

AIVTECH INTERNATIONAL GROUP CO.
Form S-1/A
June 06, 2011

As filed with the Securities and Exchange Commission on June 6, 2011

Registration No. 333-171928

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

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AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

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AIVTECH INTERNATIONAL GROUP CO.
(Exact name of registrant as specified in its charter)

Nevada (State or other Jurisdiction of Incorporation)	3651 (Primary Standard Classification Code)	N/A (IRS Employer Identification No.)
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1305 East, Hightech Plaza, Phase 2, Tian'an Cyber Park
Futian District, Shenzhen City, Guangdong Province, China
Telephone: +86 (139) 2349-3889
(Address and Telephone Number of Registrant's Principal
Executive Offices and Principal Place of Business)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective. If any of the 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, 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 of 1933, please 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(c) under the Securities Act of 1933, 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 of 1933, 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 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.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

(Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share (2)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (5)
Common Stock, \$0.001 par value per share	2,513,334(1)	\$ 3.00	\$ 7,540,002	\$ 875.39
Common Stock, \$0.001 par value per share, issuable upon exercise of investor warrants	251,334(3)	\$ 4.00	\$ 1,005,336	\$ 116.72
Common Stock, \$0.001 par value per share, issuable upon exercise of placement agent warrants	50,267(4)	\$ 4.00	\$ 201,068	\$ 23.34
Total	2,814,935		\$ 8,746,404	\$ 1,015.54

(1) Represents the total number of common shares issued to certain accredited investors in the registrant's private placement of 2,514,334 units. Each unit consists of (i) one share of the Registrant's common stock, \$0.001 par value per share, and (ii) one warrant to purchase one-tenth (1/10) share of common stock at an exercise price of \$4.00 per share.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457. The proposed maximum offering price is determined by the offering price of the common shares in the private placement completed on December 29, 2010.

(3) Represents the number of common shares issuable upon the exercise of the investor warrants at an exercise price of \$4.00 per share.

(4) Represents the number of common shares issuable upon the exercise of the placement agent warrants at an exercise price of \$4.00 per share.

(5) 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 commission, acting pursuant to said section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

SUBJECT TO COMPLETION, DATED JUNE 6,
2011

2,814,935 Common Shares

AIVTECH INTERNATIONAL GROUP CO.

This prospectus relates to the resale by the selling stockholders named in this prospectus of up to 2,814,935 shares (the "Shares") of our common stock, par value \$0.001 per share, including (i) 2,513,334 shares of our common stock issued in the private placement, (ii) 251,334 shares of common stock issuable upon exercise of the investor warrants, at an exercise price of \$4.00 per share (the "Investor Warrants"), and (iii) 50,267 shares of our common stock issuable upon exercise of the placement agent warrants (the "Placement Agent Warrants," and collectively, the "Warrants"). The Shares were issued to the selling stockholders in a private placement transaction which was exempt from the registration and prospectus delivery requirements of the Securities Act of 1933, as amended.

We completed a \$7,540,000 private placement of our securities to accredited investors at \$3.00 per unit, with each unit consisting of (i) one share of the our common stock, \$0.001 par value per share, and (ii) one warrant to purchase one-tenth share of our common stock at an exercise price of \$4.00 per share. The placement agent received compensation of: (i) a cash fee equal to two percent (2%) of the gross proceeds received by us in connection with the Private Placement, (ii) five-year warrants to purchase shares of our common stock equal to two percent (2%) of the shares of common stock issued in the Private Placement (the "Placement Agent Warrants"), and (iii) reasonable expenses relating to the Private Placement. Our net proceeds, after payment of the placement agent fees and expenses, were approximately \$7.4 million.

The selling stockholders may offer all or part of their Shares for resale from time to time through public or private transactions, at either prevailing market prices or at privately negotiated prices. The common stock trades on the Over-the-Counter Bulletin Board under the symbol "ECOH". The stock has very limited trading activity; however, the last trade occurred on June 1, 2011 where 2,500 shares were sold at \$0.70 per share. We will not receive any of the proceeds from the Shares by the selling stockholders, but we will receive funds from the exercise of the Warrants if and when those Warrants are exercised on a cash exercise basis. We are paying all of the registration expenses incurred in connection with the registration of the Shares, but we will not pay any of the selling commissions, brokerage fees and related expenses. No liquid public market currently exists for our Common Stock and there can be no assurance that an active trading market will develop, or if an active market does develop, that it will continue.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 3 to read about factors you should consider before investing in shares of our common stock.

