

Edgar Filing: Crown Equity Holdings, Inc. - Form 10-Q

Crown Equity Holdings, Inc.  
Form 10-Q  
November 14, 2011

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 September 30, 2011

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.)

5440 West Sahara Avenue, Suite 205, Las Vegas, NV 89146  
(Address of principal executive offices)

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

N/A

(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  Accelerated filed   
Non-accelerated filer  Smaller reporting company

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 November 14, 2011, there were 798,235,078 shares of Common Stock of the issuer outstanding.



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

	September 30, 2011	December 31, 2010
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 289,102	\$ 149,727
Investments	837,400	1,295,751
Accounts receivable	12,645	10,665
Prepaid expenses	2,400	2,400
<b>Total current assets</b>	<b>1,141,547</b>	<b>1,458,543</b>
Property and equipment, net of accumulated depreciation \$26,065 and \$10,523 respectively	47,519	56,212
<b>Total Assets</b>	<b>\$ 1,189,066</b>	<b>\$ 1,514,755</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 173,179	\$ 185,498
Deferred revenue	95,940	216,095
<b>Total current liabilities</b>	<b>269,119</b>	<b>401,593</b>
Notes payable – related parties	95,209	95,209
<b>Total liabilities</b>	<b>364,328</b>	<b>496,802</b>
Stockholder's 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, 600,000 shares issued and outstanding	600	—
Common stock; \$0.001 par value, 4,900,000,000 shares authorized, 794,275,484 and 753,737,071 shares issued and outstanding, respectively	794,275	753,737
Additional paid-in capital	7,556,057	6,222,775
Accumulated deficit	(7,526,194 )	(5,958,559 )
<b>Total stockholder's equity</b>	<b>824,738</b>	<b>1,017,953</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 1,189,066</b>	<b>\$ 1,514,755</b>

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		Nine Months Ended	
	2011	2010	2011	2010
Revenue	\$252,510	\$399,395	\$1,641,389	\$1,073,383
Direct material costs	1,273	—	3,848	85,000
Gross profit	251,237	399,395	1,637,541	988,383
<b>Operating Expenses:</b>				
General and administrative	423,227	381,555	1,632,835	1,019,631
Depreciation	5,294	10,589	15,542	23,279
Income (Loss) from operations	(177,284 )	7,251	(10,836 )	(54,527 )
<b>Other Income (Expenses):</b>				
Other income	664	26	664	35,131
Realized loss on marketable securities	(14,789 )	(6,211 )	(31,341 )	(5,386 )
Unrealized loss on marketable securities	(1,401,400 )	(138,349 )	(1,514,266 )	(307,544 )
Interest expense	(2,938 )	(3,502 )	(8,798 )	(9,334 )
Other expense	(1,663 )	(606 )	(3,058 )	(1,389 )
Total other income (expenses)	(1,420,126 )	(148,642 )	(1,556,799 )	(288,522 )
Net loss	(1,597,410 )	(141,391 )	(1,567,635 )	(343,049 )
Deemed dividend on series A convertible preferred stock	—	—	(600,000 )	—
Net loss attributable to common stockholders	\$(1,597,410 )	\$(141,391 )	\$(2,167,635 )	\$(343,049 )
Net loss per common share attributable to common stockholders (basic and diluted)	\$(0.00 )	\$(0.00 )	\$(0.00 )	\$(0.00 )
Weighted average common shares outstanding (basic and diluted):	789,342,792	750,925,650	781,979,178	743,395,432

