

ABLE ENERGY INC
Form 10-Q
November 20, 2008
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: September 30, 2008

or

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 001-15035

ABLE ENERGY, INC.

(An exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

22-3520840
(I.R.S. employer
identification No.)

198 Green Pond Road
Rockaway, NJ
(Address of principal executive offices)

07866
(Zip code)

Registrant's telephone number, including area code: (973) 625-1012

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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 a "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 14,965,389 as of November 19, 2008

ABLE ENERGY, INC. AND SUBSIDIARIES
FORM 10-Q

For the Three Months Ended September 30, 2008

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ABLE ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2008 (Unaudited)	June 30, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 3,727,399	\$ 3,025,577
Accounts receivable, net of allowance for doubtful accounts of \$1,260,345 and \$1,283,013 at September 30, 2008 and June 30, 2008, respectively	2,107,107	4,088,377
Inventories	2,795,004	2,724,315
Prepaid expenses and other current assets	1,328,709	1,676,658
Total Current Assets	9,958,219	11,514,927
Property and equipment, net	6,209,576	6,414,011
Goodwill	11,046,179	11,046,179
Intangible assets, net	5,367,035	5,531,345
Deferred financing costs, net	143,413	159,718
Security deposits	76,818	76,818
Total Assets	\$ 32,801,241	\$ 34,742,998
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit	\$ 539,234	\$ 979,818
Notes payable, current portion	4,205,757	4,123,602
Capital leases payable, current portion	267,474	366,804
Convertible debentures and notes payable, net of unamortized debt discounts of \$497,812 and \$623,962 as of September 30, 2008 and June 30, 2008, respectively	2,290,244	2,164,094
Accounts payable and accrued expenses	13,525,990	15,152,749
Customer pre-purchase payments and unearned revenue	3,180,477	1,636,911
Total Current Liabilities	24,009,176	24,423,978
Notes payable, less current portion	3,301,799	3,369,340
Capital leases payable, less current portion	329,802	320,890
Deferred income taxes	304,000	247,000
Total Long Term Liabilities	3,935,601	3,937,230
Total Liabilities	27,944,777	28,361,208

COMMITMENTS AND CONTINGENCIES

Stockholders' Equity:

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Preferred Stock; par value \$.001, authorized 10,000,000 shares; issued-none	-	-
Common Stock; \$.001 par value; 75,000,000 shares authorized; 14,965,389 shares issued and outstanding at September 30, 2008 and June 30, 2008, respectively	14,966	14,966
Additional paid in capital	37,856,321	37,856,321
Accumulated deficit	(32,116,902)	(30,584,497)
Notes and loans receivable-related parties	(897,921)	(905,000)
Total Stockholders' Equity	4,856,464	6,381,790
Total Liabilities and Stockholders' Equity	\$ 32,801,241	\$ 34,742,998

See accompanying notes to the condensed consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	For the Three Months Ended September 30, 2008 2007	
Net Sales	\$ 53,010,607	\$ 66,993,371
Cost of Sales (exclusive of depreciation and amortization shown separately below)	49,339,453	63,561,115
Gross Profit	3,671,154	3,432,256
Operating Expenses:		
Selling, general and administrative	4,768,982	6,504,137
Depreciation and amortization	413,248	558,247
Total Operating Expenses	5,182,230	7,062,384
Loss from Operations	(1,511,076)	(3,630,128)
Other Income (Expenses)		
Interest and other income	564,044	251,005
Interest income - related parties	14,411	80,385
Interest expense	(378,553)	(436,133)
Amortization of deferred financing costs	(16,304)	(17,131)
Amortization of debt discounts on convertible debentures and note payable	(126,150)	(343,734)
Registration rights penalty	(21,777)	(138,168)
Total Other Income (Expenses), Net	35,671	(603,776)
Loss before provision for income taxes	\$ (1,475,405)	\$ (4,233,905)
Provision for income taxes	57,000	76,000
Net Loss	\$ (1,532,405)	\$ (4,309,905)
Basic and diluted loss per common share	\$ (0.10)	\$ (0.29)
Weighted average number of common shares outstanding-basic and diluted	14,965,389	14,950,947

See accompanying notes to the condensed consolidated financial statements

ABLE ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	September 30,	
	2008	2007
Cash flow from operating activities:		
Net loss	\$ (1,532,405)	\$ (4,309,905)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	413,248	558,247
Provision for bad debts	(22,668)	(5,547)
Amortization of discounts on convertible debentures and notes payable	126,150	343,734
Amortization of deferred financing costs	16,304	17,131
Accrual of interest income on note receivable and loan-related parties	(14,411)	(69,327)
(Increase) decrease in operating assets:		
Accounts receivable	2,005,178	(16,804)
Inventories	(70,689)	86,477
Prepaid expenses and other current assets	346,708	(829,675)
Security deposits	-	(900)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(1,626,863)	3,663,299
Customer pre-purchase payments unearned revenue	1,543,566	1,313,050
Deferred income taxes	57,000	76,000
Net cash provided by operating activities	1,241,118	825,780
Cash flows from investing activities:		
Purchases of property and equipment	(44,398)	(178,728)
Advances to related parties	21,490	491,331
Net cash provided by (used in) investing activities	(22,908)	312,603
Cash flows from financing activities:		
Net (repayments) borrowings under line of credit	(440,584)	(152,281)
Proceeds from notes payable	1,400,000	-
Repayment of notes payable	(1,385,386)	(354,402)
Repayment of capital leases payable	(90,418)	(93,155)
Repayments of convertible debentures	-	(83,333)
Net cash used in financing activities	(516,388)	(683,171)
Net increase in cash and cash equivalents	701,822	455,212
Cash and cash equivalents at beginning of period	3,025,577	3,034,183
Cash and cash equivalents at end of period	\$ 3,727,399	\$ 3,489,395
Supplemental disclosure of cash flow information:		
Cash paid during the quarter for interest	\$ 378,553	\$ 436,133
Reduction in goodwill since certain liabilities were not assumed by Plazas	\$ -	\$ 93,363
	\$ -	\$ 312,538

Transfer of work in progress in property and equipment from a previous period to intangible assets

See accompanying notes to condensed consolidated financial statements

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ABLE ENERGY, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Note 1 - Basis of Presentation

The accompanying condensed consolidated financial statements of Able Energy, Inc. and Subsidiaries (the "Company") have been prepared in accordance with United States generally accepted accounting principles applicable for interim financial information. Accordingly, these condensed consolidated financial statements do not include all of the information and footnotes required by United States generally accepted accounting principles. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending June 30, 2009. These condensed consolidated financial statements include the accounts of Able Energy, Inc. and its wholly owned subsidiaries Able Oil Company, Inc. ("Able Oil"), Able Energy New York, Inc. (as of July 22, 2008 the Company owns 51%. See Note 18) ("Able NY"), Able Oil Melbourne, Inc. (inactive as of February 8, 2008, see Note 15), ("Able Melbourne"), Able Energy Terminal, LLC, PriceEnergy.com Franchising, LLC (inactive), Able Propane, LLC (inactive), and its majority owned (92%) subsidiary, PriceEnergy.com, Inc. ("PriceEnergy") and All American Plazas, Inc. ("Plazas"). Able, together with its operating subsidiaries, are hereby also referred to as the "Company". These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K filed for the year ended June 30, 2008.

Since the Company's business combination with All American Plazas, Inc. (now known as All American Properties, Inc.) on May 30, 2007, the Company is engaged in two primary business activities, organized in two segments; the Oil segment and the Travel Plaza segment.

The Company's Oil Segment, consisting of Able Oil, Able NY, Able Melbourne, Able Energy Terminal, LLC and PriceEnergy, is engaged in the retail distribution of, and the provision of services relating to, #2 home heating oil, propane gas, kerosene and diesel fuels. In addition to selling liquid energy products, the Company offers complete heating, ventilation and air conditioning ("HVAC") installation and repair and other services and also markets other petroleum products to commercial customers, including on-road and off-road diesel fuel, gasoline and lubricants. Please refer to Note 15 for disclosure relating to the February 8, 2008 sale of the Able Melbourne assets and liabilities; to Note 11 for disclosure relating to the July 22, 2008 Settlement Agreement between the Company and S&S NY Holdings, Inc. ("S&S") pursuant to which S&S was granted 49% of the issued and outstanding shares of stock of Able NY and a 90% interest in the Company's Easton and Horsham, Pennsylvania operations ("Able PA") in exchange for repayment of debt owed by the Company to S&S in the amount of \$997,789; and to Note 18 – Subsequent Events for disclosure relating to the subsequent rights granted to the Company on October 31, 2008 to repurchase S&S's interest in Able NY and Able PA.

The Company's Travel Plaza Segment, operated by Plazas, is engaged in the retail sale of food, merchandise, fuel, personal services, onsite and mobile vehicle repair, services and maintenance to both the professional and leisure driver through a current network of ten travel plazas, located in Pennsylvania, New Jersey, New York and Virginia.

Note 2 - Going Concern, Liquidity and Capital Resources and Management's Plans

The Company has incurred losses from continuing operations during the three months ended September 30, 2008 of approximately, \$1.5 million resulting in an accumulated deficit balance of approximately \$32.1 million as of September 30, 2008. Net cash provided by operations during the three months ended September 30, 2008, was approximately \$1.3 million. The Company had a working capital deficiency of \$14.1 million. These factors raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability of the recorded assets or the classification of the

liabilities that may be necessary should the Company be unable to continue as a going concern.

On May 30, 2007, the Company completed a business combination with All American Plazas, Inc. now known as All American Properties, Inc. ("Properties") (See Note 16). The Company is pursuing sales initiatives, cost savings and credit benefits as contemplated in the business combination including consolidation of business operations where management of the Company deems appropriate for the combined entity. In order to conserve its capital resources and to provide incentives for the Company's employees and other service vendors, the Company expects to continue to issue, from time to time, common stock and stock options to compensate employees and non-employees for services rendered. The Company is focusing on expanding its distribution programs and new customer relationships to increase demand for its products. In addition, the Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as solar energy and other energy related home services. The Company is also evaluating, on a combined basis, all of its product lines for cost reductions, consolidation of facilities and efficiency improvements. There can be no assurance, however, that the Company will be successful in achieving its operational improvements which would enhance its liquidity situation.

The Company has been funding its operations through an asset-based line of credit and other financing facilities. Through the quarter ended September 30, 2008, the Company has issued notes receivable and loans to other affiliates and to Properties, its largest stockholder, with a balance at September 30, 2008 of approximately \$0.9 million. The Company has granted Properties a series of extensions of the maturity of these obligations. These obligations are recorded as contra equity within these condensed consolidated financial statements.

The Company will require some combination of the collection of Properties notes receivable and loans, new financing, restructuring of existing financing, improved receivable collections and/or improved operating results in order to maintain adequate liquidity over the course of the year ending June 30, 2009. With bringing current all of its Securities and Exchange Commission ("SEC") filings the Company plans to raise additional capital as another means of securing the liquidity.

There can be no assurance that the financing or the cost saving measures as identified above will be satisfactory in addressing the short-term liquidity needs of the Company. In the event that these plans cannot be effectively realized, there can be no assurance that the Company will be able to continue as a going concern.

Note 3 - Summary of Significant Accounting Policies

There were no material changes to Significant Accounting Policies since the filing of our Annual Report on Form 10-K for the year ended June 30, 2008.

Note 4 - Recently Issued Accounting Pronouncements

In June 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, "Accounting Changes and Error Corrections" ("SFAS 154"). SFAS 154 establishes new standards on accounting for changes in accounting principles. Pursuant to the new rules, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. SFAS 154 completely replaces APB No. 20 and SFAS 6, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity, and the correction of errors. The requirements in SFAS 154 are effective for accounting changes made in fiscal years beginning after December 15, 2005. The Company applied these requirements to any accounting changes after the implementation date. The application of SFAS 154 did not have an impact on the Company's consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified Emerging Issues Task Force ("EITF") No. 05-1, "Accounting for the Conversion of an Instrument That Becomes Convertible upon the Issuer's Exercise of a Call Option" ("EITF No. 05-1") which addresses that no gain or loss should be recognized upon the conversion of an instrument that becomes convertible as a result of an issuer's exercise of a call option pursuant to the original terms of the instrument. EITF No. 05-1 is effective for periods beginning after June 28, 2006. The adoption of this pronouncement did not have an effect on the Company's consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified EITF Issue No. 05-2, "The Meaning of 'Conventional Convertible Debt Instrument' in EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'", which addresses when a convertible debt instrument should be considered conventional for the purpose of applying the guidance in EITF No. 00-19. EITF No. 05-2 also retained the exemption under EITF No. 00-19 for conventional convertible debt instruments and indicated that convertible preferred stock having a mandatory redemption date may qualify for the exemption provided under EITF No. 00-19 for conventional convertible debt if the instrument's economic characteristics are more similar to debt than equity. EITF No. 05-2 is effective for new instruments entered into and instruments modified in periods beginning after June 29, 2005. The Company has applied the requirements of EITF No. 05-2 since the required implementation date. The adoption of this pronouncement did not have an effect on the Company's consolidated financial position, results of operations or cash flows.

EITF Issue No. 05-4 "The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to EITF Issue No. 00-19, 'Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock'", addresses financial instruments, such as stock purchase warrants, which are accounted for under EITF 00-19 that may be issued at the same time and in contemplation of a registration rights agreement that includes a liquidated damages clause. The consensus of EITF No. 05-4 has not been finalized.

In February 2006, the FASB issued SFAS No. 155 - Accounting for Certain Hybrid Financial Instruments, which eliminates the exemption from applying SFAS 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. SFAS 155 also allows the election of fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a remeasurement event. Adoption is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. Early adoption is permitted. The adoption of SFAS 155 has not had a material effect on the Company's consolidated financial position, results of operations or cash flows.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets", which amended SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets or servicing liabilities. Adoption is effective after the beginning of the first fiscal year that begins after September 15, 2006. The application of this statement has not had a material impact on the Company's consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in tax positions. This interpretation requires that the Company recognize in its consolidated financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective as of the beginning of the Company's year ending June 30, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The application of this statement has not had a material impact on the Company's consolidated financial statements.

In September 2006, the FASB issued SFAS No.157, "Fair Value Measurements", which defines fair value, establishes a framework for measuring fair value in United States generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 – Effective Date of FASB Statement No. 157) which delays the effective date of SFAS No. 157 for all non-financial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the impact of adoption of this statement on its financial and nonfinancial assets and liabilities.

In December 2006, the FASB issued FASB Staff Position ("FSP") EITF 00-19-2 "Accounting for Registration Payment Arrangements" ("FSP EITF 00-19-2") which specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement should be separately recognized and measured in accordance with SFAS No. 5, "Accounting for Contingencies." Adoption of FSP EITF 00-19-02 is required for fiscal years beginning after December 15, 2006, and did not have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115", which permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Adoption is required for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS Statement No. 157, Fair Value Measurements. The application of this Statement has not had a material impact on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51." SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. The Company is in the process of evaluating the effect that the adoption of SFAS 160 will have on its consolidated results of operations, financial position and cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements

the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company is currently evaluating the potential impact of adoption of SFAS 141R on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161 “Disclosures about Derivative Instruments and Hedging Activities”. The new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. The Company is currently evaluating the impact of adopting SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162 “The Hierarchy of Generally Accepted Accounting Principles”. The new standard identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). SFAS No. 162 will become effective 60 days following the SEC’s approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. Adoption of SFAS No. 162, upon its effectiveness, is not expected to have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

Note 5 - Net Loss per Share

Basic and diluted net loss per common share is computed based on the weighted average number of shares outstanding during the periods presented. Common stock equivalents, consisting of stock options, warrants, and convertible debentures and notes payable as further discussed in the notes to the condensed consolidated financial statements, were not included in the calculation of diluted loss per share because their inclusion would have been anti-dilutive.

The total common shares available for issuance upon the exercise of stock options and warrants, and conversion of convertible debentures and note payables excluded from the comparative diluted loss per share was 7,127,524 and 7,102,524 for the three months ended September 30, 2008 and 2007, respectively.

