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 **March 31, 2010**.

☐ 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: **000-28731**

SUNVESTA, INC.

(Exact name of registrant as specified in its charter)

Florida	**98-0211356**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Seestrasse 97, Oberrieden, Switzerland CH-8942
(Address of principal executive offices) (Zip Code)

011 41 43 388 40 60
(Registrant's telephone number, including area code)

n/a
(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 the 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 "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 ☑

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. The number of shares outstanding of the issuer's common stock, $0.01 par value (the only class of voting stock), at May 21, 2010, was 54,092,186.

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

As used herein, the terms “Company,” “we,” “our,” and “us” refer to SunVesta, Inc., a Florida corporation, and its predecessors and subsidiaries, unless otherwise indicated. In the opinion of management, the accompanying unaudited, consolidated financial statements included in this Form 10-Q reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

SUNVESTA, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

ASSETS		March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Current assets:			
Cash and cash equivalents	$	16,274	73,945
Other assets		27,146	8,391
Total current assets		43,420	82,336
Property and equipment, net		9,310,776	9,309,184
Deposits		1,817	1,863
Total assets	$	9,356,013	9,393,383
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities:			
Accounts payable	$	808,089	757,681
Accrued expenses		93,115	122,392
Note payable		537,554	564,305
Advances from related parties		29,400	739,422
Total current liabilities		1,468,158	2,183,800
Commitments and contingencies			
Stockholders' equity:			
Preferred stock, $.01 par value; 50,000,000 shares authorized, no shares issued and outstanding		-	-
Common stock, $.01 par value; 200,000,000 shares authorized, 54,092,186 and 39,476,956 shares issued and outstanding, respectively		540,922	394,770
Additional paid-in capital		18,728,391	17,851,477
Accumulated other comprehensive income (loss)		23,322	(70,435)
Retained earnings prior to development stage		1,602	1,602
Deficit accumulated during the development stage		(11,382,628)	(10,955,631)
		7,911,609	7,221,783
Treasury stock, 157,220 and 111,000 shares at cost, respectively		(23,754)	(12,200)
Total stockholders' equity		7,887,855	7,209,583
Total liabilities and stockholders' equity	$	9,356,013	9,393,383

See accompanying notes to consolidated financial statements.

SUNVESTA, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE INCOME (LOSS)
Three Months Ended March 31, 2010 and 2009 and Cumulative Amounts

	2010	2009	Cumulative Amounts
Revenues, net	$ -	-	-
Cost of revenues	-	-	-
Gross profit	-	-	-
Operating expenses:			
General and administrative expenses	145,477	139,987	7,774,682
Sales and marketing	12,627	60	329,285
	158,104	140,047	8,103,967
Loss from operations	(158,104)	(140,047)	(8,103,967)
Other income (expense):			
Loss on disposal of assets	-	(635)	(3,258)
Loss on sale of investments	-	-	(1,137,158)
Miscellaneous income	-	-	79,534
Interest income	-	-	66,881
Interest expense	(10,011)	(41,093)	(477,902)
Loss on extinguishment of debt	(258,882)	-	(1,806,758)
	(268,893)	(41,728)	(3,278,661)
Loss before provision for income taxes	(426,997)	(181,775)	(11,382,628)
Provision for income taxes	-	-	-
Net loss	$ (426,997)	(181,775)	(11,382,628)
Comprehensive income (loss):			
Foreign currency translation net of taxes of $33,000, $119,278, and $8,000	60,757	221,516	15,322
Comprehensive income (loss)	$ (366,240)	39,741	(11,367,306)
Loss per common share - basic and diluted	$ (0.01)	(0.01)	
Weighted average common shares - basic and diluted	44,348,699	30,728,435	

See accompanying notes to consolidated financial statements.

