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AMERICAN AMMUNITION INC/FL

Form 8-K

November 24, 2006

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

Form 8-K

Current Report  
Pursuant to Section 13 or 15(d) of  
The Securities Exchange Act of 1934

Date of Report: November 20, 2006

Commission File Number: 0-32379

American Ammunition, Inc.

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(Exact name of small business issuer as specified in its charter)

Nevada

91-2021594

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(State of incorporation)

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(IRS Employer ID Number)

3545 NW 71st Street, Miami, FL 33147

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(Address of principal executive offices)

(305) 835-7400

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(Issuer's telephone number)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Company under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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### ITEM 4.02 - NON-RELIANCE ON PREVIOUSLY ISSUED FINANCIAL STATEMENTS OR A RELATED AUDIT REPORT OF COMPLETED

#### Interim Review

On November 17, 2006, in conjunction with the interim review of our consolidated financial statements as of and for the quarter ended September 30, 2006 and the associated analysis of various equity transactions entered into during the 3rd quarter of Calendar 2006, management discovered that certain 1st and 2nd quarter events were not properly recorded and were not brought to the attention of the Company's auditors for specific review and comment.

The errors discovered by management in the accounting for and recording various capital transactions are as follows: 1) the erroneous classification of proceeds from the sale of 50,000 shares of Series E 8% Convertible Preferred Stock, 2) the recognition and classification of placement fees related to the sale of 50,000 shares of Series E 8% Convertible Preferred Stock, 3) the payment of public relations fees directly to the vendor by the holder of the Company's Convertible Debentures which increased the working capital advances/prepaid warrant exercise and 4) the accrual of dividends payable on the Series E 8% Convertible Preferred Stock.

	Three months ended March 31, 2006 -----	Six months ended June 30, 2006 -----
Net Loss, as previously reported	\$ (833,192)	\$ (1,254,860)
Effect of the correction of an error		
Correction of erroneous classification of the receipt of \$250,000 from sale of Series E 8% Preferred Stock	(250,000)	(250,000)
Correction of misposting of payment of \$25,000 for placement fees on sale of Series E 8% Preferred Stock	25,000	50,000
Correction of omission of consulting fees paid on behalf of the Company by the Holder of the Company's Convertible Debentures	(50,000)	(50,000)
Total effect of changes on Loss from Operations and Net Loss	(275,000)	(250,000)
Net Loss, as restated	\$ (1,108,192)	\$ (1,504,860)
Net loss available to common stockholders, as previously reported	\$ (844,967)	\$ (1,292,215)
Effect of the correction of an error		
Total effect as shown above	(275,000)	(250,000)
Accrual of Series E 8% Preferred Stock dividends	(275)	(6,137)
Net Loss available to common stockholders, as restated	\$ (1,120,242)	\$ (1,548,352)
Earnings per share, as previously reported	\$ (0.20)	\$ (0.28)
Total effect of changes	(0.06)	(0.06)
Earnings per share, as restated	\$ (0.26)	\$ (0.34)

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We have discussed the above matter with our current and previous independent registered accountants pursuant to Item 4.02(a) and they concur with our corrections and corrective action.

Management has undertaken the process of filing amended Quarterly Reports on Form 10-QSB/A for the quarters ended March 31, 2006 and June 30, 2006 to reflect the noted corrections presented above.

ITEM 9.01 - FINANCIAL STATEMENTS AND EXHIBITS

None required

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.

American Ammunition, Inc.

Date: November 21, 2006

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By: /s/ Andres F. Fernandez

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Andres F. Fernandez  
Chief Executive Officer and  
Chief Financial Officer