

RELM HOLDINGS INC.
Nine Month End Report

September 30, 2009

Unaudited Financial Statements

NOTICE TO READER

The Company's management has prepared the accompanying unaudited interim financial statements. Independent auditors have not performed a review of these financial statements.

Item I. NAME OF ISSUER

Relm Holdings Inc.

Mailing Address: P.O. Box 270 – Wilmington, DE 19899

Office: 302-225-7800

Web: www.relmholdingsinc.com

Item II. SHARES OUTSTANDING

Our common shares are traded on the Pink OTC Markets under the symbol “RELM.”

A. Common Shares

	September 30, 2009	December 31, 2008	December 31, 2007
Shares authorized	1,000,000,000	1,000,000,000	100,000,000
Shares outstanding	650,010,410	578,356,125	97,875,000
Freely tradable shares	85,622,823	11,903,799	11,903,799
No. of beneficial shareholders	(NA)	(NA)	(NA)
No. of shareholders of record	176	176	98

B. Preferred Shares

	September 30, 2009	December 31, 2008	December 31, 2007
Shares authorized	5,000,000	5,000,000	5,000,000
Shares outstanding	742,200	3,742,200*	742,200
Freely tradable shares	0	0	0
No. of beneficial shareholders	1	1	1
No. of shareholders of record	1	2	1

*Note: The 3,000,000 shares of Preferred shares issued, were canceled in exchange for a \$500,000 Note.

ITEM III. – INTERIM FINANCIAL STATEMENT

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Management Report

To the Stockholders

RELM Holdings Inc.

The accompanying unaudited consolidated statement of operations and the related unaudited consolidated balance sheet for the 9 months ended September 30, 2009 of RELM Holdings Inc. (the Company) have been prepared by company management and by outside consultants from information maintained by the management and staff of RELM Holdings Inc. and by outside consultants for RELM Holdings Inc. and may not comply in all respects with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects except for the possible **non-compliance** in all respects with generally accepted accounting principles, the financial position of RELM Holdings Inc. as of September 30, 2009 and the results of operations for the 9 months ended September 30, 2009.

Management

Balance Sheet

	RELM HOLDINGS INC.	Consolidation and/or Adjustments	RELM Consolidated Balance Sheet, with Valuations to be Determined
	Unaudited 9/30/2009		Unaudited 9/30/2009
<u>CURRENT ASSETS</u>			
Cash/Cash Equivalent	\$ -	\$ (6,826,673)	\$ 0
Investment in Equity Securities - Available for Sale, Cash Equiv	\$ -	\$ (86,666.00)	\$ 4,500,000
Accounts Receivable		\$ (20,479,118)	\$ 271,708
Allowance for Bad Debts			\$ (37,098)
Prepaid Expenses			\$ 15,250
Software License Fee Receivable			\$ -
Convertible Preferred Stock dividend receivable		\$ (8,775,000)	\$ 0
Investment in Equity Securities - Available for Sale, less than 1 yr			\$ -
Due from Related Party		\$ (1,500)	\$ 0
Total Current Assets	\$ -	\$ (36,167,457)	\$ 4,749,610
<u>LONG TERM ASSETS</u>			
Investment in Common Equity Securities - Available for Sale, within than 1 yr	\$ -	\$ (675,799,050)	\$ 6,000,000
Deferred Tax Asset	\$ 602,278.00		\$ 748,400
Property and Equipment			\$ 31,158
Investment in Real Estate Subsidiary	\$(3,423,962.00)	(3,423,962)	\$ -
Accumulated Amortization		(791,443)	
Accumulated Depreciation		(680,773)	\$ -
Debt issued for Canceling Preferred	\$ 500,000.00	(500,000)	\$ -
Other Assets	\$ 2,000.00		\$ 762,745
Goodwill in Subsidiaries	\$ 6,620,763.00	-	\$ 6,620,763
Convertible Preferred Stock of Public		-	\$ 6,000,000
	\$ 4,301,079.00		\$ 20,163,066
TOTAL ASSETS	\$ 4,301,079.00		\$ 24,912,676
<u>CURRENT LIABILITIES</u>			
Software License Fee Payable		\$ (2,566,667)	\$ -
Software License Fee Receivable paid in advance		\$ (117,000)	\$ -
Accrued Int. Exp Promissory Note due to Related Party		\$ (445)	\$ -
Deferred Income			\$ -
Payroll Taxes Payable			\$ -
Accounts Payable and accrued expenses	\$ 2,375.00		\$ 1,106,244
Accrued 401k			\$ 57,156
	\$ 2,375.00		\$ 1,163,381

