

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

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FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

MAY 22, 2007  
Date of Report (Date of earliest event reported)

COLONIAL COMMERCIAL CORP.  
(Exact name of Registrant as Specified in Charter)

NEW YORK (State or other Jurisdiction of Incorporation)	1-6663 (Commission File Number)	11-2037182 (IRS Employer Identification No.)
275 WAGARAW ROAD, HAWTHORNE, NEW JERSEY (Address of Principal Executive Offices)		07506 (Zip Code)

Registrant's Telephone Number, Including Area Code: 973-427-8224

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant 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))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 22, 2007 Colonial Commercial Corp. (the "Company") issued a press release announcing its first quarter financial results. A copy of this press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated May 22, 2007

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 hereunto duly authorized.

COLONIAL COMMERCIAL CORP.

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(Registrant)

Date: May 23, 2007

/s/ William Salek

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William Salek  
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	Press Release dated May 22, 2007

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COLONIAL COMMERCIAL CORP. REPORTS FIRST QUARTER

FINANCIAL RESULTS

HAWTHORNE, New Jersey (May 22, 2007) - Colonial Commercial Corp. ("Colonial") (OTC Bulletin Board: "CCOM," "CCOMP"), today announced financial results for the first quarter ended March 31, 2007.

Sales for the first quarter increased 7.8% to \$16,042,232 from \$14,884,214 in the first quarter of 2006. The increase in sales is primarily a result of sales of appliances in 2007 that the Company was not offering until September 2006 and increases in our commercial air conditioning equipment sales. These increases were partially offset by a continued slowness in our control systems business and softness in sales of our showroom plumbing fixtures. Gross profit for the first quarter increased 4.0% to \$4,871,502 from \$4,685,327 in the first quarter of 2006. Net loss for the first quarter increased 20.2% to \$389,940 from \$324,529 in the first quarter of 2006. Comparisons to 2006 include adjustments for SAB No. 108, as described in our Form 8-K filed with the SEC on May 21, 2007.

William Pagano, Chief Executive Officer of the Company, said, "The first quarter historically has been our weakest quarter due to seasonality factors. We are pleased with sales of our appliances and the expansion of these lines which include room air conditioners, washers and dryers, and custom hoods and kitchen ventilation systems. Additionally, we are continuing to expand our plumbing fixture business into more of our existing locations. On April 23, 2007, we announced the opening of our newest location in the Albany, New York area. All of these activities should continue to increase our growth in 2007 and future years."

Colonial distributes heating, ventilating and air conditioning, ("HVAC"), equipment, parts and accessories, climate control systems, and plumbing supplies to HVAC contractors, primarily in the New York metropolitan area through its Universal Supply Group, Inc., [www.usginc.com](http://www.usginc.com), American/Universal Supply Inc.,

[www.ausupplyinc.com](http://www.ausupplyinc.com), and The RAL Supply Group, Inc., [www.ralsupply.com](http://www.ralsupply.com),

subsidiaries. These contractors purchase and install equipment and systems for residential, commercial and industrial users. The Company provides control system design, custom control panel fabrication, technical field support, in-house training and climate control consultation for engineers and installers. It is a leader in the design of direct digital control systems, and systems that control multi-location facilities through the Internet. The Company also distributes home appliances to dealer groups and appliance stores through its Goldman Universal division. Additionally, the Company offers water filtration systems, parts and accessories and other products through its e-commerce store, [www.procontractorstore.com](http://www.procontractorstore.com), operated by RAL. The Company is headquartered in

New Jersey, and, with its affiliates, operates out of seven locations in New Jersey; nine in New York and one in Pennsylvania. For more information on Colonial Commercial Corp.'s operations, products and/or services, please visit [www.colonialcomm.com](http://www.colonialcomm.com).

Safe Harbor Statement: The foregoing press release may contain statements

concerning Colonial Commercial Corp.'s financial performance, markets and business operations that may be considered "forward-looking" under applicable securities laws. Colonial cautions readers of this press release that actual results might differ materially from those projected in any forward-looking statements. Factors which might cause actual results to differ materially from any results that are projected in the forward-looking statements include the following: continued acceptance of the company's products in the marketplace, competitive factors, dependence upon third-party vendors, and other risks detailed in the company's periodic report filings with the Securities and Exchange Commission. These and certain other factors which might cause actual results to differ materially from those projected are detailed from time to time in Colonial's periodic reports and registration statements filed with the Securities and Exchange Commission, which important factors are incorporated herein by reference. Colonial undertakes no obligation to update forward looking statements to reflect changed assumptions, the occurrence of unanticipated events, or changes in future operating results, financial condition or business over time.

FOR FURTHER INFORMATION, PLEASE CONTACT WILLIAM PAGANO, CHIEF EXECUTIVE OFFICER, OR WILLIAM SALEK, CHIEF FINANCIAL OFFICER, AT (973) 427-8224.