Note 6 - Inventories

Inventories consisted of the following at:

	September 30, 2008	June 30, 2008
Inventories		
Oil Segment:	(Unaudited)	
#2 heating oil	\$ 275,976	\$ 131,418
Diesel fuel	17,220	36,351
Kerosene	20,816	20,115
Propane	57,320	37,632
Parts, supplies and equipment	200,182	201,823
Total Oil Segment	\$ 571,514	\$ 427,339
Travel Plaza Segment:		
Fuels	\$ 682,277	\$ 791,674
Non-fuel	1,541,213	1,505,302
Total Travel Plaza Segment	\$ 2,223,490	\$ 2,296,976
Total	\$ 2,795,004	\$ 2,724,315

Note 7 - Notes Receivable

On March 1, 2004, the Company entered into two notes receivable totaling \$1.4 million related to the sale of its subsidiary, Able Propane, LLC. The notes are secured by substantially all the assets of Able Propane, LLC. One note for \$500,000 bears interest at a rate of 6% per annum and the other note for \$900,000 is non-interest bearing. Principal is payable in annual installments and interest is paid quarterly with the final maturity date of March 1, 2008 for both notes. In March 2008, the principal and interest due on the notes was paid in full.

Note 8 - Property and Equipment

Property and equipment was comprised of the following:

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	September 30, 2008 (Unaudited)	June 30, 2008
Land	\$ 479,346	\$ 479,346
Buildings	1,674,124	1,674,124
Building improvements	791,166	791,166
Trucks and autos	4,349,790	4,349,790
Machinery and equipment	1,863,260	1,848,895
Office furniture, fixtures and equipment	1,371,183	1,371,183
Fuel tanks	984,461	984,461
Cylinders – propane	532,731	525,501
Construcion in Progress	242,632	219,829
	12,288,693	12,244,295
Less: accumulated depreciation	(6,079,118)	(5,830,284)
Property and equipment, net	\$ 6,209,576	\$ 6,414,011

At September 30, 2008, the Company had equipment under capital leases with a net book value of approximately \$1,107,931 which is included in the above.

Depreciation expense of property and equipment was \$248,834 and \$301,228 (which includes a write off of \$15,846 in the three months ended September 30, 2007) for the three months ended September 30, 2008 and 2007, respectively.

Closure of Strattanville Travel Plaza

One of the Travel Plazas Segments facilities, Strattanville, Pennsylvania, was shut-down in April, 2008 due to unprofitable operations at that site. Management is exploring business opportunities relating to this site. All of the equipment at this facility could be transferred and utilized at other locations. As of June 30, 2008, \$158,520 of equipment has been classified as an idle asset and is no longer being depreciated.

Doswell Sale Agreement

On May 12, 2008, the Company entered into a sale agreement with T.S.O, Inc. (“TSO”) for the sale of the Company’s operating assets located at its leased Doswell, VA travel plaza. In exchange for total consideration to the Company of approximately \$0.4 million, the Company has agreed to transfer to TSO title to all tangible and intangible assets (excluding corporate records) and liabilities relating to the operations of the Doswell, VA travel plaza. TSO had until October 12, 2008 to obtain and deliver a firm commitment letter for the purchase price. By letter dated November 6, 2008, Properties, the owner of the real property underlying the Doswell travel plaza, sent a notice to TSO terminating the contract of sale. During the period July 12, 2008 through the termination of the contract of sale, TSO was obligated to pay the Company rent in the amount of \$75,000 per month.

Note 9 – Deferred Financing Costs and Debt Discounts

The Company incurred deferred financing costs in conjunction with the sale of convertible debentures on July 12, 2005, July 5, 2006 and August 8, 2006 (see Note 13), and notes payable on May 13, 2005 (see Note 11), These costs were capitalized to deferred financing costs and are being amortized over the term of the related debt. Amortization of deferred financing costs was \$16,304 and \$17,131 for the three month period ended September 30, 2008 and 2007, respectively.

Additionally, in accordance with EITF 00-27, "Application of Issue 98-5 to Certain Convertible Instruments", the Convertible Debentures issued on July 12, 2005, July 5, 2006 and August 8, 2006 was considered to have a beneficial conversion premium feature. The Company recorded a debt discount of \$5,500,000 related to this conversion premium and warrants issued in connection with the financing. The Company amortized \$126,150 and \$343,734 of debt discount for the three months ending September 30, 2008, and 2007, respectively.

Note 10 - Line Of Credit

On May 13, 2005, the Company entered into a \$1,750,000 line-of-credit agreement (the "Agreement") with Entrepreneur Growth Capital, LLC ("EGC"). The loan is secured by certain eligible accounts receivable, inventory and certain other assets as defined in the agreement. The line bears interest at Citibank's prime rate, plus 4% per annum (8.0% at September 30, 2008 and 9.0% at June 30, 2008) not to exceed 24%, with a minimum interest of \$9,000 per month. The line also requires an annual facility fee and monthly collateral management fees equal to 2% and 0.025%, respectively. In addition, deposits are not credited to our account until four business days after receipt by EGC. The balance due as of September 30, 2008 and June 30, 2008 was \$539,234 and \$979,818, respectively, with an available balance as of September 30, 2008 of \$1,210,766. The Agreement renews annually unless terminated by either party, as provided for in the Agreement.

Note 11 - Notes Payable

On May 13, 2005, the Oil Segment entered into a term loan with Northfield Savings Bank for \$3,250,000. Principal and interest are payable in monthly installments of approximately \$21,400, commencing on July 1, 2005. The note is secured by Company owned real property located in Rockaway, New Jersey with a net book value of \$829,912 at September 30, 2008 and an assignment of leases and rents at such location. The initial interest rate is 6.25% per annum on the unpaid principal balance for the first five (5) years, to be redetermined every fifth anniversary date (reset date) at 300 basis points over the five (5) year United States Treasury rate, but not lower than the initial rate; at that time the monthly payment will be redetermined. The interest rate on default is 4% per annum, charged at the bank's option, above the interest rate then in effect. At the maturity date of June 1, 2030, all amounts owed are due and payable. As of September 30, 2008, the Company was in default of two non-financial covenants under the agreement. The covenants are measured on a six month and annual basis. The Company has received a waiver covering the fiscal year ends of June 30, 2007 and June 30, 2008. The balance outstanding on this note at September 30, 2008 and June 30, 2008 was \$3,055,462 and \$3,071,844, respectively.

On December 13, 2006, the Oil Segment entered into a five-year note agreement relating to the purchase of the Horsham Franchise in the amount of \$345,615. The interest rate is 7.0% per annum and principal and interest is payable in monthly installments of \$6,844 which commenced on January 13, 2007. The balance due on this note at September 30, 2008 and June 30, 2008 was \$238,100 and \$254,275, respectively.

On January 8, 2007, Plazas entered into an Account Purchase Agreement with Crown Financial ("Crown") whereby Crown advanced \$1,444,775 to Plazas in exchange for certain existing accounts receivables and taking ownership of new accounts originated by Plazas. Repayment of the loan is to be made from the direct payments to Crown from the accounts it purchased from Plazas and a fee equal to 2.5% of the outstanding advance for the preceding period payable on the 15th and 30th day of each month. The Crown loan is secured by the mortgages on the real property and improvements thereon owned by Properties known as the Strattanville and Frystown Gables truck stop plazas and a personal guarantee by Frank Nocito, an Executive Vice President of the Company and through a family trust the largest shareholder of the Company. Subsequent to the May 2007 closing of the business combination between the Company and Properties, on July 1, 2007 the Account Purchase Agreement between Plazas and Crown Financial was amended and modified from "Eligible Accounts having a 60 day aging" to a "90 day aging that are not reasonably deemed to be doubtful for collections" and the fee of 2.5% payable on the 15th and 30th day of each month has been modified to 1.375%. The Company has assumed this obligation based on the business combination; however, Properties has agreed to continue to secure this financing with the aforementioned mortgages on real property owned by Properties. The balance due on the Crown note at September 30, 2008 and June 30, 2008 was \$473,558 and \$817,367, respectively.

The Company has similar credit card financing agreements for the Oil Segment and the Travel Plaza Segment as explained below respectively.

On March 20, 2007, the Oil Segment entered into a credit card receivable advance agreement with Credit Cash, LLC whereby Credit Cash agreed to loan the Company \$1,200,000. The loan is secured by the Company's existing and future credit card collections. Terms of the loan call for a repayment of \$1,284,000, which includes the one-time finance charge of \$84,000, over a seven-month period. This will be accomplished through Credit Cash withholding 18% of credit card collections of Able Oil Company and 10% of credit card collections of PriceEnergy.com, Inc. over the seven-month period which began on March 21, 2007. On August 14, 2008 the Oil segment of the Company and its subsidiary, PriceEnergy.com, refinanced their loan with Credit Cash in the amount of \$500,000. There are certain provisions in the March 2007 agreement that allow Credit Cash to increase the withholding, if the amount withheld by Credit Cash over the seven-month period is not sufficient to satisfy the required repayment of \$1,284,000. The balance due on this advance agreement at September 30, 2008 and June 30, 2008 was \$349,814 and \$292,619, respectively (See Note 18).

Prior to the business combination between All American Plazas, Inc. now known as All American Properties, Inc. (“Properties”) and the Company, Properties entered into a loan agreement with Credit Cash, which was an advance against credit card receivables at the travel plazas then operated by Properties. As a result of the business combination, this obligation was assumed by the Company’s newly formed, wholly-owned subsidiary, All American Plazas, Inc. (“Plazas”), as it became the operator of the truck stop plazas. Credit Cash, while acknowledging the business combination, has continued to obligate both Properties and Plazas in their loan documents as obligors of the loan. On August 31, 2006, Plazas entered into a loan agreement with Credit Cash, relating to the processing of its credit card transactions, in the initial amount of \$1,000,000. The interest rate is prime plus 3.75%. On July 16, 2007, Credit Cash agreed to extend further credit of \$400,000 secured by the credit card receivables at the travel plazas operated by Plazas. This July 16, 2007 extension of credit agreement was in addition to and supplemented all previous agreements with Credit Cash. Terms of the original loan and extensions called for repayment of \$1,010,933 plus accrued interest which will be repaid through Credit Cash withholding 15% of credit card collections from the operations of the truck stop plazas until the loan balance is paid in full. The interest rate is prime plus 3.75% (12% at September 30, 2008). On August 14, 2008 the Travel Plaza segment of the Company refinanced its loan with Credit Cash for an additional amount of \$900,000. There are certain provisions in the agreement, which allows Credit Cash to increase the withholding, if the amount it is withholding is not sufficient to satisfy the loan in a timely manner. This repayment percentage was increased to 20% in April 2008 due to suspension of diesel sales in several locations due to pricing and cash flow issues. This 20% was renegotiated in August 2008 down to 12%. The outstanding balance of the loan as of September 30, 2008 and June 30, 2008 was \$696,750 and \$328,474, respectively (See Note 18).

On October 17, 2007, the Oil Segment entered into a loan agreement with S&S NY Holdings, Inc. (“S&S”) for \$500,000 to purchase #2 heating fuel. The term of the agreement is for 90 days with an option to refinance at the end of the 90 day period for an additional 90 days. The repayment of the principal amount will be \$.10 cents per gallon of fuel sold to the Company’s customers excluding pre-purchase gallons. An additional \$.075 per gallon will be paid as interest. The agreement also provides that in each 30 day period the interest amount can be no less than \$37,500.00. As of February 15, 2008 the Company had repaid \$137,180 and exercised its right to refinance the amount until March 31, 2008. The amount outstanding on this note at September 30, 2008 and June 30, 2008 was \$362,820.

On December 20, 2007, the Oil Segment entered in to a second loan agreement with S&S for \$500,000 to purchase #2 heating fuel. The term of the agreement was through March 31, 2008. The repayment of principle was not due until the maturity date. An additional \$0.075 per gallon was to be paid as interest. The agreement also provided that in each 30-day period the interest amount can be no less than \$37,500. The outstanding balance on this loan was \$500,000 at September 30, 2008 and June 30, 2008.

On July 22, 2008 the Company and S&S entered into a Settlement Agreement which provided for repayment of the October 17, 2007 and December 20, 2007 loans made by S&S to the Company in exchange for S&S receiving 49% of the issued and outstanding shares of stock of Able Energy, NY, Inc. (“Able NY”) and a 90% interest in the Company’s Easton and Horsham Pennsylvania operations (“Able PA”). See, Note 18 – Subsequent Events, to the Consolidated Financial Statements in this Report for disclosure relating to the October 31, 2008 amendment to the Settlement Agreement granting the Company the right to repurchase S&S’s interest in Able NY and Able PA.

From June 1, 2007 through June 30, 2007, during the post-closing period of the business combination between the Company and Properties, Plazas made \$8,374,495 in payments to its fuel supplier, TransMontaigne, on behalf of Properties. These payments were not made from any capital infusion or advances made by Plazas, but rather were generated from revenues from the ongoing operations of the Travel Plaza Segment. These payments of \$8.4 million were included in the advances to related parties balance at June 30, 2007. On October 5, 2007, Plazas along with Properties entered into an agreement with TransMontaigne to provide for the continued supply of fuel for the travel plazas, to extend a credit facility of \$2.0 million to Plazas to purchase fuel on a pre-paid basis and for Properties to provide certain real property as collateral for its outstanding obligation to TransMontaigne for its fuel purchases prior to the closing of the business combination. As a result of this agreement, trade payables of \$8.4 million owed by Plazas to TransMontaigne for fuel purchased after the closing of the business combination, as well as payments made by Plazas during that time period for obligations to TransMontaigne owed by Properties for fuel purchases prior to the closing, were reclassified and booked as obligations of Properties. This reclassification correspondingly reduced Plazas obligations to TransMontaigne by the amount of the payments it had made to TransMontaigne during the period from June 1, 2007 through June 30, 2007 on behalf of Properties referred to above. Thereafter, on November 30, 2007, the parties amended their agreement and entered into an Amended and Restated Note Agreement (the “Agreement”), which reduced Plazas’ line of credit for the purchase of fuel on a cash delivery basis to \$1,550,000. This reduced line of credit was evidenced by a promissory note (the “Note”) in that amount and is outstanding at September 30, 2008. The Note does not accrue interest until November 15, 2009 at which point, if the Note is not paid, it accrues interest at 8% per annum. In addition to Plazas’ obligation to TransMontaigne pursuant to the Note, as of November 30, 2007, Plazas owed TransMontaigne the sum of \$1.6 million in trade payables for additional fuel it purchased from TransMontaigne after the closing of the business combination. Any payment of these trade payables will correspondingly reduce Properties obligations to TransMontaigne under the Agreement. As part of the Agreement, Properties also made a note to TransMontaigne in an amount, which in accordance with the reclassification, included the payments made by Plazas to TransMontaigne on behalf of Properties during the post-closing transition period. Collateral for the Note and Properties’ obligations to TransMontaigne under the Agreement are certain real property owned by Properties. The Company and Properties are currently in the process of renegotiating the terms of the Agreement.

In addition, the Company has entered into miscellaneous loan agreements with outstanding balances totaling \$281,052, as of September 30, 2008.

Maturities on notes payable as of September 30, 2008 are as follows:

For the Period Ending September 30, 2008	
2009	\$ 4,205,757
2010	247,294
2011	196,940
2012	102,565
2013	87,564
Thereafter	2,667,436
Total	7,507,556
Less, current portion	(4,205,757)
Long-term portion	\$ 3,301,799

Note 12 - Capital Leases Payable

The Company has entered into various capital leases for equipment expiring through January 2012, with current aggregate monthly payments of approximately \$26,000.

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of September 30, 2008:

For the Period Ending September 30, 2008	
Year	Amount
2009	\$ 306,806
2010	190,900
2011	131,059
2012	38,277
Total Minimum Lease Payments	667,042
Less amount representing interest (ranging from 8-12%)	69,766
Present value of net minimum lease payments	597,276
Less Current portion	(267,474)
Net long term minimum lease payments	\$ 329,802

Note 13 - Convertible Debentures and Convertible Notes Payable

On July 12, 2005, the Company consummated a financing in the amount of \$2,500,000 through the sale of Variable Rate Convertibles Debentures (the "Convertible Debentures"). As of September 30, 2008, the convertible debt outstanding on the Convertible Debentures was \$132,500. The debt discount associated with this was fully amortized as of September 30, 2007. Amortization of the debt discounts in this convertible note payable amounted to approximately zero and \$7,700 for the three month periods ended September 30, 2008 and September 30, 2007, respectively.