OTHER LIABILITIES

Due to Shareholder	\$ 3,620.00		\$ 3,620
Due to Related Party for Management Fee	\$ 42,533.00	\$ (108,834.88)	\$ -
Due to Related Party for Canceling of Preferred stock	\$ 500,000.00	\$ (500,000.00)	\$ -
Interest Payable	\$ -		
Due to Related Party for expenses paid	\$ 102,086.00	\$ (411,622.38)	\$ 309,536
Accrued Salaries Payable	\$ 1,769,519.00		\$ 1,769,519
Bank Term Loan			\$ 3,703,850
Long Term Liabilities with affiliate		\$ (675,940,568)	\$ -
Promissory Note with affiliate		\$ (33,190,604)	\$ 6,000,000
Income Taxes Payable		\$ -	\$ 816,449
	<u>\$ 2,417,758.00</u>	<u>\$ (710,151,629)</u>	<u>\$ 12,602,974</u>

TOTAL LIABILITIES \$ 2,420,133.00 \$ (710,151,629) **\$ 13,766,355**

SHAREHOLDERS' EQUITY

Common Stock	\$ 691,081.00	\$ -	\$ 691,081.00
Paid in Capital (New Common Stock Issued)	\$ 3,196,800.00	\$ (413,734)	\$ 3,196,800.32
Unrealized Equity Securities from affiliate - Available for Sale within 12 months	\$ -	\$ (13,084,625)	\$ 9,265,375.00
Net Income			
Retained Earnings	<u>\$(2,006,935.00)</u>	<u>(3,217,407)</u>	<u>\$ (2,006,935.00)</u>
	<u>\$ 1,880,946.00</u>		<u>\$ 11,146,321.00</u>
	<u>\$ 4,301,079.00</u>		<u>\$ 24,912,676.00</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

Common Stock - shares outstanding	911,785,132	(\$ 261,774,722)	650,010,410
		Book Value	\$ 0.0380

Statement of Operations

	RELM	AVI	Consolidation and Adjustments	RELM Unaudited
	Unaudited 9/30/2009	Unaudited 9/30/2009		Consolidated 9/30/2009
<u>REVENUES</u>				
Services		\$ 1,322,604		\$ 1,322,604
Product		\$ 231,295		\$ 231,295
Software License Fee Related Party	\$ 97,500		\$ (97,500)	\$ -
<u>TOTAL REVENUES</u>	\$ 97,500	\$ 1,553,899		\$ 1,553,899
<u>COST OF GOODS</u>				
	\$ 100,000	\$ 184,060	\$ (100,000)	\$ 184,060
<u>GROSS MARGIN</u>	\$ (2,500)	\$ 1,369,840		\$ 1,369,840
<u>EXPENSES</u>				
Salaries		\$ 897,937		\$ 897,937
General and Administrative	\$	\$ 329,754		\$ 329,754
<u>TOTAL EXPENSES</u>	\$	\$ 1,227,692		\$ 1,227,692
<u>OPERATING INCOME (LOSS)</u>	\$ (2,500)	\$ 142,147		\$ 142,147
Interest Exp 3 party Bank Debt		\$ 149,171		\$ 149,171
Interest Exp PCSO Debt to affiliate		\$ 120,150	\$ (120,150)	\$ -
PER TAX INCOME	\$ (2,500)	\$ (127,173)		\$ (7,024)
<u>OTHER REVENUE OR (EXPENSE)</u>				
Interest Exp Related Party	\$ (40,547)		\$ (40,547)	\$ -
Management Fee Related Party	\$ (48,310)		\$ (48,310)	\$ -
Financing Fee Promissory Note	\$ (1,875)		\$ (1,875)	\$ -
<u>TOTAL OTHER (EXPENSE)</u>	\$ (90,731)	\$ -	\$ (90,731)	\$ -
EBITDA	\$ (93,231)	\$ 142,148	\$ -	\$ 142,148
ONE TIME WRITE OFF NON CASH		\$ 34,667		\$ 34,667
TOTAL EDBITA	\$ (93,231)	\$ 176,816		\$ 176,816
Taxes	\$	\$ -		\$ -
Per Tax income	\$ (93,231)	\$ (127,173)	\$ -	\$ (7,024)
<u>INCOME (loss) per share</u>	\$ (0.004662)			\$ (.00001)
EBITDA		\$ 176,816	\$ -	\$ 176,816
EBITDA PER SHARE				\$ 0.0002