Alto Group Holdings Inc.
Form 10-Q
April 13, 2009

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

FORM 10-Q

[X] QUARTERLY REPORT UNDER TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED FEBRUARY 28, 2009

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 000-53592

ALTO GROUP HOLDINGS INC.
(Exact name of registrant as specified in its charter)

NEVADA
(State or other jurisdiction of incorporation or organization)

110 Wall Street
11th Floor
New York, New York 10005-3198
(Address of principal executive offices, including zip code.)

212-709-8036
(Registrant's telephone number, including area code)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the last 90 days.
YES [X] NO [ ]

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

Large accelerated filer	[ ]	Accelerated filer	[ ]
Non-accelerated filer	[ ]	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES [X] NO [ ]

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 9,960,000 as of April 10, 2009.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Alto Group Holdings Inc.
(An Exploration Stage Company)
February 28, 2009

Alto Group Holdings Inc.
(An Exploration Stage Company)
Balance Sheets
(Expressed in US Dollars)

	February 28, 2009 (Unaudited)	November 30, 2008
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,906	$ 1,110
Total current assets	1,906	1,110
Mineral property acquisition costs, less reserve for impairment of $6,500	-	-
Total Assets	$ 1,906	$ 1,110
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Accounts payable and accrued liabilities	$ 4,458	$ 3,085
Due to related party	20,880	10,886
Total current liabilities	25,338	13,971
Stockholders' Deficit		
Preferred Stock, $0.00001 par value; authorized 100,000,000 shares, none issued and outstanding	-	-
Common Stock, $0.00001 par value; authorized 100,000,000 shares, issued and outstanding 9,960,000 shares	100	100
Additional paid-in capital	59,900	57,500
Deficit accumulated during the exploration stage	(83,432)	(70,461)
Total stockholders' equity (Deficit)	(23,432)	(12,861)
Total Liabilities and Stockholders' Equity (Deficit)	$ 1,906	$ 1,110

See notes to financial statements

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Alto Group Holdings Inc.
(An Exploration Stage Company)
Statements of Operations
(Expressed in US Dollars)
(Unaudited)

	For the three months ended February 28, 2009	For the three months ended February 29, 2008	Accumulated from September 21, 2007 (Date of Inception) to February 28, 2009
Revenue	$ -	$ -	$ -
Costs and expenses			
Exploration and carrying costs	-	-	2,625
General and administrative	10,571	22,139	59,907
Donated services	2,400	2,400	14,400
Impairment of mineral property acquisition costs	-	6,500	6,500
Total costs and expenses	12,971	31,039	83,432
Net Loss	$ (12,971)	$ (31,039)	$ (83,432)
Net loss per share			
Basic and diluted	$ (0.00)	$ (0.00)	
Weighted Average Shares Outstanding			
Basic and Diluted	9,960,000	9,960,000	

See notes to financial statements

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Alto Group Holdings Inc.
(An Exploration Stage Company)
Statements of Stockholders' Equity (Deficit)
For the Period September 21, 2007 (Inception) to February 28, 2009
(Expressed in US Dollars)

	Common Stock, $0.00001 par value										
	Shares		Amount		Additional Paid-in Capital		Subscriptions Receivable		Deficit Accumulated During the Exploration Stage		Total
Common shares sold for cash at $0.001 per share	6,000,000	$	60	$	5,940	$	-	$	-	$	6,000
Common shares sold for cash at $0.01 per share	3,960,000		40		39,560		(4,500)		-		35,100
Donated services and expenses	-		-		2,400		-		-		2,400
Net Loss	-		-		-		-		(5,772)		(5,772)
Balance - November 30, 2007	9,960,000	$	100	$	47,900	$	(4,500)	$	(5,772)	$	37,728
Common stock subscriptions collected	-		-		-		4,500		-		4,500
Donated services and expenses	-		-		9,600		-		-		9,600
Net Loss	-		-		-		-		(64,689)		(64,689)
Balance - November 30, 2008	9,960,000	$	100	$	57,500	$	-	$	(70,461)	$	(12,861)
Unaudited :											
Donated services and expenses	-		-		2,400		-		-		2,400
Net Loss	-		-		-		-		(12,971)		(12,971)
Balance - February 28, 2009	9,960,000	$	100	$	59,900	$	-	$	(83,432)	$	(23,432)