On July 5, 2006, the Company closed a Securities Purchase Agreement entered into on June 30, 2006 whereby it sold a \$1.0 million convertible term note, due June 30, 2009, to Laurus Master Fund, Ltd. ("Laurus") and issued a 5 year warrant for 160,000 shares of the Company's common stock. As of September 30, 2008 the convertible debt outstanding on the convertible debenture was approximately \$805,000. Amortization of debt discounts on this convertible note payable amounted to \$51,563 and \$84,000 for the three month periods ended September 30, 2008 and September 30, 2007, respectively.

On August 6, 2006, the Company issued \$2,000,000 of convertible debentures to certain investors, due on August 8, 2008 and issued 5 year warrants to purchase 672,667 shares of the Company's common stock. As of September 30, 2008, the convertible debt outstanding on the Convertible debenture was \$850,000. Amortization of debt discount on these convertible debentures was approximately \$75,000 and \$252,000 for the three month periods ended September 30, 2008 and September 30, 2007, respectively. The discount associated with this was fully amortized at September 30, 2008. The Company is currently negotiating a forbearance agreement with the investors regarding the passing of the due date.

Note 14 - Stockholders' Equity

For The Three Months Ended September 30, 2008

Common Stock

(Unaudited)	Shares	Amount	Additional Paid - in Capital	Accumulated Deficit	Notes and Loans Receivable - Related Parties	Total Stockholders' Equity
Balance June 30, 2008	14,965,389	\$ 14,966	\$ 37,856,321	\$ (30,584,497)	\$ (905,000)	\$ 6,381,790
Reduction in notes receivable from related parties for reimbursement of certain fees	-	-	-	-	21,490	21,490
Increase in notes receivable for accrued interest	-	-	-	-	(14,411)	(14,411)
Net loss	-	-	-	(1,532,405)	-	(1,532,405)
Balance September 30, 2008	14,965,389	\$ 14,966	\$ 37,856,321	\$ (32,116,902)	\$ (897,921)	\$ 4,856,464

Stock Options

A summary of the Company's stock option activity and related information for the three month period ended September 30, 2008 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding June 30, 2008	400,040	\$ 2.74
Granted	-	-
Exercised	-	-
Forfeited	-	-
Outstanding September 30, 2008	400,040	\$ 2.74

During the three month period ended September 30, 2008, no options or warrants were issued or exercised.

The following is a summary of stock options outstanding and exercisable at September 30, 2008 by exercise price range:

Exercise Price Range	Number of Options	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Intrinsic Value
\$2.55 - \$ 4.36	30,000	1.5	\$ 2.86	\$ 101,675
\$8.09 - \$ 8.32	49,000	3.6	8.20	-
\$1.90	321,040	10.0	1.90	536,137
Totals	400,040	8.6	\$ 2.74	\$ 637,812

Equity Plans

The Able Energy, Inc.'s 1999 Employee Stock Option Plan, as amended, permits stock option awards up to 700,000 shares of the Company's common stock to be granted to directors, employees and consultants of the Company. This plan states that unless otherwise determined by the Board of Directors, an option shall be exercisable for ten years after the date on which it was granted. Vesting terms are set by the Board of Directors. There are 84,250 shares remaining available for issuance under this plan at September 30, 2008.

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The Able Energy, Inc. 2000 Employee Stock Purchase Plan, which was approved by the stockholders on June 23, 2000, permits stock option awards up to 350,000 shares of the Company's common stock to be granted to employees of the Company. There are 350,000 shares remaining available for issuance under this plan at September 30, 2008.

The Able Energy, Inc. 2000 Stock Bonus Plan, which was approved by the stockholders on June 23, 2000, permits restricted stock awards up to 350,000 shares of the Company's common stock to be granted to directors, employees and consultants of the Company. There are 338,000 shares remaining available for issuance under this plan at September 30, 2008.

The Able Energy, Inc. 2005 Incentive Stock Plan, which was approved by the stockholders on May 25, 2005, permits stock option, common stock, and restricted common stock purchase offer awards of up to 1,000,000 shares of the Company's common stock to be granted to directors, employees and consultants of the Company. There are 678,960 shares remaining available for issuance under this plan at September 30, 2008.

Warrants

A summary of the Company's stock warrant activity, and related information for the quarter ended September 30, 2008 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding June 30, 2008	6,189,976	\$ 7.17
Granted	-	-
Exercised	-	-
Expired	-	-
Outstanding September 30, 2008	6,189,976	\$ 7.17

Preferred Stock

The Certificate of Incorporation authorizes the issuance of 10,000,000 shares of preferred stock, \$.001 par value per share, with designations, rights and preferences determined from time to time by the Board of Directors. Accordingly, the Company's Board of Directors is empowered, without stockholder approval, to issue classes of Preferred Stock with voting, liquidation, conversion, or other rights. To date, no preferred stock has been issued.

Voluntary NASDAQ Delisting

On October 4, 2006, the Company announced its intention to voluntarily delist the Company's common stock from the NASDAQ Capital Market, effective as of the start of trading on October 13, 2006. The Company's common stock is currently quoted on the Pink Sheets. The management of the Company has indicated that the Company will seek to have its common stock quoted on the OTC Bulletin Board as soon as it qualifies for listing following the filing of this Quarterly Report on Form 10-Q.

Note 15- Commitments and Contingencies

Employment Agreements

On July 1, 2004, the Company entered into a three-year employment agreement with Christopher Westad. Pursuant to the agreement, he will be compensated at an annual salary of \$141,600 and will be eligible for an annual bonus and stock option grants, which will be separately determined by the Compensation Committee of the Board of Directors. The term of the agreement may be extended by mutual consent of the Company and Mr. Westad, and the annual salary is subject to periodic increases at the discretion of the Board of Directors. On November 26, 2006, the Compensation Committee of the Board of Directors renewed Mr. Westad's employment agreement for a period of three years until November 25, 2009.

On October 12, 2005, the Company entered into a one-year employment agreement with Gregory Frost, the Company's CEO (who was on a paid leave of absence from September 28, 2006 through May 23, 2007). Pursuant to the agreement, he was compensated at an annual salary of \$250,000 and will be eligible for an annual bonus and stock option grants, which will be separately determined by the Compensation Committee of the Board of Directors. Pursuant to the agreement, the employment with Mr. Frost was automatically renewed through October 11, 2009.

Operating Leases

The Company is obligated under certain property and equipment non-cancelable operating lease agreements. The rental properties include a lease of the Company's headquarters in Rockaway, New Jersey, office space in New York City, office space in Easton, Pennsylvania and eleven full service travel plaza facilities located in Pennsylvania, New York, New Jersey and Virginia. The Oil Segment leases expire at various dates through May, 2010 while ten of the eleven Travel Plaza Segment leases expire on September 30, 2009 and one with two separate leases each expiring on January 1, 2011 and February 28, 2009. The lease expiring in 2009 has five year renewable options through 2028. Rent expense was \$1,829,852 and \$1,846,419, which includes rent expense of approximately \$1,625,000 in both periods to Properties, for the three month periods ended September 30, 2008 and September 30, 2007 respectively. The ten Travel Plaza Segment leases that expire on September 30, 2009 automatically renew for consecutive one year terms for up to ten years from the initial lease, upon the mutual consent of both parties. Properties has waived the percentage rent amounts and percentage increase in the base lease amount. The base amount of the leases will remain fixed at the initial year amount unless both parties agree to an increase or decrease in the base amount. It is anticipated that the leases will be renewed for annual periods through at least June 30, 2017. The Company also acquired a ten year option to acquire any of the travel plaza real estate owned by Properties, providing that the Company assume all existing debt obligations related to the applicable properties. The option has been valued at \$5.0 million and is exercisable as long as the Plaza's leases relating to the applicable real estate remain in effect. Please refer to Note 18-Subsequent Events, for disclosure relating to the sublease of certain of the travel plaza facilities.

Major Vendors

The Company's Oil Segment purchases fuel supplies on the spot market. During the period ended September 30, 2008, the Oil Segment satisfied its inventory requirements through seven different suppliers, the majority of which have significant domestic fuel sources, and many of which have been suppliers to us for over seven years.

The Company's Travel Plaza Segment is also subject to spot market pricing and its fluctuations. It utilizes three major suppliers for its fuel source needs.

Litigation

Following an explosion and fire that occurred at the Company's facility in Newton, New Jersey on March 14, 2003, and through the subsequent clean up efforts, the Company has cooperated fully with all local, state and federal agencies in their investigations into the cause of this accident. A lawsuit (known as Hicks vs. Able Energy, Inc.) was filed against the Company by residents who allegedly suffered property damages as a result of the March 14, 2003 explosion and fire. The Company's insurance carrier is defending the Company as it related to compensatory damages. The Company has retained separate legal counsel to defend the Company against the punitive damage claims. On June 13, 2005, the Court granted a motion certifying a plaintiff class action which is defined as "All Persons and Entities that on and after March 14, 2003, residing within a 1,000 yard radius of Able Oil Company's fuel depot facility and were damaged as a result of the March 14, 2003 explosion". The Company sought and received Court permission to serve interrogatories to all class members and in November 2007 answers to interrogatories were received by less than 125 families and less than 15 businesses. The Company successfully moved to exclude any and all persons and entities from the class that did not previously provide answers to interrogatories. The class certification is limited to economic loss and specifically excludes claims for personal injury from the Class Certification. The Company believes that the Class claims for compensatory damages are within the available limits of its insurance. On September 13, 2006, the plaintiff's counsel made a settlement demand of \$10,000,000, which the Company believes to be excessive and the methodology upon which is fundamentally flawed. On May 7, 2008, this matter entered mediation. Mediation has not been successful, but the Company remains open to reasonable settlement discussions with the plaintiffs. The Company intends to vigorously defend the claim.

In addition to the class action, seven property owners, who were unable to reach satisfactory settlements with the Company's insurance carrier, filed lawsuits for alleged property damages suffered as a result of the March 14, 2003 explosion and fire. Subsequently, the Company's insurance carrier has entered into settlement agreements with four of the property owners. The Company's insurance carrier is defending the Company as it related to the remaining three property damage claims. The Company's counsel is defending punitive damage claims. The Company believes that compensatory damage claims are within the available limits of insurance and reserves for losses have been established, as deemed appropriate, by the insurance carrier. There were a total of 227 claims filed against the Company for property damages and 224 claims have been settled by the Company's insurance carrier resulting in the remaining three lawsuits as described in this paragraph. The Company believes the remaining three unsettled lawsuits will not have a material adverse effect on the Company's consolidated financial condition or operations.

Management believes it has adequate insurance coverage to cover material legal settlements, if any, and material litigation expenses. Management does not believe that legal accruals are required at September 30, 2007, and none have been recorded. The Company has been involved in non-material lawsuits in the normal course of business. These matters are handled by the Company's insurance carrier. The Company believes that the outcome of the above mentioned legal matters will not have a material effect on the Company's consolidated financial statements.

On June 26, 2007, the Company and its affiliate, Properties (together with the Company the “Claimants”), filed a Demand for Arbitration and Statement of Claim in the Denver, Colorado office of the American Arbitration Association against Manns Haggarskjold of North America, Ltd. (“Manns”), Scott Smith and Shannon Coe (collectively the “Respondents”), Arbitration Case No. 77 148 Y 00236 07 MAV. The Statement of Claim filed seeks to recover fees of \$1.2 million paid to Manns to obtain financing for the Company and Properties. The Claimants commenced the Arbitration proceeding based upon the Respondents breach of the September 14, 2006 Commitment letter from Manns to Plazas that required Manns to loan Plazas \$150 million. The Statement of Claim sets forth claims for breach of contract, fraud and misrepresentation and lender liability. On July 23, 2007, Respondents filed their answer to the Statement of Claim substantially denying the allegations asserted therein and interposing counterclaims setting forth claims against the Company for breach of the Non-Circumvention Clause, breach of the Exclusivity Clause and unpaid expenses. Respondents also assert counterclaims for fraudulent misrepresentation and unjust enrichment. On Respondents’ counterclaim for breach of the Non-Circumvention Clause, Respondents claim damages of \$6,402,500. On their counterclaim for breach of the Exclusivity Clause, Respondents claim damages of \$3,693,750, plus an unspecified amount related to fees on loans exceeding \$2,000,000 closed by Properties or the Company over the next five years. Respondents do not specify damages relative to their other counterclaims.

On August 7, 2007, the Claimants filed their reply to counterclaims denying all of Respondents material allegations therein. Respondents’ counterclaims were based on the false statement that the Claimants had, in fact, received the financing agreed to be provided by Manns from a third party. The Respondents subsequently withdrew all of their counterclaims.

The parties have selected an Arbitrator and are presently engaged in discovery. The parties have exchanged documents and the depositions of the parties have commenced and are scheduled to be concluded by the end of November, 2008. The hearing of the parties’ claims is scheduled to commence before the Arbitrator on December 8, 2008.

On September 7, 2006, the Company received a Formal Order of Private Investigation from the SEC pursuant to which the Company, certain of its officers and a director were served with subpoenas requesting certain documents and information. The Formal Order authorizes an investigation of possible violations of the anti-fraud provisions of the federal securities laws with respect to the offer, purchase and sale of the Company's securities and the Company's disclosures or failures to disclose material information. The Company believes that it did not violate any securities laws and intends to cooperate fully with and assist the SEC in its inquiry. The Company produced all responsive documents to the subpoenas .

On August 31, 2007, the Company was served with a second subpoena duces tecum (the “Second Subpoena”) from the SEC pursuant to the Formal Order of Investigation issued by the SEC on September 7, 2006. The Company continues to gather, review and produce documents to the SEC and is cooperating fully with the SEC in complying with the Second Subpoena. As of the date of this Report, the Company has produced and will, if required, continue to produce responsive documents and intends to continue cooperating with the SEC in connection with the investigation. On May 13, 2008, the Company received correspondence from the SEC requesting the Company respond, in writing, to eleven questions proffered by the SEC staff. The Company provided its responses to the eleven questions to the SEC on May 21, 2008. The responsive correspondence was signed by the Company’s outside SEC counsel, Buchanan Ingersoll & Rooney, PC, after it was reviewed by the Company’s senior management, as well as the Company’s outside financial consultant.

On July 29 and 30, 2008, the Company’s CEO, Mr. Frost and the Company’s Executive Vice-President, Business Development, Mr. Nocito, were deposed by the SEC. The Company has been advised by its SEC counsel, who also attended the depositions that it believes the primary focus of the investigation is for the Company to complete its outstanding, delinquent SEC filings in order to obtain filing compliance. See Note 18 – Subsequent Events.

On October 1, 2007, the Company and its Chief Executive Officer (“CEO”) filed an action in New York state court against Marcum & Kliegman, LLP (the Company’s former auditors) and several of its partners for numerous claims, including breach of contract, gross negligence and defamation. The Company and its CEO are seeking compensatory damages in the amount of at least \$1 million and punitive damages of at least \$20 million. The claims asserted by the Company and its CEO arise out of Marcum & Kliegman’s conduct with respect to the preparation and filing of the Company’s SEC Reports. On November 26, 2007, Marcum & Kliegman and its partners filed a motion to dismiss the complaint on the ground that it fails to state a claim for relief as a matter of law. On May 5, 2008, the Court issued a written decision and order sustaining the Company’s claims against Marcum & Kliegman for breach of contract and defamation, but dismissed the Company’s claims for negligence, gross negligence, breach of fiduciary duty and breach of covenant of good faith and fair dealing against Marcum & Kliegman and the defamation claim against the individual defendants. Both the Company and Marcum & Kliegman have filed appeals from the decision and order. Discovery proceedings have commenced and the Company intends to vigorously prosecute this action.

On January 7, 2008, the Company, its Chief Executive Officer, Gregory D. Frost, and its Vice-President of Business Development, Frank Nocito, were served with a summons and complaint in a purported class action complaint filed in the United States District Court, District of New Jersey. This action, which seeks class certification, was brought by shareholders of CCI Group, Inc. (“CCIG”). The complaint relates to a Share Exchange Agreement (the “Share Exchange Agreement”), dated July 7, 2006, between Properties and CCIG, pursuant to which seventy percent (70%) of the outstanding and issued shares of CCIG were exchanged for 618,557 shares of the Company’s common stock which were owned by Properties of which 250,378 shares were to be distributed to the shareholders of CCIG and the balance of the shares were to be used to pay debts of CCIG. Neither the Company nor Messrs. Frost or Nocito were parties to the Share Exchange Agreement. Properties remain the largest shareholder of the Company. The Share Exchange Agreement was previously disclosed by the Company in its Current Report on Form 8-K filed with the SEC on July 7, 2006 as part of a disclosure of a loan by the Company to Properties.