NEITHER THE SECURITIES AND EXCHANGE COMMITTEE 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: _____, 2011

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Please read this prospectus carefully. It describes our business, our financial condition and results of operations. We have prepared this prospectus so that you will have the information necessary to make an informed investment decision.

You should rely only on information contained in this prospectus. We have not authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover, but the information may have changed since that date.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all the information that you should consider before investing in the common stock. You should carefully read the entire prospectus, including “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the Consolidated Financial Statements, before making an investment decision .

Business Overview

AIVtech International Group Co. (“we,” “us,” “our,” “AIVtech,” or the “Company”) was incorporated pursuant to the laws of Nevada on December 18, 2007 under the name of Ecochild Inc. On May 12, 2010, pursuant to a share exchange agreement (the “Exchange Agreement”), we completed the acquisition of AIVtech Holding (Hong Kong) Limited (“AIVtech-HK”).

AIVtech-HK is a holding company incorporated under the laws of Hong Kong on November 4, 2005 with subsidiaries engaged in manufacturing casual furniture audio series, multimedia speakers, and LED. Shenzhen AIV Electronics Company Limited (“AIVtech-Shenzhen”) was incorporated on October 26, 2004 under the laws of the People’s Republic of China, which we refer to as China or the PRC. Dongguan AIV Electronics Company Limited (“AIVtech-Dongguan”) was incorporated on December 25, 2009 under the laws of the PRC. AIVtech, through AIVtech-Shenzhen and AIVtech-Dongguan, engages in the business of designing, manufacturing and selling electronic furniture, digital/multimedia speakers, and LCD/LED television under its own products brand – AIV, which stands for Audio and Interactive Video. Besides its own AIV brand, AIVtech also specializes in both Original Equipment Manufacturing (“OEM”) and Original Design Manufacturing (“ODM”) services. We integrate two traditional industries, which are electronics industry and furniture industry, into a new industry – electronic furniture industry.

We generate revenues mainly from the sales of electronic furniture and digital/multimedia speakers. The production of LCD/LED television started in late April 2010. Our net sales revenues for the year ended December 31, 2010 was approximately \$68.3 million, representing a 77.6% growth from the year ended December 31, 2009 with net sales revenues of approximately \$38.5 million. Our net income for the year ended December 31, 2010 was approximately \$11.3 million, an increase of 52%, comparing to our net income of approximately \$7.5 million for the year ended December 31, 2009.

On December 29, 2010, we entered into a subscription agreement with certain accredited investors for the issuance and sale in a private placement of investment units, each unit consisting of one share of the Company’s common stock, \$.001 par value per share and a warrant to purchase one-tenth of a share of common stock, for aggregate gross proceeds of \$7,540,000. The purchase price per unit was \$3.00. In the aggregate, we issued to the investors a total of 2,513,334 shares of common stock and five-year Investor Warrants to purchase up to an additional 251,334 shares of common stock at an exercise price of \$4.00. We also paid to the placement agent a fee of \$150,800 and issued to the Placement Agent a five-year Placement Agent Warrant to purchase a total of 50,267 shares of common stock at an exercise price of \$4.00 per share.

Recent Development

On March 30, 2011, our subsidiary AIVtech-Shenzhen incorporated Henan AIVtech Technology Company, Ltd., or AIVtech-Henan, as a limited liability company in China, with a registered capital of RMB 50 million, or approximately \$7.6 million. As of March 31, 2011, a total capital contribution of RMB 10 million, or approximately \$1.5 million, was contributed to AIVtech-Henan, of which RMB 6 million was contributed by AIVtech-Shenzhen and RMB 4 million was contributed by Mr. Jinlin Guo, our chief executive officer and chairman of the board of directors. AIVtech-Henan currently has no operations. We plan to start to construct a manufacturing plant in Henan province

once local government approves the land use right, which is expected to be in June 2011.

On May 10, 2011, we entered into an agreement with the former shareholders of our wholly-owned subsidiary AIVtech-HK, pursuant to which extends the due date of an aggregate cash payment of \$3,948,125 from May 12, 2011 to May 12, 2012. The amount was owed to these former shareholders in the form of a promissory note dated May 12, 2010.

