

Crown Equity Holdings, Inc.
Form 10-Q
August 14, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 2012

OR

TRANSITION REPORT UNDER SECTION 13 OF 15(d) OF THE EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 000-29935

CROWN EQUITY HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Nevada	33-0677140
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

1226 Pentland Down Road, Las Vegas, NV 89146
(Address of principal executive offices)

(702) 448-1543
(Issuer's telephone number)

5440 West Sahara Avenue, Suite 205, Las Vegas, NV 89146
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the Company (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Company 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 Company is a large accelerated filer, an accelerated file, non-accelerated filer, or a smaller reporting company.

Large accelerated filer	<input type="checkbox"/>	Accelerated filed	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>

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

As of August 14, 2012, there were 880,192,502 shares of Common Stock of the issuer outstanding.

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Crown Equity Holdings, Inc.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2012	December 31, 2011
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 11,110	\$ 84,325
Marketable securities	105,000	82,400
Marketable securities held in related party	50,000	480,000
Accounts receivable	12,370	12,395
Prepaid expenses	2,400	2,400
Total current assets	180,880	661,520
Property and equipment, net of accumulated depreciation \$33,492 and \$29,732 respectively	40,499	44,208
Total Assets	\$ 221,379	\$ 705,728
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 115,633	\$ 182,697
Related party deferred revenue	--	193,219
Notes payable-related parties	103,409	95,209
Total current liabilities	219,042	471,125
Stockholders' Equity:		
Preferred stock; \$0.001 par value, 10,000,000 shares authorized, 9,000,000 undesignated authorized		
Series A convertible preferred stock; \$0.001 par value, 1,000,000 shares authorized, none and 600,000 shares issued and outstanding, respectively	--	600
Common stock; \$0.001 par value, 4,900,000,000 shares authorized, 878,192,502 and 798,360,078 shares issued and outstanding, respectively	878,193	798,361
Additional paid-in capital	7,900,691	7,673,372
Accumulated deficit	(8,776,547)	(8,237,730)
Total stockholders' equity	2,337	234,603
Total Liabilities and Stockholders' Equity	\$ 221,379	\$ 705,728

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Crown Equity Holdings, Inc.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Revenue	\$20,281	\$1,043,647	\$215,714	\$1,388,879
Direct material costs	1,656	2,500	4,303	2,500
Gross profit	18,625	1,041,147	211,411	1,386,379
Operating Expenses:				
General and administrative	51,887	426,771	320,219	1,209,683
Depreciation	1,880	4,789	3,760	10,248
Income(loss) from operations	(35,142)	609,587	(112,568)	166,448
Other Income (Expenses):				
Other income	(1,025)	--	1,275	--
Realized loss on marketable securities	(1,155)	501	(1,155)	(16,552)
Unrealized gain (loss) on marketable securities	32,400	924,938	28,000	(112,866)
Unrealized gain (loss) on marketable securities – related party	(430,000)	--	(430,000)	--
Interest expense	(2,856)	(2,930)	(5,972)	(5,860)
Loss on extinguishment of debt	(17,700)		(17,700)	
Other expense	(129)	(1,395)	(697)	(1,395)
Total other income (expenses)	(420,465)	921,114	(426,249)	(136,673)
Net income (loss)	(455,607)	1,530,701	(538,817)	29,775
Deemed dividend on series A convertible preferred stock	--	--	--	(600,000)
Net loss attributable to common stockholders	\$(455,607)	\$1,530,701	\$(538,817)	(570,225)
Net loss per common share attributable to common stockholders, basic	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)
Net loss per common share attributable to common stockholders, diluted	\$(0.00)	\$0.00	\$(0.00)	\$(0.00)
Weighted average common shares outstanding basic	861,872,576	784,504,251	802,992,815	776,756,538
Weighted average common shares outstanding diluted	861,872,576	844,504,251	802,992,815	776,756,538

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Crown Equity Holdings, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$(538,817)	\$29,775
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	3,760	10,248
Common stock issued for services	219,851	646,821
Unrealized (gain) loss on marketable securities	(28,000)	112,866
Unrealized loss on related party marketable securities	430,000	--
Loss on extinguishment of debt	17,700	--
Realized loss on marketable securities	1,155	16,552
Marketable securities received for revenue	--	(1,248,709)
Changes in operating assets and liabilities:		
Accounts receivable	25	(6,800)
Prepaid expenses	--	(4,800)
Accounts payable and accrued expenses	(67,064)	(23,212)
Deferred revenue	(193,219)	(106,739)
Accrued salaries	--	--
NET CASH USED IN OPERATING ACTIVITIES	(154,609)	(573,998)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash paid for purchase of fixed assets	(51)	(5,898)
Proceeds from the sale of marketable securities	4,245	388,773
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	4,194	382,875
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the sale of common stock	10,000	--
Proceeds from sale of series A convertible preferred stock	--	600,000
Borrowings on notes payable	59,000	
Borrowings on related party notes payable	8,200	--
NET CASH PROVIDED BY FINANCING ACTIVITIES	77,200	600,000
Net increase (decrease) in cash	(73,215)	408,877
Cash, beginning of period	84,325	149,727
Cash, end of period	\$11,110	\$558,604
SUPPLEMENTAL CASH FLOWS INFORMATION		
Interest paid	\$13	\$27
Income taxes paid	--	--
Noncash Investing and Financing Activities:		
Marketable securities received for deferred revenue	\$--	\$234,531
Deemed dividend beneficial conversion feature on convertible preferred stock	--	600,000

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Common stock issued for debt	59,000	--
Common stock issued for the conversion of preferred stock	60,000	--

The accompanying notes are an integral part of the unaudited consolidated financial statements.

Crown Equity Holdings, Inc.
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim consolidated financial statements of Crown Equity Holdings Inc. ("Crown Equity") have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited consolidated financial statements and notes thereto contained in Crown Equity's December 31, 2011 Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year end December 31, 2011 as reported on Form 10-K, have been omitted. Certain prior period amounts have been reclassified to conform to current period presentation.

NOTE 2 - GOING CONCERN

As shown in the accompanying financial statements, Crown Equity has an accumulated deficit of \$8,776,547 as of June 30, 2012. Unless profitability and increase in shareholders equity continues, these conditions raise substantial doubt as to Crown Equity's ability to continue as a going concern. The financial statements do not include any adjustments that might be nece