a result of the accidental or intentional actions of Internet users, current and former employees and others. Anyone who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. Security breaches relating to our activities or the activities of third-party contractors that involve the storage and transmission of proprietary information could damage our reputation and relationships with our customers and strategic partners. We could be liable to our customers for the damages caused by such breaches or we could incur substantial costs as a result of defending claims for those damages. We may need to expend significant capital and other resources to protect against such security breaches or to address problems caused by such breaches. Security measures we take, however, may not prevent disruptions or security breaches.

AVI Media relies on third parties for the development and maintenance of photo kiosks and backend Internet connections to reach its customers and such dependence on third parties may impair its ability to generate revenues.

Our business relies on the use of third party photo kiosks and Internet systems and connections as a convenient means of consumer interaction and commerce. The success of our business will depend on the ability of our customers to use such third party photo kiosks and Internet systems and connections without significant delays or aggravation. As such, we rely on third parties to develop and maintain reliable photo kiosks and to provide Internet connections having the necessary speed, data capacity and security, as well as the timely development of complementary products such as high-speed modems, to ensure our customers have reliable access to our services. The failure of our customer photo kiosk providers and the Internet to achieve these goals may reduce our ability to generate significant revenue.

Our penetration of a broader consumer market will depend, in part, on continued proliferation of high speed Internet access for customers using kiosk and vendors providing its software and products via the Internet. The Internet has experienced, and is likely to continue to experience, significant growth in the number of users and amount of traffic. As the Internet continues to experience increased numbers of users, increased frequency of use and increased bandwidth requirements, the Internet infrastructure may be unable to support the demands placed on it. In addition, increased users or bandwidth requirements may harm the performance of the Internet. The Internet has experienced a variety of outages and other delays and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage as well as the level of traffic, and could result in the Internet becoming an inconvenient or uneconomical source of products and services, which would cause our revenue to decrease. The

infrastructure and complementary products or services necessary to make the Internet a viable commercial marketplace for the long term may not be developed successfully or in a timely manner.

AVI Media has relied upon its ability to produce products with its proprietary technology to establish customer relationships. If AVI Media is unable to protect and enforce its intellectual property rights, AVI Media may suffer a loss of business.

Our success and ability to compete depends, to a large degree, on our current technology and, in the future, technology that we might develop or license from third parties. To protect our technology, we have used the following: confidentiality agreements, retention and safekeeping of source codes, and duplication of such for backup. Despite these precautions, it may be possible for unauthorized third parties to copy or otherwise obtain and use our technology or proprietary information. In addition, effective proprietary information protection may be unavailable or limited in certain foreign countries. Litigation may be necessary in the future to: enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Such misappropriation or litigation could result in substantial costs and diversion of resources and the potential loss of intellectual property rights, which could impair our financial and business condition. Although currently we are not engaged in any form of litigation proceedings in respect to the foregoing, in the future, we may receive notice of claims of infringement of other parties' proprietary rights. Such claims may involve internally developed technology or technology and enhancements that we may license from third parties. Moreover, although we sometimes may be indemnified by third parties against such claims related to technology that we have licensed, such infringements against the proprietary rights of others and indemnity there from may be limited, unavailable, or, where the third party lacks sufficient assets or insurance, ineffectual. Any such claims could require us to spend time and money defending against them, and, if they were decided against us, could cause serious injury to our business operations.

The future success of AVI Media's business depends on continued consumer adoption of digital photography.

Our growth is highly dependent upon the continued adoption by consumers of digital photography. The digital photography market is rapidly evolving, characterized by changing technologies, intense price competition, additional competitors, evolving industry standards, frequent new service announcements and changing consumer demands and behaviors. To the extent that consumer adoption of digital photography does not continue to grow as expected, our revenue growth would likely suffer. Moreover, we face significant risks that, if the market for digital photography evolves in ways that we are not able to address due to changing technologies or consumer behaviors, pricing pressures, or otherwise, our current products and services may become unattractive, which would likely result in the loss of customers and a decline in net revenues and/or increased expenses.

Other companies' intellectual property rights may interfere with AVI Media's current or future product development and sales.