Each of the Company and Messrs. Frost and Nocito believes it/he has defenses against the alleged claims and intends to vigorously defend itself/himself against this action and have filed a motion to dismiss the complaint. The motion has been fully briefed and submitted to the Court. As of the date of this Report, no decision has been issued with respect to the motion.

On September 17, 2008, an action was commenced in the Common Court of Pleas in Northumberland County, Pennsylvania against Plazas by SCC3, LLC. The action arises out of a note (the "Note") made by Milton Properties, Inc. ("Milton"), the owner of the real property (the "Property") underlying the Milton travel plaza which is leased to, and operated by, Plazas, to Silar Special Opportunities Fund, L.P. ("Silar") and a mortgage (the "Mortgage") granted by Milton to Silar on the Property to secure the Note. Silar subsequently assigned the Note and Mortgage to the plaintiff, SCC3, LLC. As further security for Milton's obligations under the Note, Milton assigned to Silar its lease with Plazas for the Property and the rents therefore (the "Assignment of Leases and Rent"). The lease (the "Lease") for the property expires in 2013. Silar also assigned its rights under the Assignment of Leases and Rents to the plaintiff. The complaint alleges that Milton is in default of its obligations under the Note and Mortgage. As a result, plaintiff alleges that it has exercised its rights under the Assignment of Lease and Rents and revoked Milton's right to collect rent for the Property. The plaintiff further alleges that Plazas is in default of its obligations under the Lease and that pursuant to the Assignment of Lease and Rents plaintiff has the right to enforce the Lease and declare all rent for the remainder of the term of the Lease to be due and payable. Plaintiff is seeking damages in the amount of \$17,855,024 representing the balance of rent due under the term of the Lease. Plazas has filed an answer denying the allegations of the complaint. Plazas intends to vigorously defend this action and will make a motion to dismiss the complaint. Please refer to Note 18 - Subsequent Events for disclosures relating to other legal proceedings involving the Company.

Doswell Sale Agreement

On May 12, 2008, the Company entered into a sale agreement with T.S.O, Inc. ("TSO") for the sale of the Company's assets located at its leased Doswell, Virginia travel plaza. In exchange for total consideration to the Company of approximately \$0.4 million, the Company agreed to transfer to TSO title to all tangible and intangible assets (excluding corporate records) and liabilities relating to the operations of the Doswell travel plaza. TSO had until October 12, 2008 to obtain and deliver a firm commitment letter for the purchase price. By letter dated November 6, 2008, the owner of the real property underlying the Doswell travel plaza gave TSO notice that the contract of sale was terminated. During the period July 12, 2008 through the termination of the contract of sale, TSO was obligated to pay the Company rent in the amount of \$75,000 per month. The Company received \$225,000 during the three month period ended September 30, 2008.

Lease of Newton Facility

On July 14, 2008, the Company executed a triple net lease agreement with North Jersey Oil, Inc. (North Jersey) for the use of the Company's idled Newton, NJ fuel terminal facility. The term of the lease is for thirty years. Upon execution, the lease agreement provides for a \$250,000 cash payment to the Company and the receipt of a \$250,000 Tenant's Promissory Note (together, the "Basic Rent"). The note provides for interest at 8% and twelve monthly payments. Payments are to commence on the date that North Jersey receives all of the necessary permits to conduct its operations at the Newton site. If within nine months of the execution date of the lease agreement North Jersey is unable to secure the necessary operating permits or during the same time North Jersey is advised that its applications for the necessary operating permits have been denied, the Company will be obligated to return the Basic Rent to North Jersey and terminate the lease agreement. The status of the operating permits as of the filing date of this Quarterly Report on Form 10-Q is not known. The lease agreement also provides both the Company and North Jersey with storage and throughput rights at their respective terminals at a cost to the user of \$0.05 per gallon. In addition, North Jersey is obligated to provide the Company with an initial nine-month, \$0.5 million fuel purchase credit facility at a cost to the Company of \$0.02 per gallon financed. The lease agreement also provides North Jersey with a \$1.00 purchase option which North Jersey can exercise upon payment in full, in cash, of all the Basic Rent.

Note 16 - Related Party Transactions

Axis Consulting

On August 27, 2007 the Company's subsidiary, PriceEnergy.com, Inc., entered into a service agreement with Axis Consulting Services, LLC. The agreement calls for Axis Consulting to develop marketing plan (phase 1) and manage (phase 2) "The Energy Store" (an e-commerce retail sales portal for energy products and services). During phase 1, the terms are \$2,750 per month and once phase 2 commences an amount of \$5,600 per month. This agreement ends on December 31, 2008. Axis Consulting's President (Joe Nocito) has a direct relationship as the son of the Company's Executive Vice-President Frank Nocito.

PriceEnergy.com

As of September 30, 2008 a total of four current officers, a former officer and a related party of the Company own 8% of the common stock of the subsidiary, PriceEnergy.com, which was incorporated in November 1999. The Company holds the remaining shares of PriceEnergy.com.

Acquisition of Assets of Properties

At September 30, 2008, Properties owns approximately 74% of the Company's outstanding common stock. Approximately 85.0% of the common stock of Properties is owned by the Chelednik Family Trust, a trust established by Mr. Nocito, an officer of the Company and his wife for the benefit of their family. The balance of the outstanding common stock of Properties is owned by a limited liability company owned by Gregory D. Frost, the Chief Executive Officer and Chairman of the Board of Directors of the Company.

Properties Financing

On July 5, 2006, the Company received \$1,000,000 from Laurus in connection with the issuance of a convertible term note. Of the proceeds received from Laurus in connection with the issuance of the convertible term note, the Company loaned \$905,000 to Properties in exchange for a note receivable. Properties used such proceeds to pay (i) certain obligations of CCI Group, Inc. ("CCIG") and its wholly-owner subsidiary, Beach Properties Barbuda Limited ("BPBL"), which owned and operated an exclusive Caribbean resort hotel known as the Beach House located on the island of Barbuda, and (ii) a loan obligation owed by BPBL to Laurus which loan was used by CCIG to acquire the Beach House. Properties had previously acquired a 70% interest in CCIG pursuant to a Share Exchange Agreement. The Company received from Laurus a notice of a claim of default dated January 10, 2007. Laurus claimed default under section 4.1(a) of the Term Note as a result of non-payment of interest and fees in the amount of \$8,826 that was due on January 5, 2007, and a default under sections 6.17 and 6.18 of the securities purchase agreement for "failure to use best efforts (i) to cause CCIG to provide Holder on an ongoing basis with evidence that any and all obligations in respect of accounts payable of the project operated by CCIG's subsidiary, BPBL, have been met; and (ii) cause CCIG to provide within 15 days after the end of each calendar month, unaudited/internal financial statements (balance sheet, statements of income and cash flow) of the Beach House and evidence that BPBL and the Beach House are current in all of their ongoing operational needs".

The aforementioned interest and fees were paid by the Company on January 11, 2007. Further, the Company has used its best efforts to cause CCIG to provide reports and information to Laurus as provided for in the securities purchase agreement.

In connection with the claim of default, Laurus claimed an acceleration of maturity of the principal amount of the Note of \$1,000,000 and approximately \$154,000 in default payment ("Default Payment") as well as accrued interest and fees of approximately \$12,000. On March 7, 2007, Laurus notified the Company that, it waived the event of default and that Laurus had waived the requirement for the Company to make the Default Payment.

In consideration for the loan, Properties has granted the Company an option, (the "Option") exercisable in the Company's sole discretion, to acquire 80% of the CCIG stock Properties acquired from CCIG pursuant to the Share Exchange Agreement. In addition, in the event that the Company exercises the Option, 80% of the outstanding principal amount of the Properties note will be cancelled and shall be deemed fully paid and satisfied. The remaining principal balance of the Properties note and all outstanding and accrued interest on the loan shall be due and payable one year from the exercise of the Option. The Option must be exercised in whole and not in part and the Option expires on July 5, 2008. The Company did not exercise the Option prior to its expiration. In the event the Company does not exercise the Option, the Properties note shall be due in two years, on July 6, 2008, unless the Company has issued a declaration of intent not to exercise the Option, in which case the Properties note shall be due one year from such declaration. The Company has determined, that given the lack of liquidity in the shares of CCIG and the lack of information in regard to the financial condition of CCIG that this option has no value and has not been recorded by the Company.

The Company loaned Properties \$1,730,000 as evidenced by a promissory note dated July 27, 2005. This note and related interest were paid in full as of June 30, 2008, The note and accrued interest receivable have been recorded as

contra equity on the Company's consolidated balance sheet as of September 30, 2007.

The Company receives rent from Properties for office space occupied by Properties in the Company's New York City offices. The Company has reduced gross rent expense included in sales, general and administrative expenses in the condensed consolidated statements of operations in the amount of \$28,510 for the three months ended September 30, 2008.

On June 1, 2005, Properties completed a financing that, may impact the Company. Pursuant to the terms of the Securities Purchase Agreement (the "Agreement") among Properties and certain purchasers ("Purchasers"), the Purchasers loaned Properties an aggregate of \$5,000,000, evidenced by Secured Debentures dated June 1, 2005 (the "Debentures"). The Debentures were due and payable on June 1, 2007, subject to the occurrence of an event of default, with interest payable at the rate per annum equal to LIBOR for the applicable interest period, plus 4% payable on a quarterly basis on April 1st, July 1st, October 1st and January 1st, beginning on the first such date after the date of issuance of the Debentures. Upon the May 30, 2007 completion of the business combination with Properties and the Company's board approving the transfer of the debt that would also require the transfer of additional assets from Properties as consideration for the Company to assume this debt, then the Debentures are convertible into shares of our common stock at a conversion rate of the lesser of (i) the purchase price paid by us for issuance of our restricted common stock for the assets of Properties upon completion of the business combination, or (ii) \$3.00, subject to further adjustment as set forth in the agreement.

The loan is secured by real estate property owned by Properties in Pennsylvania and New Hampshire. Pursuant to the Additional Investment Right (the "AIR Agreement") among Properties and the Purchasers, the Purchasers may loan Properties up to an additional \$5,000,000 of secured convertible debentures on the same terms and conditions as the initial \$5,000,000 loan, except that the conversion price will be \$4.00. Pursuant to the Agreement, these Debentures are in default, as Properties did not complete the business combination with the Company prior to the expiration of the 12-month anniversary of the Agreement.

Subsequent to the consummation of the business combination, we may assume the obligations of Properties under the Agreement. However, the Company's board of directors must approve the assumption of this debt that requires that Properties transfer additional assets or consideration for such assumption of debt. Based upon these criteria, it is highly unlikely the Company will assume the obligations of Properties, including the Debentures and the AIR Agreement, through the execution of a Securities Assumption, Amendment and Issuance Agreement, Registration Rights Agreement, Common Stock Purchase Warrant Agreement and Variable Rate Secured Convertible Debenture Agreement, each between the Purchasers and us (the "Able Energy Transaction Documents"). Such documents provide that Properties shall cause the real estate collateral to continue to secure the loan, until the earlier of full repayment of the loan upon expiration of the Debentures or conversion by the Purchasers of the Debentures into shares of our common stock at a conversion rate of the lesser of (i) the price of the restricted common stock of Able issued to Properties for the purchase of Properties' assets in connection with the closing of the Company's business combination with Properties, or (ii) \$3.00, (the "Conversion Price"), subject to further adjustment as set forth in the Able Energy Transaction Documents. However, the Conversion Price with respect to the AIR Agreement shall be \$4.00. In addition, the Purchasers shall have the right to receive five-year warrants to purchase 2,500,000 of our common stock at an exercise price of \$3.75 per share. Pursuant to the Able Energy Transaction Documents, we also have an optional redemption right (which right shall be mandatory upon the occurrence of an event of default) to repurchase all of the Debentures for 125% of the face amount of the Debentures plus all accrued and outstanding interest, as well as a right to repurchase all of the Debentures in the event of the consummation of a new financing in which we sell securities at a purchase price that is below the Conversion Price. The stockholders of Properties have agreed to escrow a sufficient number of shares to satisfy the conversion of the \$5,000,000 in outstanding Debentures in full.

During the period June 1, 2007 through June 30, 2007, Plazas made \$8,374,496 in payments to its fuel supplier, TransMontaigne Product Services, Inc. ("TransMontaigne") on behalf of Properties during the transition of the acquisition. These payments were not made from any capital infusion or advance made by Plazas, but rather from revenues from the ongoing operations of the Travel Plazas. These payments were included in the advance to related party receivable balance at September 30, 2007 (See Note 16). The offset of this receivable occurred in October 2007 in conjunction with the note agreement of October 5, 2007, amended and restated on November 30, 2007.

Manns Hagerskjold of North America, Ltd. ("Manns") Agreement

On May 19, 2006, the Company entered into a letter of interest agreement with Manns, for a bridge loan to the Company in the amount of \$35,000,000 and a possible loan in the amount of \$100 million based upon the business combination with Properties ("Manns Agreement"). The terms of the letter of interest provided for the payment of a commitment fee of \$750,000, which was non-refundable to cover the due-diligence cost incurred by Manns. On June 23, 2006, the Company advanced to Manns \$125,000 toward the Manns Agreement due diligence fee. During the period from July 7, 2006 through November 17, 2006, the Company advanced an additional \$590,000 toward the Manns Agreement due diligence fee. The amount outstanding relating to these advances as of June 30, 2008 was \$715,000. As a result of not obtaining the financing (see below), the entire \$715,000 was expensed to amortization of deferred financing costs in the year ended June 30, 2008.

As a result of the Company receiving a Formal Order of Private Investigation from the SEC on September 22, 2006, the Company and Manns agreed that the commitment to fund being sought under the Manns Agreement would be issued to Properties, since the Company's stockholders had approved a business combination with Properties and since

the collateral for the financing by Manns would be collateralized by real estate owned by Properties. Accordingly, on September 22, 2006, Properties agreed that in the event Manns funds a credit facility to Properties rather than the Company, upon such funds being received by Properties, it will immediately reimburse the Company for all expenses incurred and all fees paid to Manns in connection with the proposed credit facility from Manns to the Company. On or about February 2, 2007, Properties received a term sheet from UBS Real Estate Investments, Inc. ("UBS") requested by Manns as co-lender to Properties. Properties rejected the UBS offer as not consistent with the Manns' commitment of September 14, 2006. Properties subsequently demanded that Manns refund all fees paid to Manns by Able and Properties. In order to enforce its rights in this regard, Properties has retained legal counsel and commenced an arbitration proceeding against Manns and its principals. The Company and Properties intend to pursue their remedies against Manns. All recoveries and fees and costs of the litigation will be allocated between the Company and Properties in proportion to the amount of the Manns due diligence fees paid.

Note 17 - Segment reporting

Since the Company's business combination with All American Plazas, Inc. on May 30, 2007, the Company is engaged in two primary business activities, organized in two reporting segments; the Oil Segment and the Travel Plaza Segment. The Company's senior management manages the businesses and the expected long-term financial performance of each segment. The accounting policies of the Segments are the same as those described in Note 3 - Summary of Significant Accounting Policies. There are no intersegment sales for any of the periods presented below.

The Company's Oil Segment, consisting of Able Oil, Able NY, Able Melbourne (inactive as of February 8, 2008, see note 15), Able Energy Terminal, LLC and PriceEnergy, is engaged in the retail distribution of, and the provision of services relating to, #2 home heating oil, propane gas, kerosene and diesel fuels. In addition to selling liquid energy products, the Company offers complete heating, ventilation and air conditioning ("HVAC") installation and repair and other services and also markets other petroleum products to commercial customers, including on-road and off-road diesel fuel, gasoline and lubricants.

The Company's Travel Plaza Segment, consisting of Plazas, is engaged in the retail sale of food, merchandise, fuel, personal services, onsite and mobile vehicle repair, services and maintenance to both the professional and leisure driver through a current network of ten travel plazas, located in Pennsylvania, New Jersey, New York and Virginia.

