DUKE REALTY CORP
Form 8-K/A
May 10, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K/A

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

Date of Report (Date of earliest event reported): February 28, 2006

DUKE REALTY CORPORATION

(Exact name of registrant as specified in its charter)

Indiana	**1-9044**	**35-1740409**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

600 East 96th Street, Suite 100, Indianapolis, Indiana	**46240**
(Address of Principal Executive Offices)	(Zip Code)

Registrant s telephone number, including area code: **(317) 808-6000**

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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12) o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets

On March 3, 2006, Duke Realty Corporation (the Company) filed a Current Report on Form 8-K (the Original Form 8-K) relating to the acquisition (the Acquisition) on February 28, 2006 by Duke Realty Limited Partnership, an Indiana limited partnership (the Operating Partnership) of which the Company is the sole general partner, of (i) a portfolio of commercial real estate properties consisting of approximately 2.3 million square feet of surburban office and light industrial buildings located in three primary submarkets in Northern Virginia, (ii) the operating assets of The Mark Winkler Company related to those commercial properties, and (iii) approximately 166 acres of undeveloped land associated with those properties, as described in the Original Form 8-K. This Current Report on Form 8-K/A (this Amendment) amends the Original Form 8-K to include historical and pro forma financial information that give effect to the Acquisition as of and for the year ended December 31, 2005, as required pursuant to Items 2.01 and 9.01 of the Securities and Exchange Commission s Form 8-K.

Item 9.01. Financial Statements and Exhibits

(a) *Financial Statements of Real Estate Property Acquired*. The following financial statements are filed with this Amendment and are included herein:

The Mark Winkler Operating Properties

Independent Auditors Report

Combined Statement of Revenue In Excess of Certain Expenses

Notes to Combined Statement of Revenues In Excess of Certain Expenses

(b) *Unaudited Pro Forma Financial Information*. The following financial statements are filed with this Amendment and are included herein:

Duke Realty Corporation and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Financial Statements for the Fiscal Year Ended December 31, 2005:

Unaudited Pro Forma Condensed Consolidated Balance Sheet
Unaudited Pro Forma Condensed Consolidated Statement Operations
Unaudited Notes to Pro Forma Condensed Consolidated Financial Statements

(d) *Exhibits*. The following exhibit is included in this Amendment:

23.1 Consent of KPMG LLP

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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.

DUKE REALTY CORPORATION

By:	/s/ Howard L. Feinsand Howard L. Feinsand Executive Vice President, General Counsel and Corporate Secretary

Dated: May 10, 2006

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Independent Auditors Report

The Board of Directors
Duke Realty Corporation

We have audited the accompanying combined statement of revenue in excess of certain expenses (the Combined Statement) of The Mark Winkler Operating Properties (the Properties) described in note 1 for the year ended December 31, 2005. This Combined Statement is the responsibility of Duke Realty Corporation s (Company) management. Our responsibility is to express an opinion on this Combined Statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Combined Statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Properties internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Combined Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Combined Statement. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Combined Statement was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the Form 8-K/A of the Company, as described in Note 2 to the Combined Statement. It is not intended to be a complete presentation of the Properties revenue and expenses.

In our opinion, the Combined Statement referred to above presents fairly, in all material respects, the combined revenue in excess of certain expenses, as described in Note 2, of the Properties for the year ended December 31, 2005, in conformity with U.S. generally accepted accounting principles.

KPMG LLP

Indianapolis, Indiana
April 28, 2006

THE MARK WINKLER OPERATING PROPERTIES
COMBINED STATEMENT OF REVENUE IN EXCESS OF CERTAIN EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2005

Revenue:	
Rental income, including recoveries from tenants	$ 55,922,720
Certain Expenses:	
Rental expenses	10,697,135
Real estate taxes	4,148,694
Interest expense	6,387,917
	21,233,746
Revenue in excess of certain expenses	$ 34,688,974

See accompanying notes to the Combined Statement.