We have not conducted routine comprehensive patent search relating to our business models or the technology we use in our products or services. There may be issued or pending patents owned by third parties that relate to our business models, products or services. If so, we could incur substantial costs defending against patent infringement claims or it could even be blocked from engaging in certain business endeavors or selling our products or services. Other companies may succeed in obtaining valid patents covering one or more of our business models or key techniques we utilize in its products or services. If so, AVI Media may be forced to obtain required licenses or implement alternative non-infringing approaches. Our products are designed to adhere to industry standards, such as DVD-ROM, DVD-Video, DVD-Audio and MPEG video. A number of companies and organizations hold various patents that claim to cover various aspects of DVD, MPEG and other relevant technology. We have entered into license agreements with certain companies and organizations relative to some of these technologies. Such license agreements may not be sufficient in the future to grant us all of the intellectual property rights necessary to market and sell our products.

AVI Media's products rely upon the use of copyrighted materials that it licenses and its inability to obtain needed licenses, remain compliant with existing license agreements, or effectively account for and pay royalties to third parties could substantially limit product development and deployment.

Our products incorporate copyrighted materials in the form of pictures, video, audio, music, and fonts. We actively monitor the use of all copyrighted materials and pays up-front and usage royalties as it fulfills customer orders for products. If we were unable to maintain appropriate licenses for copyrighted works, we would be required to limit our product offerings, which would negatively impact our revenues. We also seek to license popular works to build into our products and the photo merchandizing market is extremely competitive. In the event we are unable to license works because our technology is not competitive or we have inadequate capital to pay royalties, we may not be able to effectively compete for photo-product production business which would seriously impart our ability to sell products.

AVI Media could be liable to some of its customers for damages that they incur in connection with intellectual property claims.

We have exposure to potential liability arising from infringement of third-party intellectual property rights in our license agreements with customers. If we are required to pay damages to or incur liability on behalf of our customers, our business could be harmed. Moreover, even if a particular claim falls outside of our indemnity or warranty obligations to our customers, our customers may be entitled to additional contractual remedies against us, which could harm our business. Furthermore, even if we are not liable to our customers, our customers may attempt to pass on to us the cost of any license fees or damages owed to third parties by reducing the amounts they pay for our products. These price reductions could harm our business.

Legislation regarding copyright protection or content interdiction could impose complex and costly constraints on AVI Media's business model.

Because of our focus on automation and high volumes, our operations do not involve, for the vast majority of our sales, any human-based review of content. Although use of our software technology terms of use specifically require customers to represent that they have the right and authority to reproduce the content they provide and that the content is in full compliance with all relevant laws and regulations, we do not have the ability to determine the accuracy of these representations on a case-by-case basis. There is a risk that a customer may supply an image or other content that is the property of another party used without permission, that infringes the copyright or trademark of another party, or that would be considered to be defamatory, pornographic, hateful, racist, scandalous, obscene or otherwise offensive, objectionable or illegal under the laws or court decisions of the jurisdiction where that customer lives. There is, therefore, a risk that customers may intentionally or inadvertently order and receive products using our technology that are in violation of the rights of another party or a law or regulation of a particular jurisdiction. If we should become legally obligated in the future to perform manual screening and review for all orders destined for a jurisdiction, we will encounter increased production costs or may cease accepting orders for shipment to that jurisdiction which could substantially harm our business and results of operations.

The loss of any of AVI Media's executive officers, key personnel, or contractors would likely have an adverse effect on its business.

Our greatest resource in developing and launching our products is the labor of our executive officers, employees and contractors. We are dependent upon our management, employees, and contractors for meeting our business objectives. In particular, the original founders and members of the senior management team play key roles in our business and technical development. We do not carry key man insurance coverage to mitigate the financial effect of losing the services of any of these key individuals. The loss of any of these key individuals most likely would have an adverse effect on our business.

If the collocation facility where much of AVI Media's Internet computer and communications hardware is located fails, its business and results of operations would be harmed. If AVI Media's Internet service to its primary business office fails, its business relationships could be damaged.