The following is the segment reporting for entities in existence at September 30, 2008 and comparisons to September 30, 2007 and June 30, 2008:

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	Three months ended September 30,	
	2008	2007
Revenues	(Unaudited)	(Unaudited)
Oil Segment:		
#2 heating oil	\$ 5,699,532	\$ 5,152,566
Gasoline, diesel fuel, kerosene, propane & other lubricants	3,537,541	4,466,692
Equipment, sales & installation	456,175	583,624
Total Oil Segment	\$ 9,693,248	\$ 10,202,881
Travel Plaza Segment:		
Fuels	\$ 37,658,418	\$ 48,652,531
Non-Fuels	5,658,941	8,137,958
Total Travel Plaza Segment	\$ 43,317,359	\$ 56,790,489
Total revenues	\$ 53,010,607	\$ 66,993,371
Depreciation & amortization		
Oil Segment	\$ 155,343	\$ 242,208
Travel Plaza Segment	257,905	316,038
Total depreciation and amortization	\$ 413,248	\$ 558,247
Interest Expense		
Oil Segment	\$ 230,240	\$ 218,978
Travel Plaza Segment	148,313	217,154
Total interest expense	\$ 378,553	\$ 436,133
Segment Loss		
Oil Segment	\$ (362,984)	\$ (2,236,089)
Travel Plaza Segment	(1,169,422)	(2,073,816)
Total segment loss	\$ (1,532,407)	\$ (4,309,905)
Inventories		
	September 30, 2008	June 30, 2008
Oil Segment:	(Unaudited)	(Audited)
#2 heating oil	\$ 275,976	\$ 131,418
Diesel fuel	17,220	37,991
Kerosene	20,816	20,115
Propane	57,320	37,632
Parts, supplies and equipment	200,182	200,182
Total Oil Segment	\$ 571,514	\$ 427,339

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Travel Plaza Segment:		
Fuels	\$ 682,277	\$ 791,674
Non-fuel	1,541,213	1,505,302
Total Travel Plaza Segment	2,223,490	2,296,976
Inventory	\$ 2,795,004	\$ 2,724,315
Goodwill		
Oil Segment	\$ -	\$ -
Travel Plaza Segment	11,046,179	11,046,179
Total goodwill	\$ 11,046,179	\$ 11,046,179
All Other Assets		
Oil Segment	\$ 8,248,470	\$ 10,259,230
Travel Plaza Segment	10,711,588	10,713,274
Total all other assets	\$ 18,960,058	\$ 20,972,504
Total Assets		
Oil Segment	\$ 8,819,984	\$ 10,686,569
Travel Plaza Segment	23,981,257	24,056,429
Total assets	\$ 32,801,241	\$ 34,742,998

The Company did not have any operations outside the United States of America. Accordingly, all revenues were generated from domestic transactions, and the Company has no long-lived assets outside the United States of America. The Company has recorded a deferred income tax liability for the three months ended September 30, 2008 of \$57,000 pertaining to the temporary difference in amortization of goodwill and intangibles for book and tax purposes.

Note 18 - Subsequent Events

Credit Card Receivable Financing

On November 5, 2008 the Oil Segment of the Company and its subsidiary, PriceEnergy.com, refinanced their loan with Credit Cash, in the amount of \$250,000. The outstanding Credit Cash loans to the Oil Segment of the Company as of September 30, 2008, were \$349,814.

Litigation

On October 7, 2008 a complaint was filed in the United States District Court for the Western District of Texas by Petro Franchise Systems, LLC and TA Operating LLC, (collectively the "Plaintiffs"), against Properties, Plazas and The Chelednik Family Trust (the "Trust"), (collectively the "Defendants"). The complaint seeks monetary damages and injunctive relief arising out of Properties' and Plazas' alleged breach of Petro franchise agreements for the Petro travel centers located in Breezewood and Milton, Pennsylvania and the Trust's guaranty of the Milton franchise agreement. Plaintiffs are seeking damages in the amounts of \$149,851 and \$154,585 for the alleged breach of the Breezewood and Milton franchise agreements, respectively. In addition, the complaint is requesting damages for violations of the Lanham Act, including the continued purported improper use by Properties and Plazas of the registered Petro trademarks and the dilution of those trademarks; unfair competition and unjust enrichment; trademark infringement under Texas state law; and, conversion. As of the date of this Report, the complaint has not been served upon the defendants.

Change in Officers

On October 22, 2008, Louis Aponte was appointed as President of the Company's home heating oil subsidiaries. Mr. Aponte will be responsible for the daily operations of Able's home heating business, as well as the operation of Able's Rockaway Terminal. Mr. Aponte is taking the place of Christopher Westad who will remain with the Company working in its New York offices in charge of special projects for the Company.

Fuel Financing

On October 31, 2008, Plazas entered into agreements with UCP Capital Management, LLC ("UCP") pursuant to which UCP will arrange for the consignment and distribution of gasoline obtained from Gulf Oil or Valero Oil terminals and motor diesel fuel at the travel plazas operated by Plazas. Once delivered, Plazas will have complete control over the product delivered including the retail prices at which the gasoline is sold. UCP will retain the cost of the fuel as determined by the Gulf or Valero Branded Rack price for the gasoline or its cost of the diesel fuel plus two cents plus all applicable taxes and delivery charges per gallon for each gallon of gasoline delivered by UCP and sold by Plazas in a given month. Plazas will retain the difference between the amount retained by UCP and the price per gallon of gasoline or diesel fuel sold. Pursuant to this agreement the gasoline islands at the travel plazas operated by Plazas will be branded with either the Gulf or Valero trade name. The term of the agreements shall be effective on November 1, 2008 and run through October 31, 2013.

Amendment To the S&S Settlement Agreement

On October 31, 2008, the Company and S&S NY Holdings, Inc. (“S&S”) entered into an agreement amending (the “Amendment”) the Settlement Agreement entered into between the Company and S&S on July 22, 2008, See Note 11 and Part II, Item 5 for disclosure regarding that Agreement. The Amendment provides that the Company has the right to repurchase S&S’s interest in Able PA for the sum of \$548,910 payable \$250,000 upon the signing of the Amendment and the balance ten business days thereafter. In the event that the balance is not paid within the time period specified, S&S shall retain the initial payment of \$250,000 and its 90% interest in Able PA. The Company has made these payments to S&S and, as a result, S&S no longer has any interest in Able PA. The Amendment further provides that the Company may repurchase S&S’s 49% interest in Able NY for the sum of \$550,000 payable \$150,000 within thirty days after the repurchase of Able Pa; commencing thirty days after such payment, eight (8) equal monthly installments each in the amount of \$30,000; and the balance of \$160,000 to be made thirty days after the final monthly installment is paid. S&S shall retain its 49% interest in Able NY as security for such payments. However, as long as Able is not in default of such payments, S&S shall have no rights whatsoever with respect to its shares of stock in Able NY, including, but not limited to any distribution of any revenues, profits, (losses) or net profits or (losses) of Able NY. In the event that Able defaults in making such payments and fails to timely cure such default, S&S shall retain full ownership with all attendant shareholder rights thereto of its shares of stock in Able NY, provided, however, S&S’s ownership percentage of Able NY will be reduced by the percentage of payments made to Able NY prior to the default as applied to the total purchase price for S&S’s interest in Able NY. The Amendment also cancelled the Consulting Agreement which was to be entered into pursuant to the terms of the Settlement Agreement between Able NY and S&S in exchange for a payment of \$60,000 to be made at the time the final payment is due for payment of the Able NY shares.

Sublease of Travel Plazas

Effective November 1, 2008, All American Plazas, Inc. subleased the operation of the Carlisle Gables, Harrisburg Gables and Frystown Gables plazas to independent third parties each for a term of three years. Plazas determined the sublease of these facilities would cut its costs, but Plazas also maintained the right to supply the fuel to these plazas on a cost plus basis, which it believes, will result in a net profit to the Company. Each of the subleases provides for the purchase of the existing inventory and the Frystown Gables sublease provides for a three month abatement of rent.

SEC Formal Order of Private Investigation

On November 18, 2008, the Company's current auditors and one of its partners received subpoenas duces tecum from the SEC requesting the production of documents and their testimony in regard to the SEC Formal Order of Private Investigation received by the Company on September 7, 2006.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Statements in this Quarterly Report on Form 10-Q concerning the Company's outlook or future economic performance, anticipated profitability, gross billings, expenses or other financial items, and statements concerning assumptions made or exceptions to any future events, conditions, performance or other matters are "forward looking statements," as that term is defined under the Federal Securities Laws. Forward-looking statements are subject to risks, uncertainties, and other factors that would cause actual results to differ materially from those stated in such statements. Such risks, and uncertainties and factors include, but are not limited to: (i) changes in external competitive market factors or trends in the Company's results of operation; (ii) unanticipated working capital or other cash requirements; and (iii) changes in the Company's business strategy or an inability to execute its competitive factors that may prevent the Company from competing successfully in the marketplace.

OVERVIEW

Able Energy, Inc. ("Able") was incorporated on March 13, 1997, in the state of Delaware. Its current wholly-owned subsidiaries are Able Oil Company, Inc. ("Able Oil"), Able Energy New York, Inc. (as of July 22, 2008 the Company owns 51%. (See Note 18). ("Able NY"), Able Oil Melbourne, Inc. (inactive, as of February 8, 2008, see Note 15), ("Able Melbourne"), Able Energy Terminal, LLC, PriceEnergy.com Franchising LLC (inactive), Able Propane, LLC (inactive), and its majority owned (92%) subsidiary, PriceEnergy.com, Inc. ("PriceEnergy") and All American Plazas, Inc. ("Plazas"). Able, together with its operating subsidiaries, are hereby also referred to as the Company.

Since the Company's business combination with All American Plazas, Inc. now known as All American Properties, Inc. ("Properties") on May 30, 2007, the Company is engaged in two primary business activities, organized in two Segments; the Oil Segment and the Travel Plaza Segment.

The Company's Oil Segment, consisting of Able Oil, Able NY, Able Melbourne, Able Energy Terminal, LLC and PriceEnergy, is engaged in the retail distribution of, and the provision of services relating to, #2 home heating oil, propane gas, kerosene and diesel fuels. In addition to selling liquid energy products, the Company offers complete heating, ventilation and air conditioning ("HVAC") installation and repair and other services and also markets other petroleum products to commercial customers, including on-road and off-road diesel fuel, gasoline and lubricants. On July 22, 2008, the Company entered into a Settlement Agreement with S&S NY Holdings, Inc. ("S&S") which provided for repayment of loans due from the Company to S&S in the amount of \$997,820 in exchange for S&S receiving 49% of the issued and outstanding shares of stock of Able NY and a 90% interest in the Company's Easton and Horsham, Pennsylvania operations ("Able PA"). See Note 18—Subsequent Events to the Condensed Consolidated Financial Statements for disclosure regarding the October 31, 2008 Amendment to the Settlement Agreement granting the Company the right to repurchase S&S's interest in Able NY and Able PA.

The Company's Travel Plaza Segment, operated by Plazas, is engaged in the retail sale of food, merchandise, fuel, personal services, onsite and mobile vehicle repair, services and maintenance to both the professional and leisure driver through a current network of ten travel plazas, located in Pennsylvania, New Jersey, New York and Virginia.

Management's Discussion and Analysis of Financial Condition and Results of Operation contain forward-looking statements, which are based upon current expectations and involve a number of risks and uncertainties. In order for us to utilize the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, investors are hereby cautioned that these statements may be affected by the important factors, among others, set forth below, and consequently, actual operations and results may differ materially from those expressed in these forward-looking statements. The important factors include:

§ Commodity Supply

- § Commodity Pricing
- § Customers Converting to Natural Gas
- § Alternative Energy Sources
- § Winter Temperature Variations (Degree Days)
- § Customers Moving Out of The Area
- § Legislative Changes
- § The Availability (Or Lack of) Acquisition Candidates

- § The Success of Our Risk Management Activities
- § The Effects of Competition
- § Changes in Environmental Law
- § General Economic, Market, or Business Conditions

We undertake no obligation to update or revise any such forward-looking statements.

CRITICAL ACCOUNTING POLICIES

Critical Accounting Policies and Estimates

Our significant accounting policies are described in Note 3 of the consolidated financial statements included in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2008. The consolidated financial statements are prepared in accordance with United States generally accepted accounting principles which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

We consider the following policies to be the most critical in understanding the judgments involved in preparing the consolidated financial statements and the uncertainties that could impact our results of consolidated operations, financial condition and cash flows.

Revenue Recognition, Unearned Revenue and Customer Pre-Purchase Payments

Sales of travel plaza services, fuel and heating equipment are recognized at the time of delivery to the customer, and sales of equipment are recognized at the time of installation. Revenue from repairs and maintenance service is recognized upon completion of the service. Payments received from customers for heating equipment service contracts are deferred and amortized into income over the term of the respective service contracts, on a straight-line basis, which generally do not exceed one year. Payments received from customers for the pre-purchase of fuel are recorded as a current liability until the fuel is delivered to the customer, at which time the payments are recognized as revenue by the Company.

Depreciation, Amortization and Impairment of Long-Lived Assets

We calculate our depreciation and amortization based on estimated useful lives and salvage values of our assets. When assets are put into service, we make estimates with respect to useful lives that we believe are reasonable. However, subsequent events could cause us to change our estimates, thus impacting the future calculation of depreciation and amortization.

Additionally, we assess our long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Such indicators include changes in our business plans, a change in the extent or manner in which a long-lived asset is being used or in its physical condition, or a current expectation that, more likely than not, a long-lived asset that will be sold or otherwise disposed of significantly before the end of its previously estimated useful life. If the carrying value of an asset exceeds the future undiscounted cash flows expected from the asset, an impairment charge would be recorded for the excess of the carrying value of the asset over its fair value. Determination as to whether and how much an asset is impaired would necessarily involve numerous management estimates. Any impairment reviews and calculations would be based on assumptions that are

consistent with our business plans and long-term investment decisions.

Allowance for Doubtful Accounts

We routinely review our receivable balances to identify past due amounts and analyze the reasons such amounts have not been collected. In many instances, such uncollected amounts involve billing delays and discrepancies or disputes as to the appropriate price or volumes of oil delivered, received or exchanged. We also attempt to monitor changes in the creditworthiness of our customers as a result of developments related to each customer, the industry as a whole and the general economy. Based on these analyses, we have established an allowance for doubtful accounts that we consider to be adequate, however, there is no assurance that actual amounts will not vary significantly from estimated amounts.

Income Taxes

As part of the process of preparing consolidated financial statements, the Company is required to estimate income taxes in each of the jurisdictions in which it operates. Significant judgment is required in determining the income tax expense provision. The Company recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax bases of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. The Company assesses the likelihood of our deferred tax assets being recovered from future taxable income. The Company then provides a valuation allowance for deferred tax assets when the Company does not consider realization of such assets to be more likely than not. The Company considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing the valuation allowance. Any decrease in the valuation allowance could have a material impact on net income in the quarter in which such determination is made.

RECENT ACCOUNTING PRONOUNCEMENTS

In June 2005, the Financial Accounting Standards Board (“FASB”) issued SFAS No. 154, “Accounting Changes and Error Corrections” (“SFAS 154”). SFAS 154 establishes new standards on accounting for changes in accounting principles. Pursuant to the new rules, all such changes must be accounted for by retrospective application to the financial statements of prior periods unless it is impracticable to do so. SFAS 154 completely replaces APB No. 20 and SFAS 6, though it carries forward the guidance in those pronouncements with respect to accounting for changes in estimates, changes in the reporting entity, and the correction of errors. The requirements in SFAS 154 are effective for accounting changes made in fiscal years beginning after December 15, 2005. The Company applied these requirements to any accounting changes after the implementation date. The application of SFAS 154 did not have an impact on the Company’s consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified Emerging Issues Task Force (“EITF”) No. 05-1, “Accounting for the Conversion of an Instrument That Becomes Convertible upon the Issuer’s Exercise of a Call Option” (“EITF No. 05-1”) which addresses that no gain or loss should be recognized upon the conversion of an instrument that becomes convertible as a result of an issuer’s exercise of a call option pursuant to the original terms of the instrument. EITF No. 05-1 is effective for periods beginning after June 28, 2006. The adoption of this pronouncement did not have an effect on the Company’s consolidated financial position, results of operations or cash flows.