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

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

	Nine Months Ended September 30,	
	2011	2010
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss)	\$(1,567,635)	\$(343,049 )
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation expense	15,542	23,279
Common stock issued for services	774,420	316,997
Unrealized loss on marketable securities	1,514,266	307,544
Realized (gain) loss on marketable securities	31,341	5,386
Marketable securities received for revenue	(1,405,817)	(376,225 )
Restricted securities received for revenue		28,250
Changes in operating assets and liabilities:		
Accounts receivable	(1,980 )	(4,000 )
Prepaid expenses	—	4,882
Accounts payable and accrued expenses	(13,965 )	6,477
Taxes payable	—	(16,990 )
Deferred revenue	(197,867 )	(62,000 )
Accrued salaries	1,646	88,651
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(850,049 )</b>	<b>(20,798 )</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Cash paid for purchase of fixed assets	(6,849 )	(55,735 )
Proceeds from the sale of marketable securities	396,273	—
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>389,424</b>	<b>(55,735 )</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the sale of common stock	—	37,213
Proceeds from sale of series A convertible preferred stock	600,000	—
Borrowings on notes payable - related party	—	8,000
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>600,000</b>	<b>45,213</b>
Net increase in cash	139,375	(31,320 )
Cash, beginning of period	149,727	249,612
Cash, end of period	\$289,102	\$218,292
<b>SUPPLEMENTAL CASH FLOWS INFORMATION</b>		
Interest paid	\$48	\$576
Income taxes paid	—	—
Noncash Investing and Financing Activities:		
Marketable securities received for deferred revenue	\$77,712	56,250
Stock issued for the acquisition of fixed assets	—	11,000
Deemed dividend beneficial conversion feature on convertible preferred stock	600,000	—

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, 2010 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, 2010 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 \$7,526,194 as of September 30, 2011. 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 necessary if Crown Equity is unable to continue as a going concern.

NOTE 3 – MARKETABLE SECURITIES

Marketable securities are classified as available-for-sale and are presented in the balance sheet at fair market value.

Per Accounting Standards Codification 820 "Fair Value Measurement", fair values defined establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements.

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs that are not corroborated by market data



Crown Equity has classified these marketable securities at level 1 with a fair value of \$837,400 and \$1,295,751 as of September 30, 2011 and December 31, 2010, respectively.

Per Accounting Standards Codification 825 “The Fair Value Option for Financial Assets and Financial Liabilities—Including an Amendment of FASB Statement No. 115”, an entity is permitted to irrevocably elect fair value on a contract-by-contract basis for new assets or liabilities within the scope of ASC 825 as the initial and subsequent measurement attribute for those financial assets and liabilities and certain other items including property and casualty insurance contracts. Entities electing the fair value option are required to (i) recognize changes in fair value in earnings and (ii) expense any up-front costs and fees associated with the item for which the fair value option is elected. Entities electing the fair value option are required to distinguish, on the face of the statement of financial position, the fair value of assets and liabilities for which it has elected the fair value option, and similar assets and liabilities measured using another measurement attribute. An entity can accomplish this either by reporting the fair value and non-fair-value carrying amounts as separate line items or by aggregating those amounts and disclosing parenthetically the amount of fair value included in the aggregate amount.

Crown Equity adopted ASC 825 during the third quarter of fiscal 2009 and elected the fair value option for their marketable securities. The related gain/loss based on valuation on the mark to market each balance sheet date is reflected in the income statement.

#### NOTE 4 – REVENUE RECOGNITION

The Company provides various consulting services to companies and individuals dealing with corporate structure and operations globally. Crown Equity’s revenue is recognized pursuant to ASC 605 “Revenue Recognition.” The Company recognizes its revenue from services as those services are performed. Revenue recognition is limited to the amount that is not contingent upon delivery of any future product or service or meeting other specified performance conditions. Product sales, accounted for within fulfillment services, are recognized upon shipment to the customer and satisfaction of all obligations.

Contract revenues include royalties under license and collaboration agreements. Contract revenue related to technology licenses is fully recognized only after the license period has commenced, the technology has been delivered and no further involvement of Crown Equity is required.

Crown Equity receives payment for its services in both cash and equity instruments issued by the customer. The equity instruments are accounted for in accordance with the provisions of ASC 718 “Compensation – Stock Compensation” and is based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the date on which they are received by Crown Equity.

Amounts received for revenue not earned as of period end are accounted for as deferred revenues. As of September 30, 2011 and December 31, 2010, there was \$95,940 and \$216,095, respectively of deferred revenue.

#### NOTE 5 - RELATED PARTY TRANSACTIONS

On December 2, 2009, the Company signed a one year lease for 2,400 square feet of office space. The rent for the space is \$2,400 per month. The landlord is related to one of the officers of the Company. The lease was renewed on January 1, 2011 for one more year.