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THE MARK WINKLER OPERATING PROPERTIES
NOTES TO COMBINED STATEMENT OF REVENUE IN EXCESS OF CERTAIN
EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2005

(1) Operating Properties

The Mark Winkler Operating Properties are part of a portfolio acquisition by Duke Realty Limited Partnership (the Partnership), of which Duke Realty Corporation (the Company) is the sole general partner, of certain assets from the Mark Winkler Company and affiliates that include land held for development and 32 rental properties. The Company acquired 29 of the rental properties in the first quarter of 2006 and will close on the remaining three buildings of the portfolio in the second quarter of 2006. Of the 32 total rental properties, one was placed in service in 2005 and one will be placed in service in 2006. Only the revenue and certain expenses of the 31 acquired properties that were in service as of December 31, 2005 (the Mark Winkler Operating Properties or the Properties) are included in this Combined Statement.

The Combined Statement for the year ended December 31, 2005 for the Mark Winkler Operating Properties relates to the following properties:

Property Location	**Property Type**	**Rentable Square Footage**
Alexandria, VA	Office	14,980
Alexandria, VA	Office	119,088
Alexandria, VA	Office	52,761
Alexandria, VA	Office	239,945
Chantilly, VA	Office	79,067
Alexandria, VA	Office	123,053
Alexandria, VA	Office	87,172
Alexandria, VA	Office	36,276
Alexandria, VA	Office	51,750
Alexandria, VA	Office	52,716
Alexandria, VA	Office	96,411
Chantilly, VA	Office	281,283
Chantilly, VA	Office	158,919
Chantilly, VA	Office	80,339
Chantilly, VA*	Office	82,205
Alexandria, VA	Office	216,482
Alexandria, VA	Office	199,005
Sterling, VA	Industrial	61,500
Sterling, VA	Industrial	69,587
Sterling, VA	Office	120,000
Sterling, VA	Industrial	94,545
Sterling, VA	Industrial	42,580
Sterling, VA	Office	24,196

THE MARK WINKLER OPERATING PROPERTIES
NOTES TO COMBINED STATEMENT OF REVENUE IN EXCESS OF CERTAIN
EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2005

(1) Operating Properties, continued

Sterling, VA	Industrial	57,600
Sterling, VA	Office	18,372
Sterling, VA	Industrial	24,050
Sterling, VA	Industrial	64,537
Sterling, VA	Industrial	21,600
Sterling, VA	Industrial	48,958
Sterling, VA	Industrial	43,120
Sterling, VA	Industrial	126,841
Chantilly, VA**	Office	169,540

* Property was placed in service in December 2005.

** Property excluded from the Combined Statement as it was not in service during 2005.

(2) Basis of Presentation

The accompanying Combined Statement has been prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in Form 8-K/A to be filed by the Company. The Combined Statement is not representative of the actual results of operations of the Mark Winkler Company and affiliates for the year ended December 31, 2005, due to the exclusion of the following expenses, which may not be comparable to the proposed future operations of the Mark Winkler Operating Properties:

- Depreciation and amortization.
- Property management fees.
- Other costs not directly related to the proposed future operations of the Mark Winkler Operating Properties.

Additionally, rental revenues from the properties related to leases with the Mark Winkler Company and affiliates are not included in the Combined Statement as they will be eliminated in consolidation when presenting the future operations of the Mark Winkler Operating Properties.

(3) Summary of Significant Accounting Policies

(A) Revenue Recognition

Rental income from leases with scheduled rental increases during their term are recognized for financial reporting purposes on a straight-line basis.

THE MARK WINKLER OPERATING PROPERTIES
NOTES TO COMBINED STATEMENT OF REVENUE IN EXCESS OF CERTAIN
EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2005

(B) Use of Estimates

Management has made a number of estimates and assumptions relating to the reporting and disclosure of revenue and certain expenses during the reporting period to prepare the Combined Statement in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(4) Rent Revenue

Space is leased to tenants under various operating leases with initial terms ranging from one year to twenty-five years. The leases provide for reimbursement of real estate taxes, common area maintenance and certain other operating expenses.