Our ability to provide our services depends on the uninterrupted operation of our computer and communications systems. Much of our computer hardware necessary to operate the Internet service for downloading software and receiving customer orders is located at a single third party hosting facility in Salt Lake City, Utah. Our systems and operations could suffer damage or interruption from human error, fire, flood, power loss, telecommunications failure, break-ins, terrorist attacks, acts of war and similar events. We do have some redundant systems in multiple locations, but if our primary location suffers interruptions our ability to service customers quickly and efficiently will suffer.

AVI Media's technology may contain undetected errors that could result in limited capacity or an interruption in service.

The development of our software and products is a complex process that requires the services of numerous developers. Our technology may contain undetected errors or design faults that may cause our services to fail and result in the loss of, or delay in, acceptance of our services. If the design fault leads to an interruption in the provision of our services or a reduction in the capacity of our services, we would lose revenue. In the future, we may encounter scalability limitations that could seriously harm our business.

AVI Media may divert its resources to develop new product lines, which may result in changes to its business plan and fluctuations in its expenditures.

As we have developed our technology, customers have required us to develop various means of deploying our products. In order to remain competitive and work around deployment issues inherent in working with third party kiosk providers, we are continually developing new deployments and product lines. We recently developed a new point-of-scan product to provide customers with an alternative to getting our products from retail kiosks that are sometimes busy or out of order. The development of new product types may result in increased expenditures during the development and implementation phase, which could negatively impact our results of operations. In addition, we are a small company with limited resources and diverting these resources to the development of new product lines may result in reduced customer service turn around times and delays in deploying new customers. These delays could adversely affect our business and results of operations.

AVI Media may undertake acquisitions to expand its business, which may pose risks to its business and dilute the ownership of existing stockholders.

The digital photo industry is undergoing significant changes. As we pursue our business plans, we may pursue acquisitions of businesses, technologies, or services. We are unable to predict whether or when any prospective acquisition will be completed. Integrating newly acquired businesses, technologies or services is likely to be expensive and time consuming. To finance any acquisitions, it may be necessary to raise additional funds through public or private financings. Additional funds may not be available on favorable terms and, in the case of equity financings, would result in additional dilution to our existing stockholders. If we do acquire any businesses and if we are unable to integrate any newly acquired entities, technologies or services effectively, our business and results of operations may suffer. The time and expense associated with finding suitable and compatible businesses, technologies, or services could also disrupt our ongoing business and divert management's attention. Future acquisitions could result in large and immediate write-offs or assumptions of debt and contingent liabilities, any of which could substantially harm our business and results of operations.

Requirements under client agreements and AVI Media's method of delivering products could cause the deferral of revenue recognition, which could harm its operating results and adversely impact its ability to forecast recognition revenue.

Our agreements with clients provide for various methods of delivering our technology capability to end consumers and may include service and development requirements in some instances. As we provide future point-of-scan products that require future fulfillment of products, we may be required to defer revenue recognition until the time the consumer submits an order to have a product fulfilled rather than at the time our point-of-scan product is sold. In addition, if we are obligated to provide development and support services to customers, we may be required to defer certain revenues to future periods which could harm our short-term operating results and adversely impact our ability to accurately forecast revenue.

AVI Media's pricing model may not be accepted and its product prices may decline, which could harm its operating results.

Under our current business model, we charge a royalty on each product produced using our technology rather than selling software to our customers. If our customers are offered software products to purchase that do not require the payment of royalties, our business could suffer. Additionally the market for photo products is intensely competitive. It is likely that prices our customers charge end consumers will decline due to competitive pricing pressures from other software providers which will likely affect our product royalties and revenues.

AVI Media depends on third-party suppliers for media components of some of its products and any failure by them to deliver these components could limit its ability to satisfy customer demand.

We currently source DVD media and other components for use in our products from various sources. We do not carry significant inventories of these components and we have no guaranteed supply agreements for them. We may in the future experience shortages of some product components, which can have a significant negative impact on our business. Any interruption in the operations of our vendors of sole components could affect adversely our ability to meet our scheduled product deliveries to customers. If we are unable to obtain a sufficient supply of components from current sources, we could experience difficulties in obtaining alternative sources or in altering product designs to use alternative components. Resulting delays or reductions in product shipments could damage customer relationships and expose us to potential damages that may arise from our inability to supply our customers with products. Further, a significant increase in the price of one or more of these components could harm our gross margins and/or operating results.