In June 2005, the FASB ratified EITF Issue No. 05-2, “The Meaning of ‘Conventional Convertible Debt Instrument’ in EITF Issue No. 00-19, “Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock”, which addresses when a convertible debt instrument should be considered conventional for the purpose of applying the guidance in EITF No. 00-19. EITF No. 05-2 also retained the exemption under EITF No. 00-19 for conventional convertible debt instruments and indicated that convertible preferred stock having a mandatory redemption date may qualify for the exemption provided under EITF No. 00-19 for conventional convertible debt if the instrument’s economic characteristics are more similar to debt than equity. EITF No. 05-2 is effective for new instruments entered into and instruments modified in periods beginning after June 29, 2005. The Company has applied the requirements of EITF No. 05-2 since the required implementation date. The adoption of this pronouncement did not have an effect on the Company’s consolidated financial position, results of operations or cash flows.

EITF Issue No. 05-4 “The Effect of a Liquidated Damages Clause on a Freestanding Financial Instrument Subject to EITF Issue No. 00-19, ‘Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock”, addresses financial instruments, such as stock purchase warrants, which are accounted for under EITF 00-19 that may be issued at the same time and in contemplation of a registration rights agreement that includes a liquidated damages clause. The consensus of EITF No. 05-4 has not been finalized.

In February 2006, the FASB issued SFAS No. 155 - Accounting for Certain Hybrid Financial Instruments, which eliminates the exemption from applying SFAS 133 to interests in securitized financial assets so that similar instruments are accounted for similarly regardless of the form of the instruments. SFAS 155 also allows the election of fair value measurement at acquisition, at issuance, or when a previously recognized financial instrument is subject to a remeasurement event. Adoption is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. Early adoption is permitted. The adoption of SFAS 155 has not had a material effect on the Company’s consolidated financial position, results of operations or cash flows.

In March 2006, the FASB issued SFAS No. 156, “Accounting for Servicing of Financial Assets”, which amended SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”, with respect to the accounting for separately recognized servicing assets and servicing liabilities. SFAS 156 permits an entity to choose either the amortization method or the fair value measurement method for each class of separately recognized servicing assets or servicing liabilities. Adoption is effective after the beginning of the first fiscal year that begins after September 15, 2006. The application of this statement has not had a material impact on the Company’s

consolidated financial statements.

In July 2006, the FASB issued FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"), which clarifies the accounting for uncertainty in tax positions. This interpretation requires that the Company recognize in its consolidated financial statements, the impact of a tax position, if that position is more likely than not of being sustained on audit, based on the technical merits of the position. The provisions of FIN 48 are effective as of the beginning of the Company's year ending June 30, 2007, with the cumulative effect of the change in accounting principle recorded as an adjustment to opening retained earnings. The application of this statement has not had a material impact on the Company's consolidated financial statements.

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In September 2006, the FASB issued SFAS No.157, “Fair Value Measurements”, which defines fair value, establishes a framework for measuring fair value in United States generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. In February 2008, the FASB released FASB Staff Position (FSP FAS 157-2 – Effective Date of FASB Statement No. 157) which delays the effective date of SFAS No. 157 for all non-financial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), to fiscal years beginning after November 15, 2008 and interim periods within those fiscal years. The Company is currently evaluating the impact of adoption of this statement on its financial and nonfinancial assets and liabilities.

In December 2006, the FASB issued FASB Staff Position (“FSP”) EITF 00-19-2 “Accounting for Registration Payment Arrangements” (“FSP EITF 00-19-2”) which specifies that the contingent obligation to make future payments or otherwise transfer consideration under a registration payment arrangement should be separately recognized and measured in accordance with SFAS No. 5, “Accounting for Contingencies.” Adoption of FSP EITF 00-19-02 is required for fiscal years beginning after December 15, 2006, and did not have a material impact on the Company’s consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115", which permits entities to choose to measure many financial instruments and certain other items at fair value. The fair value option established by this Statement permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity shall report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Adoption is required for fiscal years beginning after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provisions of SFAS Statement No. 157, Fair Value Measurements. The application of this Statement has not had a material impact on the Company’s consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160 “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51.” SFAS 160 establishes accounting and reporting standards pertaining to ownership interests in subsidiaries held by parties other than the parent, the amount of net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest and the valuation of any retained noncontrolling equity investment when a subsidiary is deconsolidated. This statement also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. The Company is in the process of evaluating the effect that the adoption of SFAS 160 will have on its consolidated results of operations, financial position and cash flows.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations” (SFAS 141R). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company is currently evaluating the potential impact of adoption of SFAS 141R on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161 “Disclosures about Derivative Instruments and Hedging Activities”. The new standard is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s

financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early adoption encouraged. The Company is currently evaluating the impact of adopting SFAS No. 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162 "The Hierarchy of Generally Accepted Accounting Principles". The new standard identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). SFAS No. 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles. Adoption of SFAS No. 162, upon its effectiveness, is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2008 Compared To Three Months Ended September 30, 2007

During the quarter ended September 30, 2008, the Company's total revenues from its Oil and Travel Plaza Segments were \$53.0 million. The \$14.0 million decrease in revenue over the same period last year is discussed below.

Oil Segment

Net sales for the three months ended September 30, 2008 were \$9.7 million compared to \$10.2 million in the same period last year, a decrease of \$0.5 million, or 4.99%. A \$0.5 million, increase in #2 Heating Oil sales was primarily due to an increase in retail marketing price strategy in the Segment overall, along with a more competitive variance between the Oil Segment online Price Energy subsidiary and the Oil Segment core New Jersey territory results. This was offset by a \$0.9 million decrease in other fuel sales due primarily to a marked drop in retail pricing in the industry overall due to changing economic conditions.

Gross profit increased \$0.5 million to \$1.1 million and gross profit margin percent for the three months ended September 30, 2008 increased to 11.3% from 5.5% last year. The increase in gross profit margin percent was the result of keeping inventory levels low during the volatile downward swings in the wholesale price and not decreasing margins as quickly as the wholesale market dropped.

Selling, general and administrative expense for the three months ended September 30, 2008 decreased by \$0.7 million to \$1.2 million, or 39.1%, compared to the same period in the prior year. This is predominately related to a decrease in our audit and legal fees and staff reductions.

Total other expenses decreased to a net expense of \$0.1 million in the three months ended September 30, 2008, down from \$0.7 million last year. This is predominately due to an increase in rental revenues and a decrease in amortization of debt discount expenses.

As a result of the above noted performance for the three months ending September 30, 2008, net loss decreased approximately \$1.8 million or 83.7%, to a net loss of \$0.4 million.

Travel Plaza Segment

Net sales for the three months ended September 30, 2008 were \$43.3 million down from \$56.8 million from the same period a year ago. The decrease of \$13.5 million is a result of a drop in gallon sales due to the closure of the Strattanville site, leasing of the Doswell facility and economic downturn of the trucking industry. Other factors effecting the drop in gallons were the tightening of the Travel Plaza extension of credit to its customers during the current economy and the drop in wholesale pricing which affects the street pricing strategy used to market to the customer.

Gross profit for the period was \$2.6 million down from \$2.9 million for the three months ended September 30, 2008 and September 30, 2007, respectively. This is a direct result of the wholesale pricing provided by the main supplier of the Travel Plaza segment being significantly higher than the prior year along with the street pricing moving down with the market to move the more expensive product purchased prior to the market downturn.

Selling, general and administrative expense for the three months ended September 30, 2008 decreased by \$1.0 million to \$3.6 million from the same period last year. This was brought about by reductions in staff to operating locations as well as those that have been closed or leased.

Total other income for the three months ended September 30, 2008 was \$180,000, an increase of \$129,000 from the same period last year. This is predominately from the leasing of the Doswell facility along with a decrease in interest expense.

Net loss of the Travel Plaza Segment was \$1.2 million for this three-month period ended September 30, 2008 a decrease of \$0.9 from the same periods last year.

LIQUIDITY AND CAPITAL RESOURCES

The Oil Segment had a net (loss) of \$0.4 million and \$2.62 million for the three-month periods ended September 30, 2008 and September 30, 2007, respectively and ended the three-month period with a working capital deficiency of \$8.4 million. The \$1.6 million increase in working capital deficiency since June 30, 2008 is directly related to the customer prepurchase liability and the partial use of these prepaid dollars to fund operations during the three month period ending September 30, 2008 and the additional borrowing of funds to offset this use. The Oil Segment continued to draw on its credit line during the quarter. The Company intends to seek new financing for its Oil Segment to increase profitability in order to improve its liquidity position as well as investigate possible areas into which it may be able to expand to increase its business.

The Travel Plaza Segment had a net loss of \$1.2 million and \$2.1 million for the three-month periods ended September 30, 2008 and September 30, 2007, respectively and ended the three month period with a working capital deficiency of \$5.7 million, an increase of \$0.4 million. The Company addressed the Travel Plaza Segments liquidity needs by securing additional funds by increasing the amount of its credit card receivable financing.

The Company overall had a net loss of \$1.5 million and \$4.3 million for the three month periods ended September 30, 2008 and September 30, 2007, respectively and provided cash by operations of \$1.3 million for the three month period ended September 30, 2008.

The Company overall had a working capital deficiency of \$14.1 million at September 30, 2008 compared to a working capital deficiency of \$12.9 million at June 30, 2008. The increase in the working capital deficiency of \$1.2 million was primarily due to an increase in the Company's customer prepurchase liability and additional financings.

As of September 30, 2008, the Company had a cash balance of \$3.7 million and \$1.2 million of available borrowings through its credit line facility, potentially offset by \$3.0 million in obligations for funds received in advance under the pre-purchase fuel program.

These factors raise substantial doubt about the Company's ability to continue as a going concern. These condensed consolidated financial statements do not include any adjustments relating to the recoverability of the recorded assets or the classification of the liabilities that may be necessary should the Company be unable to continue as a going concern.

In addition, to the consolidation of the Company's combined business as outlined above, in a further effort to increase its liquidity, the Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as solar energy and other energy related home services. The Company is also evaluating all of its business segments for cost reductions and efficiency improvements. However, there can be no assurance that we will be successful in our efforts to enhance our liquidity situation.

The Company will also pursue opportunities to procure an overall fuel supply program that encompasses both operating segments of its business to enable better profitability for both Segments. The Company also intends to aggressively pursue potential expansion into new market areas for both Segments.

The Company will also evaluate within each Segment of operations those areas that are more productive than others and either restructure, lease, sell or discontinue selected operations of our businesses until a better use of our assets is available or economic conditions allow for continued expansion.

On May 13, 2005, the Company entered into a \$1,750,000 line-of-credit agreement (the "Agreement") with Entrepreneur Growth Capital, LLC ("EGC"). The loan is secured by certain eligible accounts receivable, inventory and certain other assets as defined in the agreement. The line bears interest at Citibank's prime rate, plus 4% per annum (9.0% at March 31, 2008 and 12.25% at June 30, 2007) not to exceed 24%, with a minimum interest of \$9,000 per month. The line also requires an annual facility fee and monthly collateral management fees equal to 2% and 0.025%, respectively. In addition, deposits are not credited to our account until four business days after receipt by EGC. On December 28, 2007 and February 11, 2008 the Company received Over Advances each in the amount of \$250,000 on its line of credit with EGC. Terms on the over advance were thirty days. On February 25, 2008, the Company increased an existing credit line by executing a Fuel Purchase Loan ("FPL") agreement with EGC. The increase, in the amount of \$0.5 million, is a further extension of credit under an existing May 13, 2005 agreement between the Company and EGC (the "Loan Agreement") In addition to the general terms of the Loan Agreement, under the repayment terms of the FPL, EGC will reduce the loan amount outstanding by applying specific amounts from the Company's availability under the Loan Agreement. These amounts start at \$2,500 per business day, commencing March 1, 2008, gradually increasing to \$10,000 per business day on June 1, 2008 and thereafter until the FPL is paid in full. In further consideration for making the FPL, commencing February 22, 2008, EGC shall be entitled to receive a revenue share of four cents (\$0.04) per gallon of fuel purchased with the FPL funds, subject to a \$5,000 per week minimum during the first seven weeks of the program. The balance due as of September 30, 2008 was \$539,234 with an available balance as of September 30, 2008 of \$1,210,766. The Agreement renews annually unless terminated by either party, as provided for in the Agreement.

On January 8, 2007, Plazas entered into an Account Purchase Agreement with Crown Financial (“Crown”) whereby Crown advanced \$1,444,775 to Plazas in exchange for certain existing accounts receivables and taking ownership of new accounts originated by Plazas. Repayment of the loan is to be made from the direct payments to Crown from the accounts it purchased from Plazas and a fee equal to 2.5% of the outstanding advance for the preceding period payable on the 15th and 30th day of each month. The Crown loan is secured by the mortgages on the real property and improvements thereon owned by Properties known as the Strattanville and Frystown Gables truck stop plazas and a personal guarantee by Frank Nocito, an Executive Vice President of the Company and through a family trust the largest shareholder of the Company. Subsequent to the May 2007 closing of the business combination between the Company and Properties, on July 1, 2007 the Account Purchase Agreement between Plazas and Crown Financial was amended and modified from “Eligible Accounts having a 60 day aging” to a “90 day aging that are not reasonably deemed to be doubtful for collections” and the fee of 2.5% payable on the 15th and 30th day of each month has been modified to 1.375%. The Company has assumed this obligation based on the business combination; however, Properties has agreed to continue to secure this financing with the aforementioned mortgages on real property owned by Properties. The balance due on the Crown note at September 30, 2008 was \$473,558.

On March 20, 2007, the Company entered into a credit card receivable advance agreement with Credit Cash, LLC ("Credit Cash") whereby Credit Cash agreed to loan the Company \$1.2 million. The loan is secured by the Company's existing and future credit card collections. Terms of the loan call for a repayment of \$1,284,000, which includes a one-time finance charge of \$84,000, over a seven-month period. This will be accomplished through Credit Cash withholding 18% of credit card collections of Able Oil Company and 10% of credit card collections of PriceEnergy.com, Inc. over the seven-month period, which began on March 21, 2007. There are certain provisions in the agreement, which allows Credit Cash to increase the withholding, if the amount withheld by Credit Cash over the seven-month period is not sufficient to satisfy the required repayment of \$1,284,000. On July 18, 2007, August 3, 2007, November 9, 2007, January 18, 2008, February 14, 2008, April 11, 2008 and August 14, 2008, the Company, in accordance with its agreement with Credit Cash, refinanced the loan in the amounts of \$250,000, \$300,000, \$1,100,000, \$500,000, \$500,000, \$800,000 and \$500,000, respectively. The outstanding Credit Cash loan as of September 30, 2008 was \$349,814.

Prior to the business combination between Properties and the Company, Properties entered into a loan agreement with Credit Cash, which was an advance against credit card receivables at the truck stop plazas then operated by Properties. As a result of the business combination, this obligation was assumed by the Company's newly formed, wholly-owned subsidiary, Plazas as it became the operator of the truck stop plazas. Credit Cash, while acknowledging the business combination, has continued to obligate both Properties and Plazas in their loan documents as obligors of the loan.

On July 16, 2007, Credit Cash agreed to extend further credit of \$400,000 secured by the credit card receivables at the truck stops operated by Plazas. This July 16, 2007 extension of credit agreement was in addition to and supplemented all previous agreements with Credit Cash. Terms of the original loan and extensions called for repayment of \$1,010,933 plus accrued interest which will be repaid through Credit Cash withholding 15% of credit card collections from the operations of the truck stop plazas until the loan balance is paid in full. The interest rate is prime plus 3.75% (8.75% at June 30, 2008). There are certain provisions in the agreement, which allows the Lender to increase the withholding, if the amount it is withholding is not sufficient to satisfy the loan in a timely manner. However, on November 2, 2007, January 18, 2008 and again on August 14, 2008, Credit Cash again agreed to extend an additional credit in the amount of \$1,100,000, \$600,000 and \$900,000, respectively. Terms of the agreement are the same as the prior July 16, 2007 financing. The outstanding balance of the loan as of June 30, 2008 was \$328,474 plus accrued interest. Please refer to Note 18—Subsequent Events, for disclosure relating to an additional transaction with Credit Cash subsequent to September 30, 2008.