Future minimum rentals to be received under noncancelable operating leases in effect at December 31, 2005 are as follows:

2006	$ 50,682,983
2007	47,512,350
2008	45,357,777
2009	41,149,058
2010	34,997,135
Thereafter	119,975,017
	$ 339,674,320

(5) Interest Expense

The Mark Winkler Operating Properties have total secured mortgage debt outstanding, as of December 31, 2005, with a face value of approximately $113.2 million that matures from 2014 to 2025. The secured mortgage debt bears interest at fixed rates ranging from 5.57% to 8.33%. There was one property placed in service in December 2005 and, accordingly, interest expense was only recorded during the portion of 2005 in which it was in service.

THE MARK WINKLER OPERATING PROPERTIES
NOTES TO COMBINED STATEMENT OF REVENUE IN EXCESS OF CERTAIN
EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2005

(6) Debt Maturities

At December 31, 2005 the scheduled amortization and maturities of indebtedness of the Mark Winkler Operating Properties for the next five years and thereafter were as follows (in thousands):

2006	$ 1,107,210
2007	1,734,091
2008	1,892,461
2009	2,020,714
2010	2,157,888
Thereafter	104,306,325
	$ 113,218,689

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DUKE REALTY CORPORATION AND SUBSIDIARIES

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

The unaudited pro forma condensed consolidated balance sheet of Duke Realty Corporation and Subsidiaries (the Company) as of December 31, 2005 is presented as if the acquisition of the Mark Winkler Properties occurred on December 31, 2005. The unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2005 is presented as if the acquisition of the Mark Winkler Properties occurred on January 1, 2005.

The Company acquired 29 rental properties and land held for development in the first quarter of 2006 and will close on an additional three rental properties in the second quarter of 2006. Of the 32 total rental properties, one was placed in service in 2005 and one will be placed in service in 2006. The unaudited pro forma condensed consolidated financial statements of the Company should be read in conjunction with the Company s consolidated historical financial statements including the notes thereto. The unaudited pro forma condensed consolidated financial statements do not purport to represent the Company s financial position as of December 31, 2005, or the results of operations for the year then ended that would have actually occurred had the acquisition been completed on December 31, 2005 for the purposes of the balance sheet or January 1, 2005 for the purposes of the statement of operations, or to project the Company s financial position or results of operations as of any future date or for any future period.

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DUKE REALTY CORPORATION AND SUBSIDIARIES
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2005
(UNAUDITED, IN THOUSANDS, EXCEPT PAR VALUE AMOUNTS)

	Historical	The Mark Winkler Properties	Pro Forma		
ASSETS					
Net real estate investments	$ 5,034,422	$ 792,776 A	$ 5,827,198		
Cash and cash equivalents	26,732	6,692	6,345	19,466	19,035
Operating income(loss)	208,874	(119,511)	(36,923)	(288,040)	
Other Income (expense):					
Other income		—	438	—	
Interest income	81	—	81	—	
Realized gain/(loss) on securities	2,483	—	(7,242)	—	
Gain on debt forgiveness	14,764	—	16,083	—	
Other expense	(100)	—	(100)	—	
Interest expense	(475)	(1,044)	(1,716)	(1,993)	
Total other income(expense)	16,753	(1,044)	7,544	(1,993)	
Net income(loss)	$ 225,627	$ (120,555)	$ (29,379)	$ (290,033)	
Net income(loss) per share (basic and diluted):	$ 0.00	$ (0.00)	$ (0.00)	$ (0.00)	
Weighted average shares outstanding (basic and diluted):	72,350,357	68,933,328	71,575,193	68,657,436	