SUNVESTA, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2010 and 2009 and Cumulative Amounts

		2010	2009	Cumulative Amounts
Cash flows from operating activities:				
Net loss	$	(426,997)	(181,775)	(11,382,682)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation		-	20,071	271,505
Stock compensation expense		-	11,250	107,269
Related party accrued interest		516	32,556	293,964
Note payable accrued interest		5,877	-	14,018
Loss on securities acquired as a deposit on stock		-	-	1,008,324
Loss on disposal of assets		-	635	3,258
Loss on extinguishment of debt		258,882	-	1,806,758
(Increase) decrease in:				
Prepaid expenses		-	(4,718)	-
Other assets		(18,755)	714	(27,975)
Increase (decrease) in:				
Accounts payable		50,408	(62,822)	1,599,397
Accrued expenses		(29,277)	(12,520)	71,806
Net cash used in operating activities		(159,346)	(196,609)	(6,234,304)
Cash flows from investing activities:				
Proceeds from securities available-for-sale		-	-	1,740,381
Purchase of property and equipment		(1,592)	-	(9,793,046)
Deposits		46	129	(1,817)
Net cash provided by (used in) investing activities		(1,546)	129	(8,054,482)
Cash flows from financing activities:				
Net proceeds from deposit on stock		-	-	3,664,417
Proceeds from stock issuance		-	-	300,000
Advances from related parties		84,603	89,134	10,132,962
Increase in note payable		-	-	700,000
Decrease in note payable		-	(22,032)	(163,664)
Purchase of treasury stock		(11,554)	-	(23,754)
Net cash provided by financing activities		73,049	67,102	14,609,961
Effect of exchange rate changes		30,172	105,692	(304,901)
Net increase (decrease) in cash		(57,671)	(23,686)	16,274
Cash, beginning of period		73,945	39,434	-
Cash, end of period	$	16,274	15,748	16,274

See accompanying notes to consolidated financial statements.

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

On August 27, 2007, SunVesta, Inc. (formerly OpenLimit, Inc.) ("SunVesta") acquired SunVesta Holding AG ("SunVesta AG") (collectively the "Company"). SunVesta AG has three wholly-owned subsidiaries, Sunvesta Projects and Management AG, a Swiss Company; Sunvesta Turistik Yatririm VE, a Turkish Company; Sunvesta Costa Rica Marketing & Sales Ltda., a Costa Rican Company; and one majority owned (90%) subsidiary, Rich Land Investments Limitada, a Costa Rican Company.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared by management in accordance with the instructions in Form 10-Q and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company's Form 10-K, for the year ended December 31, 2009, filed with the Securities and Exchange Commission. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim results of operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2010.

Additional Footnotes Included By Reference

Except as indicated in the notes below, there have been no other material changes in the information disclosed in the notes to the financial statements included in the Company's Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission. Therefore, those footnotes are included herein by reference.

Notes 2 - Going Concern

As shown in the accompanying financial statements, the Company has negative working capital, and has incurred net losses since inception. Management intends to seek additional capital from new equity securities offerings that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan. Management's plan also includes negotiations to convert significant portions of existing debt into equity.

The Company currently has plans for a hotel in the Papagayo Gulf Tourism Project area of Costa Rica. An estimated $24 million is believed necessary to continue this development plan. The timing and amount of capital requirements will depend on a number of factors, including demand for products and services and the availability of opportunities for international expansion through affiliations and other business relationships.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Note 3 – Advances and Accrued Interest from Related Parties

Advances from related parties consists of unsecured due on demand advances as follows:

		March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Advance from H. Rigendinger, a shareholder of the Company. The advance bears interest at 3% and has no specific repayment terms.	$	-	48,180
Advance from A. Oehler, a shareholder of the Company. The advance bears interest at 3%. The repayment terms of the advance are currently in default.		28,194	28,908
Advances from Zypam Ltd., a shareholder of the Company. The advances bear interest at 3% and have no specific repayment terms. Secured in part, by a pledge of over 30% of the common shares in Richland Investments Limitada.		-	601,504
		28,194	678,592
Accrued interest on advances		1,206	60,830
	$	29,400	739,422

The agreement with Zypam Ltd. also contains a subordination clause wherein all other Company creditors are entitled to a priority security interest over the Company's assets.