AVI Media relies on sales representatives and retailers to sell its products, and disruptions to these channels would affect adversely its ability to generate revenues from the sale of its products.

A large portion of our projected revenue is derived from sales of products to end-users via retail channels that it accesses directly and through a third party network of sales representatives. If our relationship with such sales representatives is disrupted for any reason, our relationship with our retail customers could suffer. If our retail customers do not choose to market our products in their stores, our sales will likely be significantly impacted and our revenues would decrease. Any decrease in revenue coming from these retailers or sales representatives and our inability to find a satisfactory replacement in a timely manner could affect our operating results adversely. Moreover, our failure to maintain favorable arrangements with our sales representative may impact adversely our business.

Changes in financial accounting standards or practices may cause adverse unexpected financial reporting fluctuations and affect AVI Media's reported results of operations.

A change in accounting standards or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by AVI Media to comply with these regulations could substantially harm its business and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce. Existing and future laws and regulations may impede the growth of the Internet or other online services. These regulations and laws may cover taxation, restrictions on imports and exports, customs, tariffs, user privacy, data protection, pricing, content, copyrights, distribution, electronic contracts and other communications, consumer protection, the provision of online payment services, broadband residential Internet access and the characteristics and quality of products and services. It is not clear how existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the Internet and e-commerce as the vast majority of these laws were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet or e-commerce. Those laws that do reference the Internet are only beginning to be interpreted by the courts and their applicability and reach are therefore uncertain. For example, the Digital Millennium Copyright Act, or DMCA, is intended, in part, to limit the liability of eligible online service providers for listing or linking to third-party websites that include materials that infringe copyrights or other rights of others. Portions of the Communications Decency Act, or CDA, are intended to provide statutory protections to online service providers who distribute third-party content. We rely on the protections provided by both the DMCA and CDA in conducting our business. Any changes in these laws or judicial interpretations narrowing their protections will subject us to greater risk of liability and may increase our costs of compliance with these regulations or limit our ability to operate certain lines of business. The Children's Online Protection Act and the Children's Online Privacy Protection Act are intended to restrict the distribution of certain materials deemed harmful to children and impose additional restrictions on the ability of online services to collect user information from minors. In addition, the Protection of Children From Sexual Predators Act of 1998 requires online service providers to report evidence of violations of federal child pornography laws under certain circumstances. The costs of compliance with these regulations may increase in the future as a result of changes in the regulations or the interpretation of them. Further, any failures on our part to comply with these regulations may subject us to significant liabilities. Those current and future laws and regulations or unfavorable resolution of these issues may substantially harm our business and results of operations.

AVI Media's failure to protect the confidential information of its customers against security breaches and the risks associated with credit card fraud could damage its reputation and brand and substantially harm its business and results of operations.

A significant prerequisite to online commerce and communications is the secure transmission of confidential information over public networks. Our failure to prevent security breaches could damage our reputation and brand and substantially harm our business and results of operations for customers using online services. We rely on encryption and authentication technology licensed from third parties to effect the secure transmission of confidential customer information, including credit card numbers, customer mailing addresses and email addresses. Advances in computer capabilities, new discoveries in the field of cryptography or other developments may result in a compromise or breach of the technology used by us to protect customer transaction data. In addition, any party who is able to illicitly obtain a user's password could access the user's transaction data or personal information. Any compromise of our security could damage our reputation and brand and expose us to a risk of loss or litigation and possible liability, which would substantially harm our business and results of operations. In addition, anyone who is able to circumvent our security measures could misappropriate proprietary information or cause interruptions in our operations. We may need to devote significant resources to protect against security breaches or to address problems caused by breaches.

Risks Related to Our Common Stock

Our articles of incorporation grant our Board of Directors the power to designate and issue additional shares of common and/or preferred stock.