See notes to financial statements

Alto Group Holdings Inc.
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in US Dollars)
(Unaudited)

	For the three months ended February 28, 2009	For the three months ended February 29, 2008	Accumulated from September 21, 2007 (Date of Inception) to February 28, 2009
Cash Flows from Operating Activities			
Net loss	$ (12,971)	$ (31,039)	$ (83,432)
Adjustments to reconcile net loss			
to net cash provided by (used for) operating activities			
Donated services and expenses	2,400	2,400	14,400
Impairment of mineral property acquisition costs	-	6,500	6,500
Change in operating assets and liabilities:			
Accounts payable and accrued liabilities	1,373	1,037	4,458
Net cash used for operating activities	(9,198)	(21,102)	(58,074)
Investing Activities			
Mineral property acquisition costs	-	(6,500)	(6,500)
Net cash provided by investing activities	-	(6,500)	(6,500)
Cash Flows from Financing Activities			
Increase in due to related party	9,994	4	20,880
Proceeds from sale of common stock	-	4,500	45,600
Net cash provided by financing activities	9,994	4,504	66,480
Increase (Decrease) in cash	796	(23,098)	1,906
Cash - beginning of period	1,110	40,025	-
Cash - end of period	$ 1,906	$ 16,927	$ 1,906
Supplemental disclosures of cash flow information:			
Interest paid	$ -	$ -	$ -
Income taxes paid	$ -	$ -	$ -

See notes to financial statements

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Alto Group Holdings Inc.
(an Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
February 28, 2009
(Unaudited)

1. Nature of Operations

Alto Group Holdings Inc. (the "Company") was incorporated in the State of Nevada on September 21, 2007. The Company is an Exploration Stage Company, as defined by Statement of Financial Accounting Standards ("SFAS") No. 7 "Accounting and Reporting for Development Stage Enterprises". The Company's principal business is the acquisition and exploration of mineral resources. The Company has not presently determined whether its properties contain mineral reserves that are economically recoverable.

On March 21, 2008, the Company filed a Registration Statement on Form S-1 with the United States Securities and Exchange Commission ("SEC") to register 3,960,000 shares of common stock for resale by existing stockholders of the Company at $0.01 per share until the shares are quoted on the OTC Bulletin Board, and thereafter at prevailing market prices. On April 9, 2008, the Registration Statement was declared effective by the SEC. The Company will not receive any proceeds from the resale of shares of common stock by the shareholders.

2. Interim Financial Information

The unaudited financial statements as of February 28, 2009 and for the three months end February 28, 2009 and February 29, 2008 and for the period September 21, 2007 (inception) to February 28, 2009 have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with instructions to Form 10-Q. In the opinion of management, the unaudited financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position as of February 28, 2009 and the results of operations and cash flows for the periods then ended. The financial data and other information disclosed in these notes to the interim financial statements related to these periods are unaudited. The results for the three month period ended February 28, 2009 is not necessarily indicative of the results to be expected for any subsequent quarter or the entire year ending November 30, 2009. The balance sheet at November 30, 2008 has been derived from the audited financial statements at that date.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the Securities and Exchange Commission's rules and regulations. These unaudited financial statements should be read in conjunction with our audited financial statements and notes thereto for the year ended November 30, 2008 as included in our Form 10-K filed with the Securities and Exchange Commission on March 2, 2009.

3. Related Party Balances/Transactions

a) During the three month period ended February 28, 2009, the Company recognized a total of $2,400 (February 29, 2008 - $2,400) for management services at $800 per month provided by the sole Director of the Company.

b) At February 28, 2009, the Company is indebted to the sole director of the Company for $20,880 (November 30, 2008 - $10,886) representing advances and expenditures paid on behalf of the Company. This amount is unsecured, non-interest bearing, due on demand and has no specific terms of repayment.