On November 20, 2009, the Company converted accounts payable and advances from Montse Zaman, a related party, of \$71,184 to a three-year unsecured note maturing on November 19, 2012. As of September 30, 2010 the balance increased by \$10,000 to \$81,184. During the period ending September 30, 2010 the amount outstanding was reduced by a payment of \$2,000 to \$79,184. Interest is incurred at 12% per annum unless the principal and interest are not paid by maturity at which time the interest rate accelerates to 18% per annum.

During the quarter ended March 31, 2007, the Company borrowed \$12,700 from Phoenix Consulting Services Inc. controlled by a related party. The loan is unsecured and matured on April 1, 2008 and accrued interest at 12% per annum. The note may be converted into common shares of the company at the holder's option at a conversion price to be determined in the future. Amounts outstanding under this agreement subsequent to April 1, 2008 accrued interest at 18% per annum. On November 20, 2009, the note including principal and interest totaling \$16,025 was converted to a long term note due November 19, 2012 with principal and interest due at maturity. If the principal and interest are not paid by maturity, the interest rate accelerates to 18% per annum. As of September 30, 2011 the outstanding principal balance due to the Montse Zaman and Phoenix Consulting Services was \$95,209 plus accrued interest of \$21,703 for a total of \$116,912.

#### NOTE 6 – EQUITY

During March 2011, Crown Equity designated 1,000,000 of its authorized preferred stock as Series A convertible preferred stock. The Series A has a par value of \$0.001 and each share is convertible into 100 common shares at the option of the holder.

During the nine months ended September 30, 2011, Crown Equity issued 40,538,413 common shares for services with a total value of \$774,420 as follows:

- 20,538,413 shares of common stock for compensation for \$374,420;
- 20,000,000 shares of common stock for consulting services for \$400,000.

During the nine months ending September 30, 2011 the Company issued 600,000 shares of Class A preferred shares for \$600,000 cash. Each share is convertible into 100 common shares at the option of the holder. Crown Equity evaluated the convertible preferred stock under FASB ASC 470-20-30 and determined it contained a beneficial conversion feature. The intrinsic value of the beneficial conversion feature was determined to be \$600,000. The beneficial conversion feature was fully amortized during the nine months ended September 30, 2011 and recorded as a deemed dividend.

NOTE 7 - CONTINGENCIES

In November, 2010, the Company, along with other individuals and entities, was named in a lawsuit filed federal court for the District of Nevada. The amended complaint alleges securities violations, breach of contract and defamation. The Company has engaged legal representation and believes the complaint and its allegations to be wholly without merit. The Company has filed a motion to dismiss and intends to vigorously defend itself in this matter, which the Company believes to be wholly without merit. The lawsuit was settled in July 2011. There is no penalty owed by Crown Equity under the settlement.

NOTE 8 – SUBSEQUENT EVENTS

During October 2011, Crown Equity issued an aggregate of 3,868,685 common shares for services accrued at September 30, 2011 valued at \$114,900.

During October 2011, Crown Equity issued an aggregate of 202,020 common shares for services valued at \$6,000.

During October 2011, 111,111 shares of common stock previously issued for services were cancelled. The shares were originally valued and expensed at \$2,000.

Item 2: MANAGEMENT'S DISCUSSION AND ANALYSIS

This report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Crown Equity's actual results could differ materially from those set forth on the forward looking statements as a result of the risks set forth in Crown Equity's filings with the Securities and Exchange Commission, general economic conditions, and changes in the assumptions used in making such forward looking statements.

OVERVIEW

Crown Equity Holdings Inc. ("Crown Equity") was incorporated in August 1995 in Nevada. The Company is offering its services to companies seeking to become public entities in the United States. It has launched a website, [www.crownequityholdings.com](http://www.crownequityholdings.com), which offers its services in a wide range of fields. The Company provides various consulting services to companies and individuals dealing with corporate structure and operations globally. The Company also provides public relations and news dissemination for publicly and privately held companies.