The accompanying notes are an integral part of the financial statements

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Crown Equity Holdings Inc.
STATEMENTS OF CASH FLOWS
Nine month periods ended September 30, 2009 and September 30, 2008
(Unaudited)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (29,379)	$ (290,033)
Adjustments to reconcile net income (loss) to cash used in operating activities:		
Depreciation expense	19,466	19,035
Stock for services	242,950	94,137
Gain on debt forgiveness	(16,083)	—
Realized (gain)/loss on securities	7,242	—
Net Change in:		
Accounts receivable	—	14,004
Accounts payable and accrued expenses	(1,148)	26,534
Accounts payable - related party	37,480	—
Accrued salaries-related parties	22,471	23,000
Deferred revenues	5,000	—
TOTAL CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	287,999	(113,323)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Cash paid for purchase of fixed assets	(1,811)	—
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from related party, net	(63,226)	59,134
Proceeds from sale of stock	25,000	—
Proceeds from notes payable, net	(1,000)	6,200
Notes payable-related party	2,650	—
TOTAL CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES	(36,576)	65,334
Net Increase (Decrease) in Cash	249,612	(47,989)
Cash, beginning of period	2,898	48,952
Cash, end of period	$ 252,510	$ 963
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income taxes paid	-	-
Non Cash Investing and Financing		
Common stock for accounts payable and accrued liabilities	$ 29,000	$ 15,000
Common Stock for vehicles	8,500	-
Securities received for deferred revenues	138,940	-
Contributed capital	106,064	-

The accompanying notes are an integral part of the financial statements

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Crown Equity Holdings Inc.
NOTES TO 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, 2008 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, 2008 as reported on Form 10-K, have been omitted.

NOTE 2 - GOING CONCERN

As shown in the accompanying financial statements, we have a working capital deficit as of September 30, 2009. This condition raises substantial doubt as to our ability to continue as a going concern. Management is trying to raise additional capital through increases in revenue and expansion of operations. The financial statements do not include any adjustments that might be necessary if we are 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. Crown Equity classified certain securities as long-term due to restrictions on transfers.

Per Accounting Standards Codification ("ASC") 820 "Fair Value Measurement", fair value is 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 as level 1 with a fair value of $125,000 as of September 30, 2009.

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 this quarter and elected the fair value option for their marketable securities.

NOTE 4 – REVENUE RECOGNITION

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 the equity instruments are received or the date on which the contract is issued for the services to be preformed related to the payments received by Crown Equity.

Amounts received for revenue not earned as of period end are accounted for as deferred revenues.

NOTE 5 - RELATED PARTY TRANSACTIONS

On September 29, 2009 Crown Marketing, Inc acquired from TaxMasters, Inc a majority of the outstanding shares of Crown Equity. As part of the merger agreement effective August 4, 2009 between Crown Partners, Inc and TaxMasters, Inc all outstanding balances due from Crown Equity to TaxMasters (Crown Partners) were forgiven. Just prior to the merger, Crown Equity owed Crown Partners $50,167 in advances and $55,897 in accounts payable. Crown Equity recognized this reduction of debt as contributed capital.

Crown Equity's Chief Financial Officer has advanced Crown Equity money for various purposes. As of September 30, 2009 Crown Equity was indebted to the Chief Financial Officer for notes payable of $53,860, advances of $22,689 and accounts payable of $6,135 for a total indebtedness of $82,684.

During the nine months ended, September 30, 2009 Crown Equity issued 2,225,000 shares of common stock to four related parties for compensation and a vehicle with a value of $210,150.

NOTE 6 – EQUITY

On August 31, 2009 the Company amended their Articles of Incorporation to reduce the number of authorized shares from 5,000,000,000 to 500,000,000.

During the nine months ended September 30, 2009 Crown Equity issued 3,271,000 shares of common stock between $0.02 and $0.10 per share. The shares were issued as follows:

- 250,000 issued for cash of $25,000
- 60,000 issued for accounts payable of $6,000
- 230,000 issued for accrued compensation payable of $23,000
- 2,506,000 issued for compensation of $242,950
- 100,000 issued for purchasing a vehicle from a related party for $2,000
- 125,000 issued for purchasing a vehicle from a non related party for $6,500

Note 7 - CONTINGENCIES

There is pending litigation in Arizona small claims court - Strojnik v. Crown Equity Holdings, Inc. Crown Equity has assessed the outcome of a loss as remote and furthermore the maximum liability in small claims court is $2,500. Crown Equity has not accrued any amounts related to this contingency.

Note 8 – SUBSEQUENT EVENTS

Crown Equity evaluated events up through November 12, 2009 and determined that there are none to disclose.