Effective May 16, 2011, our ticker symbol as quoted on the OTC Bulletin Board was changed from “ECOH” to “AIVI.”

Risk Factors

Our ability to successfully operate our business and achieve our goals and strategies is subject to numerous risks as discussed more fully in the section titled “Risk Factors,” beginning on page 3, including for example:

The effects of the recent global economic slowdown may continue to have a negative impact on our business, results of operations or financial condition;

Our results of operations are cyclical and could be adversely affected by fluctuations in the raw material;

Our management has limited experience in managing and operating a public company. Any failure to comply or adequately comply with federal securities laws, rules or regulations could subject us to fines or regulatory actions, which may materially adversely affect our business, results of operations and financial condition;

Our business could be materially adversely affected if we are unable to respond to rapid technological change and improve our products and services;

Exchange rate volatility could adversely affect our financial condition;

If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations;

Our ability to compete could be jeopardized if we are unable to protect our intellectual property rights or if we are sued for intellectual property infringement; and

Our failure to comply with increasingly stringent environmental regulations and related litigation could result in significant penalties, damages and adverse publicity for our business.

Any of the above risks could materially and adversely affect our business, financial position and results of operations. An investment in our securities involves risks. You should read and consider the information set forth in “Risk Factors” and all other information set forth in this prospectus before investing in our securities.

Where You Can Find Us

Our principal executive office is located at 1305 East, Hightech Plaza, Phase 2, Tian’an Cyber Park, Futian District, Shenzhen City, Guangdong Province, China. Our telephone number is +86 (139) 2349-3889. Our corporate website is www.aivtechgroup.com. Information contained on, or accessed through our website is not intended to constitute and shall not be deemed to constitute part of this prospectus.

The Offering

Common stock offered by selling security holders	2,814,935 shares of common stock. This includes (i) 2,513,334 shares of common stock issued in the Private Placement; (ii) 251,334 shares of common stock issuable upon exercise of outstanding Investor Warrants; and (iii) 50,267 shares of common stock issuable upon exercise of outstanding Placement Agent Warrants.
Common stock outstanding before the offering	22,515,334 shares of common stock.
Common stock outstanding after the offering (on a fully diluted basis, assuming full exercise of all the Investor Warrants and Placement Agent Warrants)	22,816,935 shares of common stock

Terms of the Offering

The selling security holders will determine when and how they will sell the common stock offered in this prospectus.

Use of Proceeds

We are not selling any shares of the common stock covered by this prospectus, and, as a result, will not receive any proceeds from this offering. However, we will receive funds from the exercise of the Warrants if and when those Warrants are exercised on a cash basis. The proceeds from the cash exercise of such Warrants, if any, will be used by us for working capital and other general corporate purposes.

Risk Factors

The common stock offered hereby involves a high degree of risk and should not be purchased by investors who cannot afford the loss of their entire investment. See “Risk Factors” below.

RISK FACTORS

You should carefully consider the risks described below together with all of the other information included in this report before making an investment decision with regard to our securities. The statements contained in or incorporated herein that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, you may lose all or part of your investment.

Risks Relating to Our Business

The effects of the recent global economic slowdown may continue to have a negative impact on our business, results of operations or financial condition.

The recent global economic slowdown has caused disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy, and declining consumer and business confidence, which has led to decreased levels of consumer spending. These macroeconomic developments have and could continue to negatively impact our business, which depends on the general economic environment and levels of consumer spending in the PRC and other parts of the world that affect not only the ultimate consumer, but also retailers, who are our primary direct customers. As a result, we may not be able to maintain or increase our sales to existing customers, make sales to new customers, or maintain or improve our earnings from operations as a percentage of net sales. If the global economic slowdown continues for a significant period or continues to worsen, our results of operations, financial condition, and cash flows could be materially adversely affected.

Our results of operations are cyclical and could be adversely affected by fluctuations in the raw material.

We are largely dependent on the cost and supply of raw materials such as electronic accessories and the selling price of our products, which are determined by constantly changing and volatile market forces of supply and demand as well as other factors over which we have little or no control. These other factors include:

- competing demand for the raw materials,
- environmental and conservation regulations, and
- economic conditions,

We cannot assure you that all or part of any increased costs experienced by us from time to time can be passed along to consumers of our products, in a timely manner or at all.