In December, 2010, the Company formed two wholly owned subsidiaries Crown Tele Services, Inc. and Crown Direct, Inc. Crown Tele Services, Inc. was formed to provide voice over internet ("VoIP") services to clients at a competitive price and Crown Direct, Inc. was formed to provide direct sales to customers. Both entities had minimum sales during the quarter.

In March, 2011, the Company formed a wholly owned subsidiary CRWE Real Estate, Inc. as a subsidiary to engage in potential real estate holdings. The entity had minimal activity during the quarter.

The Company has focused its primary vision to using its network of websites to provide advertising and marketing services, as a worldwide online media advertising publisher, dedicated to the distribution of quality branding information. The Company offers Internet media-driven advertising services, which cover and connect a wide range of marketing specialties, as well as search engine optimization for clients interested in online media awareness. As part of its operations, the Company has utilized the services of software and hardware technicians in developing its websites and adding additional websites. This allows the Company to disseminate news and press releases for its customers as well as general news and financial information on a much bigger scale than it did previously. The Company markets its services to companies seeking market awareness of them and the services or goods that they offer. The Company then publishes information concerning these companies on its many websites. The Company is paid in cash and/or stock of the customer companies. The Company has numerous consulting and service customers and is therefore not dependent on any particular customer for a majority of its revenue.

Crown Equity's office is located at 5440 West Sahara, Suite 205, Las Vegas, Nevada 89146.

As of September 30, 2011, Crown Equity had 13 employees and utilizing the services of 6 independent contractors and consultants.

## RESULTS OF OPERATIONS

For the three and nine month periods ending September 30, 2011, revenues were \$252,510 and \$1,641,389, respectively and for the same periods in 2010, revenues were \$399,395 and \$1,073,383, respectively. Net losses of \$1,597,410 and \$1,567,635 were recorded for the three and nine month periods ending September 30, 2011 compared to net losses of \$141,391 and \$343,049 for the same periods in 2010. The net loss for the three and nine month periods ending September 30, 2011 consisted of operating loss of \$177,284 and \$10,836, respectively. This compared to operating income of \$7,251 and an operating loss of \$54,527 for the same periods in 2010. Other income and expenses for the three and nine month periods ending September 30, 2011 was expense of \$1,420,126 and \$1,556,799, respectively. This compared to other expenses of \$148,642 and \$288,522 for the same periods in 2010. We incurred unrealized loss in the three months ending September 30, 2011 of \$1,401,400 compared to unrealized losses of \$138,349 for the three month in 2010. We incurred unrealized losses of \$1,514,266 for the nine months ended September 30, 2011 and \$307,544 for the three month period in 2010. These unrealized losses were a significant part of the variation in income and losses between periods.

General and administrative expense increased to \$1,632,835 from \$1,019,631 for the nine months ended September 30, 2011 and 2010 and to \$423,227 from \$381,555 for the three month periods. Interest expense incurred during the three and nine month periods ending September 30, 2011 was \$2,937 and \$8,798, respectively, compared \$3,502 and \$9,334 for the same periods in 2010. Crown Equity will attempt to carry out its business plan as discussed above; however, it cannot predict to what extent its capital resources could hinder its business plan.

## LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2011, Crown Equity had current assets of \$1,141,547 and current liabilities of \$269,119, resulting in working capital of \$872,428. Stockholders' equity as of September 30, 2011 was \$824,738. The working capital ratio was 4.24 as of September 30, 2011.

Net cash used in operations for the nine months ending September 30, 2011 was \$850,049 compared to net cash used of \$20,798 for the same period in 2010, a change of \$829,251.

Net cash provided by investing activities for the nine months ending September 30, 2011 was \$389,424 compared to net cash used of \$55,735 for the same period in 2010, a change of \$445,159. The cash provided in investing activities was due to the sale of stock received in payment for work completed by the Company.

Net cash provided by financing activities during the nine months ended September 30, 2011 was \$600,000 compared to net cash provided of \$45,213 in 2010, an increase of \$554,787. The change was due primarily to the issuance of Series A convertible preferred shares for \$600,000 during 2011.

Our existing capital may not be sufficient to meet Crown Equity's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. This condition raises 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 necessary if Crown Equity is unable to continue as a going concern.