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. (the "Crown Equity" or "CEH") was incorporated on August 31, 1995 as "Visioneering Corporation" under the laws of the State of Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

In 2007, Crown Equity, through its wholly-owned subsidiary, Crown Trading Systems, Inc. ("CTS"), a Nevada corporation, began to develop, sell, and produce computer systems which are capable of running multiple monitors from one computer. At present, CTS is able to run 16 monitors off one CPU. In late, 2007, CTS began to attend trade shows and started selling these systems. On June 18, 2009 Crown Trading Systems, Inc was dissolved and the business became part of Crown Equity.

Additionally, CTS has entered into reseller and distribution agreements with over 30 wholesale and retail computer components to sell their products on CTS's website, www.crowntradingsystems.com.

Crown Equity is offering its services to companies and their management seeking to become public entities in the United States. It has launched a website, www.crownequityholdings.com, which offers its services in a wide range of fields.

Crown Equity's office is located at 9663 St Claude, Las Vegas, Nevada 89148.

As of September 30, 2009, Crown Equity had no employees but was utilizing the services of independent contractors and consultants.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2009 and 2008, we had revenues of $418,959 and $6,273 respectively, for net loss of $29,379 and $ 290,033, respectively. For the three months period ending September 2009 and 2008 revenues were $ 334,602 and $ zero with net income of $225,627 and a net loss of $120,555 respectively. During the period ending September 30, 2009 Crown Equity incurred deferred revenues of $ 143,940. General and administrative expense increased to $434,523 for the nine months ended September 30, 2009 as compared to $262,119 for the same period in 2008 and increased to $119,036 for the three months ended September 30, 2008 as compared to $107,800 for the three months ended September 30, 2009. Interest expense incurred during the nine month period ending September 30, 2009 was $1,716 compared $1,993 for the same period in 2008 and for the respective three months was $475 in 2009 and $1,044 for the same period for 2008. Depreciation for the three and nine months period ending September 30, 2009 was $6,692 and $19,466 respectively compared to 6,345 and $19,035 for the same periods in 2008. The revenue increases in 2009 are from a license sale of $250,000 and increased revenue from services of approximately $168,000. The increase in net income for the three month period and decrease in loss during the nine month period was the result of revenue increases in 2009 periods over the 2008 periods.

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, 2009, Crown Equity had current assets of $252,510 and current liabilities of $272,258, resulting in negative working capital of $ 19,748. Shareholders' equity as of September 30, 2009 was $139,470. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of Crown Equity.

Cash flow from operations for the period ending September 30, 2009 was $287,999 compared to ($113,323) for the same period in 2008 a positive increase of $401,322. Cash flow from investing activities was ($ 1,811) during the 2009 for the period ending September 30 compared to zero during the same period in 2008. Cash flow from financing activities during the period ended September 30, 2009 was ($36,576) compared to $65,334 in 2008, a decrease of $101,910. The increase in sales was a major factor in cash flow changes during the period ending September 30, 2009 compared to 2008.

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. As shown in the accompanying financial statements, for the nine months ended September 30, 2009, Crown Equity has a working capital deficit. 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, 2009, Crown Equity had no 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.

There is pending litigation in Arizona small claims court - Strojnik v. Crown Equity Holdings, Inc. Crown Equity has assessed the outcome of a loss as remote and furthermore the maximum liability in small claims court is $2,500. Crown has not accrued any amounts related to this contingency.

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, 2008.

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

During the nine months ended September 30, 2009 Crown Equity issued 3,271,000 shares of common stock between $0.02 and $0.10 per share. The shares were issued as follows:

- 250,000 issued for cash of $25,000
- 60,000 issued for accounts payable of $6,000
- 230,000 issued for accrued compensation payable of $23,000
- 2,506,000 issued for compensation of $242,950
- 100,000 issued for purchasing a vehicle from a related party for $2,000

- 125,000 issued for purchasing a vehicle from a non related party for $6,500

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5. OTHER INFORMATION.

On October 1, 2009 the Crown Equity filed an 8-K related to the transfer of Crown Equity shares from TaxMaster (Crown Partners) to Crown Marketing, Inc. effective September 29, 2009.

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/ Montse Zaman
Montse Zaman, CFO

Date: November 12, 2009

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