Note 4 – Construction Related Agreement

The Company executed an agreement with Bruesa Construccion S.A. ("Bruesa"), a construction contractor based in Madrid, Spain. Terms of the agreement stated that Bruesa and the Company will negotiate in good faith but on a non-binding basis the appointment of Bruesa as general contractor of a hotel on the land lot in the Papagayo Gulf Tourism Project area of Costa Rica.

Note 5 – Supplemental Cash Flow Information

Actual cash paid for interest and income taxes for the three months ended March 31, 2010 and 2009, was approximately as follows:

		2010	2009
Interest	$	-	-
Income taxes	$	-	-

During the three months ended March 31, 2010 the Company issued 14,615,230 shares of its common stock to Zypam Ltd. and H. Rigendinger, in settlement of amounts owed (see Note 3) of approximately $776,000.

During the three months ended March 31, 2009 the Company issued 60,000 shares of its common stock related to deferred compensation valued at $45,000.

Note 6 – Litigation

Legal proceedings were initiated by Wimberley Allison Tong & Goo ("WATG") against SunVesta Projects and Management AG on November 6, 2008 in the Superior Court of the State of California, County of Orange. The claim is based on an alleged failure to satisfy the terms of a promissory note executed in exchange for certain design services rendered in connection with the El Cielo Hideaway Eco Resort and Spa. The claim seeks approximately $355,000 plus accrued interest in addition to legal fees incurred in prosecuting the suit. The Company has engaged legal counsel and paid $100,000 in 2009 to WATG against the amount due.

In 2010, WATG engaged a debt collector for the remaining amount of approximately $255,000 plus accrued interest and legal fees. The Company returned to settlement negotiations and has agreed to settle the outstanding amount, without interest or legal fees, in equal installments due on April 30, May 31, June 30, and July 31, 2010. The Company paid the April 30 installment on schedule.

Note 7 – Commitments

On March 22, 2010, the Company entered into a non-binding agreement with Grupo Costarricense of San Jose, Costa Rica to acquire property along with the related development and water rights for $12,500,000. This property is contiguous to the property already owned by the Company in Costa Rica. The agreement will become effective at such time as specific organizational requirements are completed.

Note 8 – Subsequent Events

The Company has evaluated subsequent events from the balance sheet date through the date the financial statements were issued. Other than the events noted below, the Company is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

On May 4, 2010, the Company reached an agreement with Bruesa to repurchase shares of Rich Land Investments Limitada by June 30, 2010 for €371,425, plus interest accrued at 6% per annum since January 1, 2009 on the agreed amount due. Since the Company and Bruesa have reached an agreement for the Company to repurchase Bruesa's 10% stake in Rich Land Investments Limitada, the Company will be free to negotiate a construction contract with another entity.

Note 9 – Recent Accounting Pronouncements

In April 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2010-13, "Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades" ("ASU 2010-13"). ASU 2010-13 addresses the classification of a share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. FASB Accounting Standards Codification ("ASC") Topic 718 was amended to clarify that a share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trade shall not be considered to contain a market, performance or service condition. Therefore, such an award is not to be classified as a liability if it otherwise qualifies for equity classification. The amendments in ASU 2010-13 are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010, with early application permitted. We do not anticipate that the adoption of this guidance will have a material impact on our financial position and results of operations.

In February 2010, the FASB issued ASU No. 2010-09, "Amendments to Certain Recognition and Disclosure Requirements" ("ASU 2010-09"), which amends ASC Topic 855, "Subsequent Events." The amendments to ASC Topic 855 do not change existing requirements to evaluate subsequent events, but: (i) defines a "SEC Filer," which we are; (ii) removes the definition of a "Public Entity"; and (iii) for SEC Filers, reverses the requirement to disclose the date through which subsequent events have been evaluated. ASU 2010-09 was effective for us upon issuance. This guidance did not have a material impact on our financial position and results of operations.