#### EMPLOYEES

As of September 30, 2011, Crown Equity had 13 employees.

#### ITEM 3: CONTROLS AND PROCEDURES

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, Crown Equity is not required to provide information required under this Item.

#### ITEM 4T: CONTROLS AND PROCEDURES

##### (a) Evaluation of Disclosure Controls and Procedures

Based on their evaluation of our disclosure controls and procedures(as defined in Rule 13a-15e under the Securities Exchange Act of 1934 the "Exchange Act"), our principal executive officer and principal financial officer have concluded that as of the end of the period covered by this quarterly report on Form 10-Q such disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms because of the identification of a material weakness in our internal control over financial reporting which we view as an integral part of our disclosure controls and procedures. The material weakness relates to the lack of segregation of duties in financial reporting, as our financial reporting and all accounting functions are performed by an external consultant with no oversight by a professional with accounting expertise. Our CEO and CFO do not possess accounting expertise and our company does not have an audit committee. This weakness is due to the company's lack of working capital to hire additional staff. To remedy this material weakness, we intend to engage another accountant to assist with financial reporting as soon as our finances will allow.

##### Changes in Internal Control over Financial Reporting

Except as noted above, there have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our first quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS.

In November, 2010, the Company, along with other individuals and entities, was named in a lawsuit filed federal court for the District of Nevada. The amended complaint alleges securities violations, breach of contract and defamation. The Company has engaged legal representation and believes the complaint and its allegations to be wholly without merit. The Company has filed a motion to dismiss and intends to vigorously defend itself in this matter. The lawsuit was settled during July 2011 with no penalty owed by the Company.

ITEM 1A: RISK FACTORS

There have been no material changes to Crown Equity's risk factors as previously disclosed in our most recent 10-K filing for the year ending December 31, 2010.

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

During the nine months ended September 30, 2011, Crown Equity issued 40,538,413 common shares for services with a total value of \$774,420 as follows:

- 20,538,413 shares of common stock for compensation for \$374,420;
- 20,000,000 shares of common stock for consulting services for \$400,000.

During the nine months ending September 30, 2011 the Company issued 600,000 shares of Class A preferred shares with a value of \$600,000 for cash. The preferred shares carry a conversion privilege of 100 common shares for each preferred share.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4: [REMOVE AND RESERVE]

None

ITEM 5: OTHER INFORMATION.

On May 26, 2010 the Company filed an 8-K to disclose its filing of the Certificate of Designation with the State of Nevada authorizing 25,000 shares of Series A Preferred Stock, each share being convertible into 10,000 shares of common stock.

On July 21, 2010 the Company filed an 8-K amending its Articles of Incorporation to increase the number of authorized shares of common stock to 4,900,000,000 and the number of authorized preferred shares to 100,000,000. The Company also affected a 1 share for 10 shares forward split of its common stock.

On March 18, 2011 the Company filed an 8-K that the Board of Directors of the Company approved the filing of an amendment to the Company's previously filed Certificate of Designation for its Series A Preferred Stock. The amendment was filed on March 10, 2011. Previously, the Company had authorized 25,000 shares of its Series A Preferred Stock with each Series A share convertible into ten thousand (10,000) shares of the Company's common stock. The Board of Directors amended the Series A Preferred Stock by increasing the number of shares of the class

to 1,000,000 shares, each convertible into 100 shares of common stock at the holder's option. The Company also reported that it sold 600,000 shares of its Series A Preferred Stock to an unrelated third-party for \$600,000. The terms of the Series A Preferred Stock provide that the holder can convert the Preferred A Shares to common at its option. If the Series A Stock were converted to common stock, the number of common shares issuable would be 60,000,000 shares.



ITEM 6: EXHIBITS

EXHIBIT 31.1 Certification of Principal Executive Officer and Principal Financial Officer

EXHIBIT 32 Certification of Compliance to Sarbanes-Oxley

SIGNATURES

In accordance with 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.

CROWN EQUITY HOLDINGS INC.

By /s/ Kenneth Bosket  
Kenneth Bosket, CEO

By /s/ Lowell Holden  
Lowell Holden, CFO

Date November 14, 2011