On October 17, 2007, the Company entered into a loan agreement with S&S NY Holdings, Inc. ("S&S") for \$500,000 to purchase #2 heating fuel. The term of the agreement is for 90 days with an option to refinance at the end of the 90-day period for an additional 90 days. The repayment of the principal amount will be \$.10 cents per gallon of fuel sold to the Company's customers excluding pre-purchase gallons. An additional \$.075 per gallon will be paid as interest. The agreement also provides that in each 30-day period the interest amount can be no less than \$37,500.00. As of February 15, 2008 the Company had repaid \$137,180 and exercised its right to refinance the amount until March 31, 2008. The amount outstanding on this note at March 31, 2008 was \$362,820. On December 20, 2007, the Company entered in to a second loan agreement with S&S for \$500,000 to purchase #2 heating fuel. The term of the agreement is through March 31, 2008. The repayment of principle is not due until the maturity date. An additional \$0.075 per gallon will be paid as interest. The agreement also provides that in each 30-day period the interest amount can be no less than \$37,500. On July 22, 2008, the Company entered into an agreement with S&S which provided for repayment of the loans from S&S in the amount of \$997,820 in exchange for granting S&S a 49% interest in Able NY, a wholly owned subsidiary of the Company, and a 90% interest in the Company's Easton and Horsham, PA operations ("Able PA"). This agreement was subsequently amended on October 31, 2008 granting the Company the right to repurchase S&S's interests in Able NY and Able PA. See "Amendment to S&S Settlement Agreement" in Note 18—Subsequent Events, in the Condensed Consolidated Financial Statements in this Report.

The business combination between Properties and the Company pursuant to which the Company would acquire the businesses, which would constitute the Company's Travel Plazas Segment, was approved by a special supermajority (as required under Delaware corporate law) of the Company's unrelated-party shareholders at a special meeting of shareholders held on August 29, 2006. Separately, on August 30, 2006, the Company received a Formal Order of Private Investigation from the SEC pursuant to which the Company and certain of its officers and a director were served with subpoenas requesting certain documents and information. The Formal Order authorizes an investigation of possible violations of the anti-fraud provisions of the federal securities laws with respect to the offer, purchase and sale of our securities and our disclosures or failures to disclose material information in the Company's SEC required filings. Upon the Company notifying its then auditors, Marcum & Kliegman, LLP ("M&K") of the Company's receipt of the Formal Order and subpoenas, M&K, as a condition to its continued engagement as the Company's auditors, required that the Company delay the completion of the business combination until after M&K completed the audit for year ended June 30, 2006. The Company acquiesced to that condition. By letter dated September 27, 2006, M&K notified the Company that it would implement new and additional auditing procedures in light of the Formal Order. The audit for the year ended June 30, 2006 was not completed until April 12, 2007. M&K billed approximately 3,500 hours for the audit at a cost in excess of \$800,000. In addition, the Company retained outside consultants, Financial Consulting Strategies, LLC (FCS") to assist with the audit at a cost of more than \$175,000. FCS was recommended by M&K to assist the Company since M&K stated it has worked with FCS on audit matters for other clients of M&K. The fees incurred by the Company in connection with the audit for the year ended June 30, 2006 significantly exceeded the Company's initial expectations as a result of the events described in this paragraph.

The result of M&K's condition that the completion of the business combination be delayed until the 2006 audit was completed together with the substantial delay in completing the 2006 audit caused the Company substantial loss of opportunity, substantial expense and resulted in the Company not being current with its SEC filing requirements.

On May 30, 2007, the Company finally completed its previously announced business combination between Properties and the Company whereby the Company, in exchange for an aggregate of 11,666,667 shares of the Company's restricted common stock, purchased the operating businesses of eleven truck stop plazas owned and operated by Properties. 10 million shares were issued directly to Properties and the remaining 1,666,667 shares were issued in the name of Properties in escrow pending the decision by the Company's Board of Directors relating to the assumption of certain Properties secured debentures. The acquisition included all assets comprising eleven truck plazas other than the underlying real estate and the buildings thereon.

Thereafter, as the Company commenced the integration of the two entities, the Company had immediate short-term cash issues resulting from the extraordinary additional legal and accounting expenses relating to the 2006 audit and the SEC investigation. Those expenses coupled with the Company's inability to raise debt or equity capital as a result of it being out of SEC filing compliance and the lack of current financial statements left the Company in a precarious position. By the fall of 2007, All American Plazas, Inc. ("Plazas"), the Company's wholly-owned subsidiary formed to operate the travel plaza businesses acquired in the business combination, was utilizing its current cash to meet not only its needs, but also those of the Company. The Company was also experiencing a substantial decline in its business in the period from September through December 2007 due, in large part, to an unusually warm fall and early winter season. During this period a substantial portion of the Company's cash requirements were paid by Plazas from operations of the Travel Plazas Segment. Also during this period, the Travel Plazas Segment started to experience a reduction of truck traffic at its facilities. By the spring of 2008, the Travel Plazas Segment had experienced a reduction of approximately 35% to 40% in its diesel fuel sales. This reduction was the result of a weakening economy and the substantial escalation of the cost of diesel fuel. In addition, with the substantial increase of the cost of the Travel Plazas Segment's main product, Plazas also experienced an increase in the cost of its credit card processing fees. The fee charged Plazas for processing credit cards at its travel plazas is based upon a multiple of the purchase price. The unprecedented increase in the cost of motor fuel through the summer of 2008 and the concurrent increase in credit card processing fees required the Company to enter into short-term loans with Credit Cash, LLC by financing its credit card receivables to permit the Company to meet its expenses. The costs and rates incurred on these loans were extremely expensive. As a result, the Company's financial condition rapidly deteriorated.

The Company entered into a fuel supply agreement on May 8, 2008 with Atlantis Petroleum, LLC, which has assisted Plazas in meeting the diesel fuel requirements for the Travel Plaza Segments facilities in Pennsylvania by providing a ten day credit facility for the payment of these fuel purchases.

By September 2008 the cost of fuel began to decline which has helped the Company with certain of its cash requirements; however, the domestic and global economy has continued to experience a turbulent decline creating great uncertainty in the United States markets and economy. The Company is taking actions to meet this challenge, however, there can be no assurances that the Company will be able to adequately meet the uncertainties of the current economic down-turn.

In order to conserve its capital resources as well as to provide an incentive for the Company's employees and other service vendors, the Company will continue to issue, from time to time, common stock and stock options to compensate employees and non-employees for services rendered. The Company is also focusing on its home heating-oil business by expanding distribution programs and developing new customer relationships to increase demand for its products. In addition, the Company is pursuing other lines of business, which include expansion of its current commercial business into other products and services such as bio-diesel, solar energy and other energy related home services.

Subsequent to September 30, 2008, the Company executed financing agreements and engaged in other activities to enhance its liquidity (See, Note 18 to Financial Statements, "Subsequent Events").

The Company has also been waiting to receive the final report from the SEC with respect to its Formal Order of Private Investigation. While the Company has no reason to believe there will be a negative finding by the SEC, until the issuance of the SEC's final report, this will continue to have an adverse impact on the Company's ability to raise new capital even if the Company achieves filing compliance

There can be no assurance that the financing or the cost saving measures or the anticipated plans of the Company as identified above will be satisfactory in addressing the short-term liquidity needs of the Company. In the event that these plans cannot be effectively realized, there can be no assurance that the Company will be able to continue as a going concern.

Seasonality

The Company's Oil Segment operations are subject to seasonal fluctuations, with a majority of the Oil Segment's business occurring in the late fall and winter months. Approximately 60% to 65% of the Oil Segment's revenues are earned and received from October through March; most of such revenues are derived from the sale of home heating products, primarily #2 home heating oil. However, the seasonality of the Oil Segment's business is offset, in part, by an increase in revenues from the sale of HVAC products and services, diesel and gasoline fuels during the spring and summer months due to the increased use of automobiles and construction apparatus.

From May through September, Able Oil can experience considerable reduction of retail heating oil sales. Similarly, Able NY's propane operations can experience up to an 80% decrease in heating related propane sales during the months of April to September, which is offset somewhat by increased sales of propane gas used for pool heating, heating of domestic hot water in homes and fuel for outdoor cooking equipment.

Seasonal issues have an insignificant impact on the Company's Travel Plaza Segment. While leisure travel has a tendency to moderate somewhat in the winter months in the geographic areas in which we operate, revenue related to the leisure traveler is relatively insignificant compared to fuel and services related revenue generated by our professional driving customers.

Future Operating Results

Future operating results, which reflect management's current expectations, may be impacted by a number of factors that could cause actual results to differ materially from those stated herein. These factors include worldwide economic and political conditions, terrorist activities, industry specific factors and governmental agencies.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Exchange Rate, Interest Rate and Supply Risks

The Company has no exchange rate risks as we conduct 100% of our operations in the United States of America, and we conduct our transactions in US dollars. The Company is exposed to extensive market risk in the areas of fuel cost, availability and related financing and interest cost. Increases in our borrowing rates, as small as 100 basis points, could significantly increase our losses and hinder our ability to purchase our fuels for resale. The slightest disruption in the fuel supply chain could also significantly increase our losses and hinder our ability to purchase our fuels for resale. The Company has no protection against interest rate risk or supply disruptions. Other than the above noted futures contracts, the Company does not engage in any other sort of hedging activity and holds no investments securities at September 30, 2008.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet financing arrangements.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation of the Company's disclosure controls and procedures (as defined in Section 13a-15(e) of the Securities Exchange Act of 1934 (the "Act")) was carried out under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer and several other members of the Company's senior management at September 30, 2008. Based on this evaluation, and as noted below, the Company's Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2008, the Company's disclosure controls and procedures were effective, for the reasons discussed below, at a reasonable level of assurance, in ensuring that the information required to be disclosed by the Company in the Reports it files or submits under the Act is (i) accumulated and communicated to the Company's management (including the Chief Executive Officer and Chief Financial Officer) in a timely manner, and (ii) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms.

The Company had previously identified a weakness during the preparation of its June 30, 2006 Form 10-K. The weakness related to the Company's loss of its then Chief Financial Officer and the appointment of an Acting Chief

Financial Officer. As a result of the SEC's Formal Order of Private Investigation and the subpoenas issued in connection therewith and the change of the Company's auditors, the Company became delinquent in filing its SEC Reports. During the preparation of the September 30, 2000 Form 10-Q the Company retained independent consultants with experience in public company disclosure requirements to assist the Chief Executive Officer and the then acting Chief Financial Officer in their respective duties during the review, preparation and disclosures required in SEC rules and regulations. A new Chief Financial Officer was appointed as of September 24, 2007 and the Company continues to engage independent consultants with experience in public company disclosure requirements to assist such officers in their respective duties during the review, preparation and disclosures required in SEC rules and regulations. The Company believes that its appointment of its new Chief Financial Officer, along with the continued retention of independent consultants, has resulted in its disclosure controls and procedures being sufficiently effective to insure that the Company has now become compliant, and will continue to comply, with its SEC reporting requirements as of September 30, 2008, since the Company is now current with its filing of the Company's SEC reports.

Changes in Disclosure Controls and Procedures

There have been no changes to the Company's system of internal control over financial reporting during the three months ended September 30, 2008 that has materially affected, or is reasonably likely to materially affect, the Company's system of controls over financial reporting.

As part of a continuing effort to improve the Company's business processes management is evaluating its internal controls and may update certain controls to accommodate any modifications to its business processes or accounting procedures.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On September 17, 2008, an action was commenced in the Common Court of Pleas in Northumberland County, Pennsylvania against All American Plazas, Inc. (“Plazas”) by SCC3, LLC. The action arises out of a note (the “Note”) made by Milton Properties, Inc. (“Milton”), the owner of the real property (the “Property”) underlying the Milton travel plaza which is leased to, and operated by, Plazas, to Silar Special Opportunities Fund, L.P. (“Silar”) and a mortgage (the “Mortgage”) granted by Milton to Silar on the Property to secure the Note. Silar subsequently assigned the Note and Mortgage to the plaintiff, SCC3, LLC. As further security for Milton’s obligations under the Note, Milton assigned to Silar its lease with Plazas for the Property and the rents therefore (the “Assignment of Leases and Rent”). The lease (the “Lease”) for the property expires in 2013. Silar also assigned its rights under the Assignment of Leases and Rents to the plaintiff. The complaint alleges that Milton is in default of its obligations under the Note and Mortgage. As a result, plaintiff alleges that it has exercised its rights under the Assignment of Lease and Rents and revoked Milton’s right to collect rent for the Property. The plaintiff further alleges that Plazas is in default of its obligations under the Lease and that pursuant to the Assignment of Lease and Rents plaintiff has the right to enforce the Lease and declare all rent for the remainder of the term of the Lease to be due and payable. Plaintiff is seeking damages in the amount of \$17,855,024 representing the balance of rent due under the term of the Lease. Plazas has filed an answer denying the allegations of the complaint. Plazas intends to make vigorously defend this action and will make a motion to dismiss the complaint.

ITEM 1A. RISK FACTORS

There were no material changes in risk factors from those previously disclosed in the Company’s Annual Report on Form 10-K for the year ended June 30, 2008.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

Lease of Newton Facility

On July 14, 2008, the Company executed a triple net lease agreement with North Jersey Oil, Inc. (North Jersey) for the use of the Company’s idled Newton, NJ fuel terminal facility. The term of the lease is for thirty years. Upon execution, the lease agreement provides for a \$250,000 cash payment to the Company and the receipt of a \$250,000 Tenant’s Promissory Note (together, the “Basic Rent”). The note provides for interest at 8% and twelve monthly payments. Payments are to commence on the date that North Jersey receives all of the necessary permits to conduct its operations at the Newton site. If within nine months of the execution date of the lease agreement North Jersey is unable to secure the necessary operating permits or during the same time North Jersey is advised that its applications for the necessary operating permits have been denied, the Company will be obligated to return the Basic Rent to North

Jersey and terminate the lease agreement. The status of the operating permits as of the filing date of this Quarterly Report on Form 10-Q is not known. The lease agreement also provides both the Company and North Jersey with storage and throughput rights at their respective terminals at a cost to the user of \$0.05 per gallon. In addition, North Jersey is obligated to provide the Company with an initial nine-month, \$0.5 million fuel purchase credit facility at a cost to the Company of \$0.02 per gallon financed. The lease agreement also provides North Jersey with a \$1.00 purchase option which North Jersey can exercise upon payment in full, in cash, of all the Basic Rent.

S&S Settlement Agreement

Effective July 22, 2008, the Company and S&S NY Holdings, Inc (“S&S”) executed a settlement agreement. In exchange for total consideration of approximately \$1.0 million, consisting of principal and interest due S&S, S&S’s assumption of a specific liability and the purchase of existing inventory, the Company transferred to S&S 49% of the common stock of its subsidiary, Able NY, and 90% of its interest in its Easton and Horsham, PA operations. Under specific situations, the Company’s filing for bankruptcy or default on payment of specific debt, S&S has a call option on the remaining 51% of Able NY for an additional \$1.0 million and other valuable consideration. For a period of one year from the execution of the settlement agreement, S&S has an option to purchase the remaining 10% of Easton and Horsham operations for \$50,000 and other valuable consideration. Able NY has also entered into a consulting agreement with S&S under which S&S will be paid five percent of Able NY’s gross profit for its management services provided to Able NY. On October 31, 2008, an amendment to this Settlement Agreement was executed by the parties granting the Company the right to repurchase S&S’s interest in Able NY and Able PA. Pursuant to this amendment, the Company has repurchased S&S’s interest in Able PA. See, Note 18–Subsequent Events, to the Condensed Consolidated Financial Statements in this Quarterly Report.

PriceEnergy.com, Inc.

On September 22, 2008, the Company was granted additional shares of common stock of its majority owned subsidiary, Price Energy.com, Inc., in exchange for satisfaction of \$3.8 million of debt owed to the Company, increasing its ownership interest in Price Energy to 92%.