Note 9 – Recent Accounting Pronouncements (continued)

In January 2010, the FASB issued ASU No. 2010-06, "Improving Disclosures about Fair Value Measurements" ("ASU 2010-06"). ASU 2010-06 requires new disclosures for (i) transfers of assets and liabilities in and out of levels one and two fair value measurements, including a description of the reasons for such transfers and (ii) additional information in the reconciliation for fair value measurements using significant unobservable inputs (level three). This guidance also clarifies existing disclosure requirements including (i) the level of disaggregation used when providing fair value measurement disclosures for each class of assets and liabilities and (ii) the requirement to provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for level two and three assets and liabilities. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about activity in the roll forward for level three fair value measurements, which is effective for fiscal years beginning after December 15, 2010. The adoption of this guidance has not had a material impact on our financial position and results of operations.

Management believes the impact of other recently issued standards and updates, which are not yet effective, will not have a material impact on the Company's consolidated financial position, results of operations or cash flows upon adoption.

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

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as "anticipates," "expects," "believes," "plans," "predicts," and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes hereto included in this report. All information presented herein is based on our period ended March 31, 2010. Our fiscal year end is December 31.

Discussion and Analysis

The Company's plan for the coming year is the continuation of the Company's business model of developing high-end luxury hotels and resorts in emerging tourist destinations. We intend to combine traditional hotel operations with villas that will be sold within the framework of a fractional private residence club program.

Our business plan will require a minimum of $23,631,250 in new funding over the next twelve months for the El Cielo Hideaway Eco Resort and Spa, Private Residences ("El Cielo Hideaway Eco Resort"), our initial real estate development. The El Cielo Hideaway Eco Resort is to be constructed on 20.5 hectares of prime land located in the thriving tourist area of Papagayo Bay in Guanacaste Province, Costa Rica. We will require up to $155,000,000 in funding by the time the development is completed.

Our subsidiary SunVesta Holding AG intends to issue a fixed-income bond for 30,000,000 Swiss francs (approximately $28,000,000) to fund the first phase of development of the El Cielo Hideaway Eco Resort. The bond is expected to have a term of 3-years and bear an interest rate of 7.25% per annum. Placement of the bond in Germany is expected between May 2010 and September 2010. Funding for the second phase is intended to be a mix of equity raised by the pre-sale of fractional ownership interests of villas and suites and a construction mortgage. Once pre-sale of fractional interests has reached 25% of the overall project we will begin construction of the second phase. Although we are yet to secure sufficient financing we are confident the required amounts will be available on a timely basis.

Our expected timeline to build and open the El Cielo Hideaway Eco Resort is as follows:

- Receive construction permits in the third quarter of 2010;
- Receive a mortgage loan in the fourth quarter of 2010;
- Begin construction of the first phase in the fourth quarter of 2010;
- Start selling fractional ownership in the first quarter of 2011;
- Start construction of the second phase in the fourth quarter of 2011; and
- Complete construction work the second quarter of 2013 and host a grand opening.

We intend to conclude an agreement with an international luxury hotel management company in the near term and anticipate outsourcing many of our project development activities. We have begun discussions with several such companies and in 2009 we entered into a letter of understanding with Wingfield Corporation, an experienced project development company based in Brussels, Belgium and the Jumeirah Group, an international hotel management company based in Dubai, United Arab Emirates.

Results of Operations

During the three months ended March 31, 2010, our operations were focused on (i) developing our business model; (ii) negotiating the purchase of additional hectares to expand our project in Costa Rica; (iii) deliberations with local authorities to obtain building permits for the El Cielo Hideaway Eco Resort; (iv) discussions with prospective project development partners; (v) pursuing additional debt or equity financing arrangements; (vi) improving operating efficiencies and (vii) satisfying continuous public disclosure requirements.