Our authorized capital consists of 250,000,000 shares of common stock and 50,000,000 shares of preferred stock. Our preferred stock may be designated into series pursuant to authority granted by our articles of incorporation, and on approval from our Board of Directors. The Board of Directors, without any action by our stockholders, may designate and issue shares in such classes or series as the Board of Directors deems appropriate and establish the rights, preferences and privileges of such shares, including dividends, liquidation and voting rights. The rights of holders of other classes or series of stock that may be issued could be superior to the rights of holders of our common shares. The designation and issuance of shares of capital stock having preferential rights could adversely affect other rights appurtenant to shares of our common stock. Furthermore, any issuances of additional stock (common or preferred) will dilute the percentage of ownership interest of then-current holders of our capital stock and may dilute our book value per share.

Because we acquired aVinci Media, LC by means of a reverse merger, we may not be able to attract the attention of major brokerage firms.

Additional risks to our investors may exist as a result of the “reverse merger.” Security analysts of major brokerage firms may not provide us with coverage. In addition, because of past abuses and fraud concerns stemming primarily from a lack of public information about new public businesses, there are many people in the securities industry and business in general who view reverse merger transactions with public shell companies with suspicion. Without brokerage firm and analyst coverage, there may be fewer people aware of our company and our business, resulting in fewer potential buyers of our securities, less liquidity, and depressed stock prices for our investors.

We are subject to Sarbanes-Oxley and the reporting requirements of federal securities laws, which can be expensive.

As a public reporting company, we are subject to Sarbanes-Oxley and, accordingly, are subject to the information and reporting requirements of the Securities Exchange Act of 1934 and other federal securities laws. The costs of compliance with Sarbanes-Oxley, of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC, furnishing audited reports to our stockholders, and other legal, audit and internal resource costs attendant with being a public reporting company will cause our expenses to be higher than if we were privately held.

There is not now, and there may not ever be an active market for shares of our common stock.

In general, there has been very little trading activity in shares of our common stock. The small trading volume will likely make it difficult for our stockholders to sell their shares as and when they choose. Furthermore, small trading volumes are generally understood to depress market prices. As a result, you may not always be able to resell shares of our common stock publicly at the time and prices that you feel are fair or appropriate.

Because it is a “penny stock,” you may have difficulty selling shares of our common stock.

Our common stock is a “penny stock” and is therefore subject to the requirements of Rule 15g-9 under the Securities and Exchange Act of 1934. Under this rule, broker-dealers who sell penny stocks must provide purchasers of these stocks with a standardized risk-disclosure document prepared by the SEC. Under applicable regulations, our common stock will generally remain a “penny stock” for such time as our per-share price is less than \$5.00 (as determined in accordance with SEC regulations), or until we meet certain net asset or revenue thresholds. These thresholds include (i) the possession of net tangible assets (i.e., total assets less intangible assets and liabilities) in excess of \$2 million in

the event we have been operating for at least three years or \$5 million in the event we have been operating for fewer than three years, and (ii) the recognition of average revenues equal to at least \$6 million for each of the last three years. We do not anticipate meeting any of the foregoing thresholds in the foreseeable future.

The penny-stock rules severely limit the liquidity of securities in the secondary market, and many brokers choose not to participate in penny-stock transactions because of the difficulties in effectuating trades in such securities. As a result, there is generally less trading in penny stocks than in other stock that are not penny stocks. If you become a holder of our common stock, you may not always be able to resell shares of our common stock publicly at the time and prices that you feel are fair or appropriate.

We do not intend to pay dividends on our common stock for the foreseeable future.

In conjunction with the Merger, we paid a dividend to our stockholders of record prior to the Merger. We do not anticipate that we will pay any dividends for the foreseeable future. Accordingly, any return on an investment in our company will be realized, if at all, only when a stockholder sells his or her shares of our common stock. Stockholders who received their shares in exchange for aVinci Media, LC ownership interests, own restricted shares that can be sold only if an exemption is available. Because we were a “shell” company, exemptions under Rule 144 will not be available for use by stockholders holding restricted securities until June 7, 2009.