ITEM 6. EXHIBITS

Exhibit

Number Description

- 3.1 Articles of Incorporation of Registrant (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form SB-2, SEC File No. Number 333-51909, filed with the Securities and Exchange Commission ("SEC") on July 15, 1998 (the "1998 Form SB-2")).
- 3.2 By-Laws of Registrant (incorporated herein by reference to Exhibit 3.2 to the 1998 Form SB-2).
- 3.3 Certificate of Amendment to the Certificate of Amendment of Registrant dated May 30, 2007 (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 24, 2007, filed with the SEC on May 30, 2007).
- 4.1 Specimen Common Stock Certificate (incorporated herein by reference to Exhibit 4.21 to Amendment No. 3 to the Company's Registration Statement on Form SB-2, SEC File No. Number 333-51909, filed with the SEC on May 17, 1999 (the "Amendment No. 3 to the 1998 Form SB-2")).
- 4.2 Able Energy, Inc. 2000 Employee Stock Purchase Plan (incorporated herein by reference to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on May 30, 2000).
- 4.3 Able Energy, Inc. 2005 Incentive Stock Plan (incorporated herein by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K. dated May 25, 2005, filed with the SEC on June 1, 2005 (the "May 2005 Form 8-K")).
- 4.4 Form of Incentive Stock Option Agreement (incorporated herein by reference to Exhibit 10.1 to the May 2005 Form 8-K).
- 4.5 Form of Employee Nonstatutory Stock Option Agreement (incorporated herein by reference to Exhibit 10.2 to the May 2005 Form 8-K).
- 4.6 Form of Nonstatutory Stock Option Agreement (incorporated herein by reference to Exhibit 10.3 to the May 2005 Form 8-K).
- 4.7 Form of Consultant Nonstatutory Stock Option Agreement (incorporated herein by reference to Exhibit 10.4 to the May 2005 Form 8-K).
- 4.8 Form of Stock Award Agreement (incorporated herein by reference to Exhibit 10.5 to the May 2005 Form 8-K).
- 4.9 Form of Restricted Stock Purchase Agreement (incorporated herein by reference to Exhibit 10.6 to the May 2005 Form 8-K).
- 4.10 Form of Secured Debenture, made as of June 1, 2005, by All American Plazas, Inc., Yosemite Development Corp. and Mountainside Development, LLC in favor of the Purchasers named therein (incorporated herein by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, dated June 7, 2005, filed with the SEC on June 10, 2005 (the "June 2005 Form 8-K")).
- 4.11 Additional Investment Right (incorporated herein by reference to Exhibit 99.3 to the June 2005 Form 8-K).

- 4.12 Form of Registration Rights Agreement by and among the Purchasers named therein and the Company (incorporated herein by reference to Exhibit 99.5 to the June 2005 Form 8-K).
- 4.13 Form of Common Stock Purchase Warrant Agreement (incorporated herein by reference to Exhibit 99.6 to the June 2005 Form 8-K).
- 4.14 Form of Variable Rate Secured Convertible Debenture made by the Company in favor of the holder thereof (incorporated herein by reference to Exhibit 99.7 to the June 2005 Form 8-K).
- 4.15 Warrant Agreement between the Company and Continental Stock Transfer & Trust Company (incorporated herein by reference to Exhibit 4.2 to the 1998 Form SB-2).
- 4.16 Able Energy, Inc. 2000 Employee Stock Bonus Plan (incorporated herein by reference to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on May 30, 2000).

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- 4.17 Form of Variable Rate Convertible Debenture, dated July 12, 2005, made by the Company in favor of the holder thereof (incorporated herein by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, dated July 14, 2005, filed with the SEC on July 15, 2005 (the "July 2005 Form 8-K")).
- 4.18 Form of Registration Rights Agreement, dated as of July 12, 2005, by and among the Company and the purchasers signatory thereto (incorporated herein by reference to Exhibit 99.3 to the July 2005 Form 8-K).
- 4.19 Form of Common Stock Purchase Warrant Agreement (incorporated herein by reference to Exhibit 99.4 to the July 2005 Form 8-K).
- 4.20 Subscription Agreement, dated as of September 30, 2005, between the Company and the holder of a promissory note, dated February 22, 2005, issued to the Subscriber by the Company (incorporated herein by reference to Exhibit 10.7 to the 2005 First Quarter Form 10-Q).
- 4.21 Form of Secured Debenture, dated January 20, 2006, made by All American in favor of the Purchasers (incorporated herein by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, dated January 20, 2006, filed with the SEC on January 23, 2006 (the "January 2006 Form 8-K")).
- 4.22 Form of Additional Investment Right (incorporated herein by reference to Exhibit 99.3 to the January 2006 Form 8-K).
- 4.23 Common Stock Purchase Warrant, dated June 30, 2006, issued by Able Energy, Inc. to Laurus Master Fund, Ltd. (incorporated herein by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated June 30, 2006, filed with the SEC on July 7, 2006 (the "June 2006 Form 8-K")).
- 4.24 Convertible Term Note, dated June 30, 2006, made by Able Energy, Inc. in favor of Laurus Master Fund, Ltd. (incorporated herein by reference to Exhibit 10.2 to the June 2006 Form 8-K).
- 4.25 Registration Rights Agreement, dated June 30, 2006, between Able Energy, Inc. and Laurus Master Fund, Ltd. (incorporated herein by reference to Exhibit 10.4 to the June 2006 Form 8-K).
- 4.26 Form of Variable Rate Secured Debenture (incorporated herein by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated August 8, 2006, filed with the SEC on August 14, 2006 (the "August 2006 Form 8-K")).
- 4.27 Registration Rights Agreement, dated as of August 8, 2006, by and among the Company and the Purchasers named therein (incorporated herein by reference to Exhibit 4.2 to the August 2006 Form 8-K).
- 4.28 Form of Common Stock Purchase Warrant (incorporated herein by reference to Exhibit 4.3 to the August 2006 Form 8-K).
- 10.1 Lease of Company's Facility at 344 Route 46, Rockaway, New Jersey (incorporated herein by reference to Exhibit 10.3 to the 1998 Form SB-2).
- 10.2 Loan and Security Agreement, dated as of May 13, 2005, between the Company, Able Oil Company, Able Energy New York, Inc. Able Oil Melbourne, Inc., Able Energy Terminal, LLC and Able Propane, LLC (as borrowers) and Entrepreneur Growth Capital, LLC (incorporated herein by reference to Exhibit 10.26 to the Company's Annual Report on Form 10-K for the year ended June 30, 2005 (the "2005 Form 10-K")).
- 10.3 Promissory Note, dated May 13, 2005, made by the Company in favor of Northfield Savings Bank, (incorporated herein by reference to Exhibit 10.27 to the 2005 Form 10-K).

- 10.4 Securities Purchase Agreement, by and among All American Plazas, Inc., dated as of June 1, 2005 (incorporated herein by reference to Exhibit 99.1 to the June 2005 Form 8-K).
- 10.5 Form of Securities Assumption, Amendment and Issuance Agreement by and among the Purchasers named therein and the Company (incorporated herein by reference to Exhibit 99.4 to the June 2005 Form 8-K).
- 10.6 Stock Purchase Agreement, by and between the Sellers named therein and the Company, dated as of June 16, 2005 (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated June 16, 2005, filed with the SEC on June 16, 2005).
- 10.7 1999 Employee Stock Option Plan (incorporated herein by reference to Exhibit 10.2 to Amendment No. 2 to the 1998 Form SB-2).

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- 10.8 Asset Purchase Agreement, dated March 1, 2004, by and among the Company, Able Propane Co., LLC, Christopher Westad, and Timothy Harrington, Liberty Propane, L.P. and Action Gas Propane Operations, LLC (incorporated herein by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, dated March 16, 2004, filed with the SEC on March 16, 2004).
- 10.13 Asset Purchase Agreement between the Company and All American Plazas, Inc dated as of June 16, 2005 (incorporated by reference to Annex A to the Company's Definitive Proxy Statement on Schedule 14A filed with the SEC on July 28, 2006).
- 10.14 Securities Purchase Agreement, dated as of July 12, 2005, among the Company and the purchasers signatory thereto (incorporated herein by reference to Exhibit 99.1 to the July 2005 Form 8-K).
- 10.15 Employment Agreement, dated as of October 13, 2005, between the Company and Gregory D. Frost (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, dated October 13, 2005, filed with the SEC on October 19, 2005).
- 10.16 Amendment Agreement, dated as of November 16, 2005, by and among the Company and the holders signatory thereto (incorporated herein by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, dated November 14, 2005, filed with the SEC on November 18, 2005).
- 10.17 Securities Purchase Agreement, by and among All American and the Purchasers, dated as of January 20, 2005 (incorporated herein by reference to Exhibit 99.1 to the January 2006 Form 8-K).
- 10.18 Form of Security Agreement, dated as of January 20, 2006, by and between St. John's Realty Corporation and Lilac Ventures Master Fund, Ltd., as agent for the Secured Parties listed therein (incorporated herein by reference to Exhibit 99.4 to the January 2006 Form 8-K).
- 10.19 Loan Agreement, dated as of January 20, 2006, by and between All American Plazas, Inc., St. John's Realty Corporation, Lilac Master Ventures Fund, Ltd. and the Purchasers listed there (incorporated herein by reference to Exhibit 99.5 to the January 2006 Form 8-K).
- 10.20 Securities Purchase Agreement between Able Energy, Inc. and Laurus Master Fund, Ltd. dated June 30, 2006 (incorporated herein by reference to Exhibit 10.1 to the June 2006 Form 8-K).
- 10.21 Subsidiary Guaranty dated June 30, 2006 of Able Oil Co., Able Propane Co, LLC, Able Energy New York, Inc., Abel Oil Melbourne, Inc., Able Energy Terminal, Inc., Priceenergy.com, Inc. and Priceenergy.com and Franchising, LLC (incorporated herein by reference to Exhibit 10.5 to the June 2006 Form 8-K).
- 10.22 Securities Purchase Agreement, dated as of August 8, 2006, by and among the Company and the Purchasers (incorporated herein by reference to Exhibit 10.1 to the August 2006 Form 8-K).
- 10.23 Security Agreement, dated as of August 8, 2006, by and among the Company, the Company's subsidiaries and the Purchasers (incorporated herein by reference to Exhibit 10.2 to the August 2006 Form 8-K).
- 10.24 Account Purchase Agreement between All American Plazas, Inc. and Crown Financial, LLC dated January 8, 2007 (incorporated herein by reference to Exhibit 10.25 to the Company's Quarterly Report on Form 10-Q for the Quarter ended September 30, 2008 (the "September 30, 2007 Form 10-Q")).
- 10.25 Account Purchase Agreement Modification between All American Plazas, Inc. and Crown Financial, LLC dated June 29, 2007 effective July 1, 2007 (incorporated herein by reference to Exhibit 10.26 to the September

30, 2007 Form 10-Q).

10.26 Receivables Financing Agreement between All American Plazas, Inc. and Credit Cash, LLC dated July 16, 2007 (incorporated herein by reference to Exhibit 10.27 to the September 30, 2007 Form 10-Q).

10.27 Consulting Agreement between PriceEnergy.com, Inc. and Axis Consulting Services dated August 27, 2007 (incorporated herein by reference to Exhibit 10.28 to the September 30, 2007 10-Q).

10.28 Fuel Financing agreement dated October 17, 2007 between the Company and S&S NY Holdings, Inc together with First Amendment thereto dated February 5, 2007 (incorporated herein by reference to Exhibit 10.29 to the Company's Quarterly Report on Form 10-Q for the Quarter ended December 31, 2008 (the "December 31, 2007 Form 10-Q").

10.29 Credit Card Receivables Purchase Agreement between All American Plazas, Inc. and Credit Cash, LLC dated November 2, 2007 (incorporated herein by reference to Exhibit 10.30 to the December 31, 2007 Form 10-Q).

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- 10.30 Credit Card Receivables Advance Agreement between Able Oil Company and Credit Cash, LLC dated November 7, 2007 (incorporated herein by reference to Exhibit 10.31 to the December 31, 2007 10-Q).
- 10.31 Credit Card Receivables Advance Agreement between PriceEnergy.com Inc and Credit Cash, LLC dated November 7, 2007 (incorporated herein by reference to Exhibit 10.32 to the December 31, 2007 Form 10-Q).
- 10.32 Amended and Restated Note Agreement dates as of November 30, 2007 between the Company, All American Plazas, Inc. All American Properties Inc and TransMontaigne Product Services Inc. (incorporated herein by reference to Exhibit 10.33 to the December 31, 2007 Form 10-Q).
- 10.33 Fuel Financing Agreement dated December 20, 2007 between the Company and S&S NY Holdings, Inc. (incorporated herein by reference to Exhibit 10.34 to the December 31, 2007 Form 10-Q).
- 10.34 Over Advance Agreement between the Company, Able Oil Company, Able Energy New York, Inc., Able Energy Terminal, LLC, Able Propane, LLC and Entrepreneur Growth Capital, LLC dated December 28, 2007 (incorporated herein by reference to Exhibit 10.35 to the December 31, 2007 Form 10-Q).
- 10.35 Consulting Agreement between Hammond Associates, LLC and the Company dated January 11, 2008 (incorporated herein by reference to Exhibit 10.36 to the Company's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2008 (the "March 31, 2008 Form 10-Q"))).
- 10.36 Credit Card Receivables Purchase Agreement between All American Plazas, Inc. and Credit Cash, LLC dated January 18, 2008 (incorporated herein by reference to Exhibit 10.37 to the March 31, 2008 Form 10-Q).
- 10.37 Credit Card Receivables Advance Agreement between Able Oil Company and Credit Cash, LLC dated January 18, 2008 (incorporated herein by reference to Exhibit 10.38 to the March 31, 2008 Form 10-Q).
- 10.38 Over Advance Agreement between the Company, Able Oil Company, Able Energy New York, Inc., Able Energy Terminal, LLC, Able Propane, LLC and Entrepreneur Growth Capital, LLC dated February 11, 2008 (incorporated herein by reference to Exhibit 10.39 to the March 31, 2008 Form 10-Q).
- 10.39 Credit Card Receivables Advance Agreement between PriceEnergy.com, Inc. and Credit Cash, LLC dated February 14, 2008 (incorporated herein by reference to Exhibit 10.40 to the March 31, 2008 Form 10-Q).
- 10.40 Fuel Purchase Loan between Able Energy, Inc., Able Oil Company, Able Energy New York, Inc., Able Energy Terminal, LLC, Able Propane, LLC and Entrepreneur Growth Capital, LLC dated February 25, 2008 (incorporated herein by reference to Exhibit 10.41 to the March 31, 2008 10-Q).
- 10.41 Asset Purchase Agreement between Able Oil Melbourne, Inc., Able Energy, Inc. and Able Oil of Brevard, Inc. dated February 8, 2008 (incorporated herein by reference to Exhibit 10.42 to the March 31, 2008 Form 10-Q).
- 10.42 Credit Card Receivables Purchase Agreement between Able Oil Company and Credit Cash, LLC dated April 11, 2008 (incorporated herein by reference to Exhibit 10.42 to the Company's Annual Report on Form 10-K for the year ended June 30, 2008 (the "2008 Form 10-K"))).
- 10.43 Credit Card Receivables Purchase Agreement between PriceEnergy.com, Inc. and Credit Cash, LLC dated April 11, 2008 (incorporated herein by reference to Exhibit 10.43 to the 2008 Form 10-K).
- 10.44 Fuel Supply Agreement between the Company and Atlantis Petroleum, LLC dated May 8, 2008 (incorporated herein by reference to Exhibit 10.44 to the 2008 Form 10-K).

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10.45 Contract of Sale between All American Properties, Inc., All American Plazas, Inc. and T.S. O., Inc. dated May 12, 2008 (incorporated herein by reference to Exhibit 10.45 to the 2008 Form 10-K).

10.46 Lease Agreement between the Company and North Jersey Oil, Inc. dated July 14, 2008.*

10.47 Settlement Agreement between the Company and S&S NY Holdings, Inc. dated as of July 22, 2008. *

31.1 Certification by Chief Executive Officer pursuant to Sarbanes-Oxley Section 302*

31.2 Certification by Chief Financial Officer pursuant to Sarbanes-Oxley Section 302*

32.1 Certification by Chief Executive Officer pursuant to 18 U.S. C. Section 1350*

32.2 Certification by Chief Financial Officer pursuant to 18 U.S. C. Section 1350*

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Able Energy, Inc.

By: /s/ Gregory Frost
Gregory Frost
Chief Executive Officer

By: /s/ Daniel L. Johnston
Daniel L. Johnston
Chief Financial Officer

November 19, 2008