The Company has been funded since inception from equity placements and by shareholders or partners in the form of loans. All of the capital raised to date has been allocated to the development of the El Cielo Hideaway Eco Resort including the purchase of the land and general and administrative costs.

Comprehensive Losses

For the period from the date of inception of development stage on January 1, 2005, until March 31, 2010, the Company incurred a comprehensive loss of $11,367,306. Comprehensive loss for the three months ended March 31, 2010, was $366,240 compared to a comprehensive income of $39,741 for the three months ended March 31, 2009. The transition to comprehensive loss can primarily be attributed to the extinguishment of debt in the current period and the increase in net losses from general and administrative expenses. We did not generate revenue during this period and the Company expects to continue to incur losses through the year ended December 31, 2010.

Income Tax Expense (Benefit)

The Company has a prospective income tax benefit resulting from a net operating loss carry-forward and start up costs that will offset future operating profit.

Impact of Inflation

The Company believes that inflation has had a negligible effect on its operations over the past three years.

Capital Expenditures

The Company expended a significant amount on capital expenditures for the period from January 1, 2005 to March 31, 2010, in connection with the purchase of land that includes a concession to build a hotel and private residence club in Costa Rica.

Liquidity and Capital Resources

The Company has been in the development stage since inception and has experienced significant changes in liquidity, capital resources, and stockholders' equity.

As of March 31, 2010, we had a working capital deficit of $1,424,738. We had current assets of $43,420 and total assets of $9,356,013. Our current assets consisted of $16,274 in cash and cash equivalents and $27,146 in other assets. Our total assets consisted of current assets, property and equipment of $9,310,776, and deposits of $1,817. We had current and total liabilities of $1,468,158 which consisted of advances from related parties, accounts payable, notes payable and accrued expenses. Total stockholders' equity in the Company was $7,887,855 at March 31, 2010.

Cash flow used in operating activities was $6,234,304 for the period from January 1, 2005, to March 31, 2010. Cash flow used in operating activities for the three months ended March 31, 2010, was $159,346 as compared to $196,609 for the three months ended March 31, 2009. The Company used less cash flow for operating activities within the current period than the previous period primarily because of an increase in accounts payable and a loss on extinguishment of debt in the current period. We expect to continue to use cash flow in operating activities in future periods as we develop our business plan.

Cash flows used in investing activities was $8,054,482 for the period from January 1, 2005 to March 31, 2010. Cash flows used in investing activities for the three months ended March 31, 2010, was $1,546 as compared to cash flows provided by investing activities of $129 for the three months ended March 31, 2009. We expect to use cash flows in investing activities as funding becomes available for the construction of the El Cielo Hideaway Eco Resort.

Cash flow provided by financing activities was $14,609,961 for the period from January 1, 2005 to March 31, 2010. Cash flow provided by financing activities the three months ended March 31, 2010, was $73,049 as compared to $67,102 for the three months ended March 31, 2009. Cash flow provided by financing activities in the current period can be attributed to advances from related parties. We expect to continue to realize cash flow provided by financing activities as our business development plan requires additional funding.

The Company's current assets are insufficient to conduct its plan of operation over the next twelve months. We will have to seek at least $23,631,250 in debt or equity financing over the next twelve months to fund the development of our business plan. SunVesta Holding AG is preparing an offering memorandum for a fixed-income bond in the amount of 30,000,000 Swiss francs. The offering memorandum will allow us to place bonds in the German public capital market. Despite our efforts, no assurances can be given that any additional funding will be available. Our shareholders continue to be the most likely source of immediate funding in the form of loans or equity placements though none have made any commitment for future investment and we have no agreement formal or otherwise to procure immediate funding. Our inability to obtain funding will have a material adverse affect in the near term on our business plan.

The Company does not intend to pay cash dividends in the foreseeable future.

The Company had no lines of credit or other bank financing arrangements as of March 31, 2010.

The Company had no commitments for future capital expenditures that were material at March 31, 2010 except those tied, subject to financing, to the construction of the El Cielo Hideaway Eco Resort.