(Financial Highlights Follow)

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Condensed Consolidated Balance Sheets

	March 31, 2007	December 31, 2006
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	(Unaudited)	
<b>Assets</b>		
Current assets:		
Cash	\$ 600,386	\$ 482,251
Accounts receivable, net of allowance for doubtful accounts of \$237,661 in 2007 and \$212,043 in 2006	8,455,946	9,069,301
Inventory	14,624,886	12,854,317
Prepaid expenses and other current assets	1,271,280	1,057,099
Deferred tax asset - current portion	420,000	420,000
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Total current assets	25,372,498	23,882,968
Property and equipment	1,453,888	1,512,666
Goodwill	1,628,133	1,628,133
Other intangibles	3,000	3,500
Other assets - noncurrent	190,740	202,177
Deferred tax asset - noncurrent	1,288,500	1,288,500
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	\$29,936,759	\$ 28,517,944
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<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Trade payables	\$ 6,922,785	\$ 4,719,160
Accrued liabilities	1,908,331	1,975,175
Income taxes payable	309	1,630
Borrowings under credit facility - revolving credit	13,275,383	13,615,696
Notes payable - current portion; includes related party notes of \$30,000 in 2007 and 2006	134,318	136,539
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Total current liabilities	22,241,126	20,448,200
Notes payable, excluding current portion; includes related party notes of \$1,008,125 in 2007 and \$1,028,750 in 2006	1,309,888	1,317,394
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Total liabilities	23,551,014	21,765,594
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Commitments and contingencies		
Stockholders' equity:		
Redeemable convertible preferred stock, \$.05 par value, 2,500,000 shares authorized; 467,500 shares issued and outstanding in 2007 and 2006; liquidation preference of \$2,337,500 in 2007 and 2006	23,375	23,375
Common stock, \$.05 par value, 20,000,000 shares authorized; 4,645,680 in 2007 and 4,593,680 in 2006 shares issued and outstanding	232,284	229,684
Additional paid-in capital	10,728,526	10,707,791
Accumulated deficit	(4,598,440)	(4,208,500)
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Total stockholders' equity	6,385,745	6,752,350
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	\$29,936,759	\$ 28,517,944
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COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations  
(Unaudited)

	For The Three Months Ended March 31,	
	2007	2006
Net sales	\$ 16,042,232	\$ 14,884,214
Cost of sales	11,170,730	10,198,887
Gross profit	4,871,502	4,685,327
Selling, general and administrative expenses	4,988,606	4,756,862
Operating loss	(117,104)	(71,535)
Other income	64,598	65,789
Interest expense, net; includes related party interest of \$25,967 in 2007 and \$25,629 in 2006	(334,042)	(299,662)
Loss before income taxes	(386,548)	(305,408)
Income tax expense	3,392	19,121
Net Loss	\$ (389,940)	(324,529)
Loss per common share:		
Basic	\$ (0.08)	\$ (0.07)
Diluted	\$ (0.08)	\$ (0.07)
Weighted average shares outstanding:		
Basic	4,645,102	4,549,411
Diluted	4,645,102	4,549,411

COLONIAL COMMERCIAL CORP. AND SUBSIDIARIES  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

	For The Three Months Ended March 31,	
	2007	2006
Cash flows from operating activities:		
Net loss	\$ (389,940)	\$ (324,529)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Stock-based compensation	10,335	-
Provision for doubtful accounts	1,792	59,844
Depreciation and amortization	119,151	106,690
Amortization of intangibles	500	3,417
Accretion of debt discount	9,375	9,375
Changes in operating assets and liabilities		
Accounts receivable	611,563	722,721
Inventory	(1,770,569)	(2,198,765)
Prepaid expenses and other current assets	(214,181)	97,857
Other assets - noncurrent	11,437	13,119
Trade payables	2,203,625	810,256
Accrued liabilities	(66,844)	(136,075)
Income taxes payable	(1,321)	6,257
Net cash provided by (used in) operating activities	524,923	(829,833)
Cash flows from investing activities:		
Additions to property and equipment	(60,373)	(90,720)
Net cash used in investing activities	(60,373)	(90,720)
Cash flows from financing activities:		
Issuance of common stock and exercise of stock options	13,000	-
Repayments of notes payable: includes related party repayments of \$30,289 in 2006.	(19,102)	(46,046)
Issuance of notes payable	-	13,073
Repayments under credit facility - term loan	-	(250,000)
Borrowings under credit facility - revolving credit	(340,313)	1,153,226
Net cash (used in) provided by financing activities	(346,415)	870,253
Increase (decrease) in cash	118,135	(50,300)
Cash - beginning of period	482,251	613,456
Cash - end of period	\$ 600,386	\$ 563,156

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