Alto Group Holdings Inc.
(an Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
February 28, 2009
(Unaudited)

4. Mineral Property

On December 14, 2007, the Company paid $6,500 for a 100% interest in a Mineral Claim located in Clark County, Nevada and $2,500 for a geological report conducted on the respective mining claim. In August 2008, an annual fee of $125 was paid for the claim. The cost of the mineral property was initially capitalized. At February 29, 2008, the Company recognized an impairment loss of $6,500, as it had not yet been determined whether there were proven or probable reserves on the property.

5. Common Stock

a) On September 21, 2007, the Company issued 6,000,000 shares of common stock at $0.001 per share to the sole Director of the Company for cash proceeds of $6,000.

b) During the period ended November 30, 2007, the Company accepted stock subscriptions for 3,960,000 shares of common stock at $0.01 per share or $39,600 total. $35,100 was collected by November 30, 2007 and $4,500 was collected in December 2007.

6. Income Taxes

A reconciliation of the expected income tax recovery computed by applying the statutory United States federal income tax rate of 34% to income (loss) before taxes follows:

	For the three months ended February 28, 2009	For the three Months ended February 29, 2008	September 21, 2007 (Date of inception) to February 29, 2008
Income tax recovery at statutory rate	$ 4,410	$ 10,553	$ 28,367
Non-deductible donated services	(816)	(816)	(4,896)
Valuation allowance change	(3,594)	(9,737)	(23,471)
Provision for income taxes	$ –	$ –	$ –

The components of the net deferred tax asset at February 28, 2009 and November 30, 2008 consist of:

	February 28, 2009	November 30, 2008
Net operating loss carry-forward	$ 23,471	$ 19,877

Valuation allowance	(23,471)	(19,877)
Net deferred income tax asset	$ –	$ –

Alto Group Holdings Inc.
(an Exploration Stage Company)
NOTES TO FINANCIAL STATEMENTS
February 28, 2009
(Unaudited)

Potential benefits of income taxes are not recognized in the accounts until realization is more likely than not. At February 28, 2009, the Company has a net operating loss carry-forward of $69,032 which expires $3,372 in 2027, $55,089 in 2028 and $10,571 in 2029. Pursuant to SFAS No. 109 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

Current United States income tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

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

This section of this report includes a number of forward-looking statements that reflect our current views with respect to future events and financial performance. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events. You should not place undue certainty on these forward-looking statements, which apply only as of the date of this report. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or our predictions.

Plan of Operation

We are a start-up, exploration stage corporation and have not yet generated or realized any revenues from our business activities.

Our auditors have issued a going concern opinion. This means that there is substantial doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we begin removing and selling minerals. Our success or failure will be determined by what we find under the ground.

To meet our need for cash we must raise money in order to operate. If we find mineralized material and it is economically feasible to remove the mineralized material, we will have to raise additional money through a subsequent private placement, public offering or through loans. We do not have enough money to conduct exploration activities on the property. Currently we have to find alternative sources of capital, like a second public offering, a private placement of securities, or loans from our sole officer or others.

Our sole officer and director may be unwilling to make any commitment to loan us any money except to cover expenses relating to reclamation if materialized material is not found at this time. At the present time, we have not made any arrangements to raise additional cash. If we can't raise additional money, we will cease activities entirely.

We have the right to conduct exploration activities on one property. Even if we complete our current exploration program and it is successful in identifying a mineral deposit, we will have to spend substantial funds on further drilling and engineering studies before we will know if we have a commercially viable mineral deposit, a reserve.

We will be conducting research in the form of exploration of the property subject to receipt of additional capital. Our exploration program is explained in as much detail as possible in the business section of this report. We are not going to buy or sell any plant or significant equipment during the next twelve months. We will not buy any equipment until have located a reserve and we have determined it is economical to extract the minerals from the land.

We do not intend to interest other companies in the property if we find mineralized materials. We intend to try to develop the reserves ourselves.

We do not intend to hire additional employees at this time. All of the work on the property will be conducted by unaffiliated independent contractors that we will hire. The independent contractors will be responsible for surveying, geology, engineering, exploration, and excavation. The geologists will evaluate the information derived from the exploration and excavation and the engineers will advise us on the economic feasibility of removing the mineralized material.

We intend to seek alternative opportunities in order to potentially enhance shareholder value. Management intends to review other potential assets for acquisition.