The Company has no defined benefit plan or contractual commitment with any of its officers or directors.

The Company has no current plans for the purchase or sale of any plant or equipment.

The Company has no current plans to make any additional changes in the number of its employees.

Off-Balance Sheet Arrangements

As of March 31, 2010, the Company has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources that are material to stockholders.

Going Concern

The Company's auditors in their audit report for the period ended December 31, 2009 included with the Company's Form 10-K filed with the Securities and Exchange Commission note a substantial doubt as to our ability to continue as a going concern as a result of accumulated losses since inception and our failure to establish profitable operations. Our ability to continue as a going concern requires that we either realize net income from operations or obtain funding from outside sources. Since our business plan does not anticipate revenue within the next twelve months, management's plan to ensure our ability to continue as a going concern includes: (i) private placements of debt or equity; (ii) pre-selling fractional ownership interests in the El Cielo Hideaway Eco Resort; (iii) obtaining shareholder loans and (iv) converting existing debt to equity. Although management believes that the Company will be able to continue as a going concern there can be no assurances that the anticipated means for maintaining this objective will prove successful.

Critical Accounting Policies

In Note 2 to the audited financial statements for the years ended December 31, 2009 and 2008 filed on Form 10-K with the Securities and Exchange Commission the Company discusses those accounting policies that are considered to be significant in determining the results of operations and our financial position. The Company believes that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, the Company evaluates our estimates, including those related to bad debts, inventories, intangible assets, warranty obligations, product liability, revenue, and income taxes. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions.

Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, with the exception of historical facts, are forward-looking statements. Forward-looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance and business plan;
- the sufficiency of existing capital resources;
- our ability to raise additional capital to fund cash requirements for future operations;
- uncertainties related to the Company's future business prospects;
- the ability of the Company to generate revenues to fund future operations;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated, including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward-looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward-looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than as required by law.

Stock-Based Compensation

We have adopted Accounting Standards Codification Topic ("ASC") 718, formerly SFAS No. 123 (revised 2004) (SFAS No. 123R), Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 505. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services.

Recent Accounting Pronouncements

Please see Note 9 to the accompanying consolidated financial statements for recent accounting pronouncements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4T. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report, an evaluation was carried out by the Company's management, with the participation of the chief executive officer and chief financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act")). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management, including the chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company's management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms, and such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Changes in Internal Control over Financial Reporting

During the period ended March 31, 2010, there has been no change in internal control over financial reporting that has materially affected, or is reasonably likely to materially affect our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Legal proceedings were initiated by Wimberley Allison Tong & Goo ("WATG") against SunVesta Projects and Management AG on November 6, 2008 in the Superior Court of the State of California, County of Orange. The claim is based on an alleged failure to satisfy the terms of a promissory note executed in exchange for certain design services rendered in connection with the El Cielo Hideaway Eco Resort. The claim seeks approximately $355,000 plus accrued interest in addition to legal fees incurred in prosecuting the suit. The Company has engaged legal counsel and paid $100,000 in 2009 to WATG against the amount due.

In 2010, WATG engaged a debt collector for the remaining amount of approximately $255,000 plus accrued interest and legal fees. The Company returned to settlement negotiations and has agreed to settle the outstanding amount, without interest or legal fees, in equal installments due on April 30, May 31, June 30, and July 31, 2010. The Company paid the April 30 installment on schedule.

ITEM 1A. RISK FACTORS

The Company's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

Risks Related to the Company's Business

The Company's limited operating history; anticipated losses; uncertainly of future results.

The Company has no operating history upon which an evaluation of our business prospects can be based. Rather, our prospects must be evaluated with a view to the risks encountered by a company in an early stage of development, particularly in light of the uncertainties relating to the acceptance of its business model. We are incurring costs to develop our luxury real estate and hospitality business. There can be no assurance that we will be profitable on a quarterly or annual basis. In addition, as we expand our business operations we will likely need to increase our operating expenses and increase our administrative resources. To the extent that such expenses are not subsequently followed by commensurate revenues, our results of operations and financial condition would be materially adversely affected.