Our stock price has been volatile in response to market and other factors.

The market price for our common stock has been, and the market price for the our stock after the Merger may continue to be, volatile and subject to price and volume fluctuations in response to market and other factors, including the following, some of which are beyond our control:

- variations in quarterly operating results from the expectations of securities analysts or investors;
- announcements of technological innovations or new products or services by us or our competitors;
- general technological, market or economic trends;
- investor perception of the industry our prospects;
- investors entering into short sale contracts;
- regulatory developments; and
- additions or departures of key personnel.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS

We and our representatives may from time to time make written or oral statements that are “forward-looking,” including statements contained in this prospectus and other filings with the Securities and Exchange Commission, reports to our stockholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements. In addition, other written or oral statements which constitute forward-looking statements may be made by us or on our behalf. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimate,” “projects,” “forecasts,” “may,” “should,” variations of such words and similar expressions are intended to identify forward-looking statements. Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause our company's actual results to differ materially from those projected in such forward-looking statements. We discuss many of these risks, uncertainties and other factors in this prospectus in greater detail in the section of this prospectus entitled “Risk Factors”. Forward looking statements speak only as of the date made and are not guarantees of future performance. We undertake no obligation to publicly update or revise any forward-looking statements.

USE OF PROCEEDS

This prospectus relates to shares of our common stock that may be offered and sold from time to time by the selling stockholder. We will not receive any proceeds from the sale of shares of common stock in this offering. However, we will receive the sale price of any common stock we sell to the selling stockholder upon exercise of the warrants owned by the selling stockholder. We expect the proceeds, if any, received from the exercise of the warrants and the options to be used for general working capital purposes.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock has traded over-the-counter on the OTC Pink Sheets under the symbol “SAHC.PK” since June 19, 2007. From March 26, 2003 to June 18, 2007, our common stock traded over-the-counter on the OTC Pink Sheets under the symbol “ATMS”. From February 1998 to March 25, 2003, our common stock traded on the NASDAQ stock market under the symbol “ATMS”. As of June 9, 2008, our post-merger, post reverse split trading symbol on the OTC Pink Sheets is “AVMC.PK”. The following table sets forth the quarterly high and low bid information for our common stock for the two-year period ended September 30, 2007 and through December 29, 2008:

	High Bid	Low Bid
Year Ended December 31, 2006		
First Quarter	\$ 0.78	\$ 0.46
Second Quarter	0.70	0.52
Third Quarter	0.84	0.62
Fourth Quarter	1.00	0.70
Year Ended December 31, 2007		
First Quarter	\$ 1.38	\$ 0.92
Second Quarter	2.00	1.24
Third Quarter	1.80	1.40
Fourth Quarter	1.74	\$ 1.20
Fiscal Year Ended December 31, 2008		
First Quarter	\$ 1.36	\$ 1.06
Second Quarter	2.25	0.60
Third Quarter	1.34	0.81
Fourth Quarter	1.05	0.10

Holders

As of December 31, 2008 there were 48,735,545 shares of common stock outstanding and approximately 1,090 stockholders of record.

Transfer Agent and Registrar

Our transfer agent is Computershare, 350 Indiana Street, Suite 800, Golden, CO 80401; telephone (303) 262-0600.

Dividend Policy

Except for the \$2,000,000 Dividend that we have paid to our stockholders of record as of April 16, 2008, we have not paid any cash dividends on our common stock to date and do not anticipate we will pay dividends in the foreseeable future. The payment of dividends in the future will be contingent upon revenues and earnings, if any, capital requirements, and our general financial condition. The payment of any dividends will be within the discretion of the then Board of Directors. It is the present intention of the Board of Directors to retain all earnings, if any, for use in the business operations. Accordingly, the Board does not anticipate declaring any dividends in the foreseeable future.

Warrants, Options and Convertible Debt

There are no outstanding options or warrants that would entitle any person to purchase our preferred stock. Currently, there are outstanding options and warrants to purchase shares of our common stock. Information about outstanding options and warrants is as follows:

Holder	Shares Underlying Option/Warrant (1)	Exercise Price (1)	Expiration Date
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