Substantially all of our business, assets and operations are located in the PRC.

Substantially all of our business, assets and operations are located in PRC. The economy of PRC differs from the economies of most developed countries in many respects. The economy of PRC has been transitioning from a planned economy to a market-oriented economy. Although in recent years the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of productive assets in PRC is still owned by the PRC government. In addition, the PRC government continues to play a significant role in regulating industry by imposing industrial policies. It also exercises significant control over PRC's economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting

monetary policy and providing preferential treatment to particular industries or companies. Some of these measures benefit the overall economy of PRC, but may have a negative effect on us.

Our management has limited experience in managing and operating a public company. Any failure to comply or adequately comply with federal securities laws, rules or regulations could subject us to fines or regulatory actions, which may materially adversely affect our business, results of operations and financial condition.

Our current management has limited experience managing and operating a public company and relies in many instances on the professional experience and advice of third parties including its attorneys and accountants. Failure to comply or adequately comply with any laws, rules, or regulations applicable to our business may result in fines or regulatory actions, which may materially adversely affect our business, results of operation, or financial condition and could result in delays in achieving the development of an active and liquid trading market for our stock.

Additionally, we rely upon an outside consultant to prepare our financial statements in accordance with US GAAP. We currently do not have any internal financial staff that is familiar with US GAAP and neither does our financial expert on the audit committee has any US GAAP experience. Our management believes that our current internal controls and procedures contain material weakness such as: insufficient monitoring controls to determine the adequacy of our internal control over financial reporting and related policies and procedures; lack of competent financial management personnel with appropriate accounting knowledge and training; insufficient controls over our period-end financial close and reporting processes; and ineffective controls over the accounting for acquisitions. There is no assurance that we will be able to improve our internal staff so that the staff will become familiar with US GAAP and we will be able to establish effective internal controls. Our inability to cure the above material weakness could have a material negative impact to our internal control and our ability to file our report with the Securities and Exchange Commission on a timely basis.

Our business and the success of our products could be harmed if we are unable to maintain our brand image.

Our success to date has been due in large part to the strength of the AIV brand, and to a lesser degree, the reputation of our brand. If we are unable to timely and appropriately respond to changing consumer demand, our brand name and brand image may be impaired. Even if we react appropriately to changes in consumer preferences, consumers may consider our brand image to be outdated and affect our business.

We need to manage growth in operations to maximize our potential growth and achieve our expected revenues and our failure to manage growth will cause a disruption of our operations resulting in the failure to generate revenue at levels we expect.

In order to maximize potential growth in our current and potential markets, we believe that we must expand our producing operations. This expansion will place a significant strain on our management and our operational, accounting, and information systems. We expect that we will need to continue to improve our financial controls, operating procedures, and management information systems. We will also need to effectively train, motivate, and manage our employees. Our failure to manage our growth could disrupt our operations and ultimately prevent us from generating the revenues we expect.

We cannot assure you that our growth strategy will be successful which may result in a negative impact on our growth, financial condition, results of operations and cash flow.

One of our strategies is to establish our own flagship stores in main cities. However, many obstacles to entering such new markets exist including, but not limited to, established companies in such existing markets in the PRC. We cannot, therefore, assure you that we will be able to successfully overcome such obstacles and establish our products in any additional markets. Our inability to implement this organic growth strategy successfully may have a negative impact on our growth, future financial condition, results of operations or cash flows.

If we need additional capital to fund our growing operations, we may not be able to obtain sufficient capital and may be forced to limit the scope of our operations.

If adequate additional financing is not available on reasonable terms, we may not be able to expand our production lines and we would have to modify our business plans accordingly. There is no assurance that additional financing will be available to us.

In connection with our growth strategies, we may experience increased capital needs and accordingly, we may not have sufficient capital to fund our future operations without additional capital investments. Our capital needs will depend on numerous factors, including (i) our profitability; (ii) the release of competitive products by our competition; (iii) the level of our investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. We cannot assure you that we will be able to obtain capital in the future to meet our needs.

In recent years, the securities markets in the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values or prospects of such companies. For these reasons, our securities can also be expected to be subject to volatility resulting from purely market forces over which we will have no c