The Company has a historical record of losses which may continue.

The Company reported cumulative, comprehensive losses from January 1, 2005 (date of inception of development stage) until March 31, 2010, of $11,367,306. The historical record indicates that we have not realized revenue from our efforts and cannot provide us with any certainty that revenue is forthcoming or that revenue would be sufficient to support operations. The sum of these indicators creates uncertainty as to whether we will ever transition from losses to profits. Should we continue to incur losses we would be unable to meet our working capital requirements which inability would stifle operations.

Need for additional financing.

The Company has no revenue from operations and therefore is not able to meet operating costs. As such, we will need to raise substantial capital within the next twelve months to develop our operations. However, there can be no assurance that we will be able to raise the required capital. Failure to obtain adequate capital would significantly curtail our business.

Unpredictability of future revenues; potential fluctuations in the Company's operating results.

Since we have no history of generating revenues within the niche luxury real estate market in which we intend to compete, we are unable to forecast revenues accurately. Our current and future expense levels are based largely on our own investment/operating plans and estimates of future revenue. The Company may be unable to adjust spending to compensate for any unexpected revenue shortfall or delay. Accordingly, any significant shortfall or delay in revenue in relation to our planned expenditures would have an immediate adverse affect on our business, financial condition, and results of operations.

We are dependent on key personnel.

Our performance and operating results are substantially dependent on the continued service and performance of our managers, officer, and directors. We intend to hire additional management personnel as we move forward with our business model. Competition for such personnel is intense, and there can be no assurance that we will be able to retain our key management employees, or that we will be able to attract or retain highly qualified technical personnel in the future. The loss of the services of any of our key employees or the inability to attract and retain the necessary management personnel could have a material adverse effect upon the Company's business.

The results of our operations depend on the efforts of third parties.

Almost all of our operations depend on the efforts of third parties. Despite being leaders in their respective fields, our dependence on third parties to initiate, determine and conduct operations could impede the Company's prospects for success.

Our unproven approach to fractional ownership of luxury real estate includes unproven concepts.

Although fractional ownership of luxury real estate is not new to the hospitality industry, our business plan combines proven concepts of fractional ownership with unproven concepts that are yet to be offered. As a result, we do not know with any certainty whether our services and/or products will be accepted within the hospitality marketplace. If our services and/or products prove to be unsuccessful, such failure could materially adversely affect our financial condition, operating results, and cash flows.

Risks Related to the Company's Stock

The market for our stock is limited and our stock price may be volatile.

The market for our common stock has been limited due to low trading volume and the small number of brokerage firms acting as market makers. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day.

The Company does not pay cash dividends.

The Company does not pay cash dividends. We have not paid any cash dividends since inception and have no intention of paying any cash dividends in the foreseeable future. Any future dividends would be at the discretion of our board of directors and would depend on, among other things, future earnings, our operating and financial condition, our capital requirements, and general business conditions. Therefore, shareholders should not expect any type of cash flow from their investment.

We incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly. Further, expenses related to our compliance may increase in the future, as legislation affecting smaller reporting companies comes into effect that may negatively impact our financial performance to the point of having a material adverse effect on our results of operations and financial condition.

Our internal controls over financial reporting are not considered effective which conclusion may result in a loss of investor confidence in our reports and in turn have an adverse effect on our stock price.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. Since we are unable to assert that our internal controls are effective, our investors may lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

***The Company's common stock is currently deemed to be "penny stock", which makes it more difficult for investors to sell their shares*.**

The Company's common stock is and will be subject to the "penny stock" rules adopted under section 15(g) of the Exchange Act. The penny stock rules apply to companies whose common stock is not listed on the NASDAQ Stock Market or other national securities exchange and trades at less than $5.00 per share or that have tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If the Company remains subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for the Company's securities. If the Company's securities are subject to the penny stock rules, investors will find it more difficult to dispose of the Company's securities.