Results of Operations

We completed our private placement and raised $39,600. Since then, we have conducted no operations and exhausted all of our money.

Milestones

The milestones are as follows:

1. Raise additional capital.

2. Retain our consultant to manage the exploration of the property. - Maximum cost of $5,000. Time of retention 0-90 days.

3. Trenching. Trenching will cost approximately $14,000 and will be conducted by unrelated subcontractors. Trenching includes grid installation, metal detection, sample collecting and shipping the samples for testing.

4. Have an independent third party analyze the samples. We estimate that it will cost $2,000 to analyze the samples and will take 30 days.

We have no money at the present time and cannot operate until we raise additional capital.

Limited Operating History; Need for Additional Capital

There is no historical financial information about us upon which to base an evaluation of our performance. We are an exploration stage corporation and have not generated any revenues from activities. We cannot guarantee we will be successful in our business activities. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, possible delays in the exploration of our properties, and possible cost overruns due to price and cost increases in services.

To become profitable and competitive, we have to conduct research and exploration of the property before we start production of any minerals we may find. We are seeking additional equity financing to provide for the capital required to implement our research and exploration phases.

We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

Liquidity and Capital Resources

Since inception, we have issued 9,960,000 shares of our common stock and received $45,600.

As of the date of this report, we appear to be insolvent and it appears we do not have capital to operate, but our president will be injecting more funds into the Company to keep it operational.

In September 2007, we issued 6,000,000 shares of common stock to our sole officer and director, Tareq Hinawy, pursuant to the exemption from registration contained in Regulation S of the Securities Act of 1933. The purchase price of the shares was $6,000. This was accounted for as an acquisition of shares. Tareq Hinawy covered some of our initial expenses for incorporation documents, administrative costs, and courier costs. The amount owed to Mr. Hinawy is non-interest bearing, unsecured and due on demand. Further the agreement with Mr. Hinawy is oral and there is no written document evidencing the agreement.

In December 2007, we issued 3,960,000 shares of common stock to 44 individuals in consideration of $39,600.

As of February 28, 2009, our total assets were $1,906 and our total liabilities were $25,338.

Recent accounting pronouncements

In December 2007, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements - An amendment of ARB No. 51”.SFAS 160 requires companies with noncontrolling interests to disclose such interests clearly as a portion of equity but separate from the parent’s equity. The noncontrolling interest’s portion of net income must also be clearly presented on the Income Statement. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

In December 2007, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 141,(revised 2007), “Business Combinations”. SFAS 141 (R) applies the acquisition method of accounting for business combinations established in SFAS 141 to all acquisitions where the acquirer gains a controlling interest, regardless of whether consideration was exchanged. Consistent with SFAS 141, SFAS 141 (R) requires the acquirer to fair value the assets and liabilities of the acquiree and record goodwill on bargain purchases, with main difference the application to all acquisitions where control is achieved. SFAS 141 (R) is effective for financial statements issued for fiscal years beginning after December 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities”. SFAS No. 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. SFAS No. 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that choose different measurement attributes for similar types of assets and liabilities. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. The Company has not yet determined whether it will elect the fair value option for any of its financial instruments.

In March 2008, the FASB issued FASB Statement No. 161 ("SFAS 161"), "Disclosures about Derivative Instruments and Hedging Activities". SFAS 161 requires companies with derivative instruments to disclose information that should enable financial-statement users to understand how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under FASB Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities" and how derivative instruments and related hedged items affect a company's financial position, financial performance and cash flows. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's future financial position or results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that these disclosure controls and procedures are effective. There were no changes in our internal control over financial reporting during the quarter ended February 28, 2009 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 6. EXHIBITS.

The following documents are included herein:

Exhibit No.	Document Description
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the Registrant and in the capacities on this 13th day of April, 2009.

ALTO GROUP HOLDINGS INC.

BY: TAREQ HINAWY
Tareq Hinawy, President, Principal Executive Officer, Secretary, Treasurer, Principal Financial Officer, Principal Accounting Officer and sole member of the Board of Directors.

EXHIBIT INDEX

Exhibit No.	Document Description
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