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

None.

ITEM 3. DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. (REMOVED AND RESERVED)

Removed and reserved.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the *Index to Exhibits* on page 22 of this Form 10-Q, and are incorporated herein by this reference.

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.

SunVesta, Inc.	***Date***
/s/ Josef Mettler Josef Mettler Chief Executive Officer, Chief Financial Officer Principal Accounting Officer and Director	May 21, 2010

INDEX TO EXHIBITS

Exhibit	*Description*
3(i)(a)*	Articles of Incorporation (incorporated by reference from the Form 10-SB filed with the Commission on December 31, 1999).
3(i)(b)*	Amended Articles of Incorporation (incorporated by reference from the Form 10-KSB filed with the Commission on April 9, 2003).
3(i)(c)*	Amended Articles of Incorporation (incorporated by reference from the Form 10-QSB filed with the Commission on November 17, 2003).
3(i)(d)*	Amended Articles of Incorporation (incorporated by reference from the Form 8-K filed with the Commission on September 27, 2007).
3(ii)(a)*	Bylaws (incorporated by reference from the Form 10-SB filed with the Commission on December 31, 1999).
3(ii)(b)*	Amended Bylaws (incorporated by reference from the Form 10-QSB filed with the Commission on November 17, 2003).
10(i)*	Securities Exchange Agreement and Plan of Exchange dated June 18, 2007 between the Company and SunVesta AG (formerly ZAG Holdings AG) (incorporated by reference from the Form 8-K filed with the Commission on June 21, 2007).
10(ii)*	Purchase and Sale Agreement between ZAG Holding AG and Trust Rich Land Investments, Mauricio Rivera Lang dated May 1, 2006 for the acquisition of Rich Land Investments Limitada.
10(iii)*	Debt Settlement Agreement dated September 29, 2008 with Zypam Ltd. (incorporated by reference from the Form 10-Q filed with the Commission on November 13, 2008).
10(iv)*	Debt Settlement Agreement dated April 21, 2009 between the Company and Zypam, Ltd. (incorporated by reference from the Form 8-K filed with the Commission on April 30, 2009).
10(v)*	Debt Settlement Agreement dated March 1, 2010 between the Company and Zypam, Ltd. (incorporated by reference from the Form 8-K filed with the Commission on March 10, 2010).
10(vi)*	Debt Settlement Agreement dated March 1, 2010 between the Company and Hans Rigendinger (incorporated by reference from the Form 8-K filed with the Commission on March 10, 2010).
14*	Code of Ethics adopted March 1, 2004 (incorporated by reference from the 10-KSB filed with the Commission on April 14, 2004).
21*	Subsidiaries of the Company (incorporated by reference from the 10-K filed with the Commission on May 12, 2010).
31	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated by reference to previous filings of the Company.

Exhibit 31

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO RULE 13a-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Josef Mettler, certify that:

1. I have reviewed this report on Form 10-Q of SunVesta, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting (as defined in the Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: May 21, 2010

/s/ Josef Mettler
Josef Mettler
Chief Executive Officer and Chief Financial Officer

Exhibit 32

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the report on Form 10-Q of SunVesta, Inc., for the quarterly period ended March 31, 2010, as filed with the Securities and Exchange Commission on the date hereof, I, Josef Mettler, do hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) This report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in this report fairly presents, in all material respects, the financial condition of the registrant at the end of the period covered by this report and results of operations of the registrant for the period covered by this report.

Date: May 21, 2010

/s/ Josef Mettler
Josef Mettler
Chief Executive Officer and Chief Financial Officer

This certification accompanies this report pursuant to §906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the registrant for the purposes of §18 of the Securities Exchange Act of 1934, as amended. This certification shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of this report), irrespective of any general incorporation language contained in such filing.

A signed original of this written statement required by §906 has been provided to the registrant and will be retained by the registrant and furnished to the Securities and Exchange Commission or its staff upon request.