

Crown Equity Holdings, Inc.
Form 10-Q/A
August 16, 2012

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Amendment No. 1)

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
(State or other jurisdiction of
incorporation or organization)

33-0677140
(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 Accelerated filed
Non-accelerated Smaller reporting

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filer

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

EXPLANATORY NOTE

The sole purpose of this Amendment No. 1 to Crown Equity Holdings, Inc's. Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2012, filed with the Securities and Exchange Commission on August 14, 2012 (the "Form 10-Q"), is to furnish Exhibit 101 in accordance with Rule 405 of Regulation S-T. Exhibit 101 to this report provides the consolidated financial statements and related notes from the Form 10-Q formatted in XBRL (eXtensible Business Reporting Language).

No other changes have been made to the Form 10-Q. This Amendment No. 1 to the Form 10-Q speaks as of the original filing date of the Form 10-Q, does not reflect events that may have occurred subsequent to the original filing date and does not modify or update in any way disclosures made in the original Form 10-Q.

Pursuant to Rule 406T of Regulation S-T, the interactive data files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

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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

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 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 \$155,000 and \$562,400 as of June 30, 2012 and December 31, 2011, respectively.

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of June 30, 2012

Description	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant		Balance as of June 30, 2012
		Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets: Marketable Securities	\$155,000	\$-	\$ -	\$155,000

Assets and Liabilities Measured at Fair Value on a Recurring Basis as of December 31, 2011

Description	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant		Balance as of December 31, 2011
		Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets: Marketable securities	\$562,400	\$-	\$ -	\$562,400

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.

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 June 30, 2012 and December 31, 2011, there was zero and \$193,219, 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, 2012 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. Through June 30, 2012 the balance increased by \$10,000 and was offset by a payment of \$2,000 for an outstanding balance of \$79,184 as of June 30, 2012. 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 three months ended June 30, 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 June 30, 2012 the outstanding principal balance due to Phoenix Consulting Services was \$16,025.

During the six months ended June 30, 2012, the Company borrowed a total of \$8,200 from related parties. \$1,800 was from Cleantech Transit, Inc. which is a related party due to common Directors and officers and a director and officer of the Company. The remaining \$6,400 is from Monste Zaman, a shareholder and director of the company. The borrowings are unsecured, bear no interest and due on demand.

During June 2011, the Company entered into a service agreement with Cleantech Transit, Inc. which is a related party due to common Directors and officers. The Company provided consulting services to Cleantech from April 1, 2011 through June 30, 2012 in return for 5,000,000 shares. The fair value of the stock received was determined to be \$775,000 of which \$581,781 was recognized as revenue during 2011 and \$193,219 was recognized as revenue during the six months ended June 30, 2012. The fair value of these marketable securities at June 30, 2012 and December 31, 2011 was \$50,000 and \$480,000, respectively.

NOTE 6 – NOTES PAYABLE

During the six month period ended June 30, 2012 the Company borrowed an aggregate of \$59,000 under three notes payable as follows:

- Two 60-day unsecured notes bearing interest at 6% per annum for \$10,000 and \$14,000
- One 60-day note for \$35,000 bearing no interest secured by 3,500,000 shares of the Company stock to be issued if the note is not paid within the 60 day time period.

The \$10,000 and \$14,000 notes were paid during the six months ended June 30, 2012 through the issuance of 2,400,000 common shares. The fair value of the common stock was determined to be \$31,200 resulting in a loss on the extinguishment of debt of \$7,200.

The \$35,000 note was not repaid by its maturity date. Accordingly, the 3,500,000 common shares by which it was secured were issued to extinguish the note. The fair value of the common stock was determined to be \$45,500 resulting in a loss on the extinguishment of debt of \$10,500.

NOTE 7– EQUITY

During the six months ended June 30, 2012, Crown Equity issued 80,545,712 common shares as follows:

- 13,645,712 shares of common stock for compensation valued at \$219,851,
 - 1,000,000 shares of common stock for cash of \$10,000,
- 5,900,000 shares of common stock for notes payable valued at \$76,700 (see Note 6),
- and 60,000,000 shares of common stock for the conversion of 600,000 preferred shares.

During the period ended June 30, 2012, the Company also cancelled 713,288 shares originally issued to an independent contractor upon his resignation from the company.

NOTE 8 – CONTINGENCIES

During the six months ended June 30, 2012, the Company reached a settlement agreement with the Federal Labor standards resulting in \$29,743 of wages due former employees pertaining to regular and overtime payments for the year ended December 31, 2011.

NOTE 9– SUBSEQUENT EVENTS

On July 1, 2012, the Company issued 2,133,333 shares with a value of \$9,200 for compensation accrued as of June 30, 2012.

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, 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 June 30, 2012, Crown Equity had no employees and utilizing the services of 2 independent contractors and consultants.

RESULTS OF OPERATIONS

For the three month and six month period ending June 30, 2012, revenues were \$20,281 and \$215,714 and for the same periods in 2011, revenues were \$1,043,647 and \$1,388,879 respectively. A net loss of \$455,607 and \$538,817 was recorded for the three and six month period ending June 30, 2012 compared to net income of \$1,530,701 and \$29,775 for the same periods in 2011. The net loss for the three and six month period ending June 30, 2012 consisted of an operating loss of \$35,142 and \$112,568 compared to operating income of \$609,587 and \$166,448 in the same period in 2011. Other expenses for the three and six month period ending June 30, 2012 were \$420,465 and \$426,249. This compared to other income of \$921,114 for the three month period and other expenses of \$136,673 for the six month period in 2011. We incurred an unrealized loss during the three and six months ending June 30, 2012 of \$397,600 and \$402,000 compared to an unrealized gain of \$924,938 and unrealized loss of \$112,866 for the three and six month period ending June 30, 2011. These unrealized gains and losses were a significant part of the variation in net income and loss between periods.

General and administrative expense decreased to \$51,887 and \$320,219 for the three and six months ended June 30, 2012 from \$426,711 and \$1,209,683 for the three and six months ended June 30, 2011. The reduction of payroll and consulting services in 2012 was the majority of the decrease from year to year. Interest expense incurred during the three and six month period ending June 30, 2012 was \$2,856 and \$5,972 compared \$2,930 and \$5,860 for the same period in 2011.

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 June 30, 2012, Crown Equity had current assets of \$180,880 and current liabilities of \$219,042, resulting in negative working capital of \$38,162. Stockholders' equity as of June 30, 2012 was \$2,337.

Net cash used in operations for the six months ending June 30, 2012 was \$154,609 compared to net cash used of \$573,998 for the same period in 2011, a decrease of \$412,190.

Net cash provided by investing activities for the six months ending June 30, 2012 was \$4,194 compared to net cash provided of \$382,875 for the same period in 2011, a negative variance of \$378,681. The cash provided by investing activities during the six months ended June 30, 2012 and 2011 was due to the sale of stock received in payment for work completed by the Company.

Net cash provided by financing activities during the six months ended June 30, 2012 was \$77,200 compared to net cash provided of \$600,000 in 2011, a decrease of \$522,800. 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 June 30, 2012, 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.

None

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, 2011.

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

During the six months ended June 30, 2012, Crown Equity issued 80,545,712 common shares as follows:

- 13,645,712 shares of common stock for compensation valued at \$219,851,
 - 1,000,000 shares of common stock for cash of \$10,000,
 - 5,900,000 shares of common stock for notes payable valued at \$76,700,
 - and 60,000,000 shares of common stock for the conversion of 600,000 preferred shares.
- During the period ended June 30, 2012, the Company also cancelled 713,288 shares of common stock originally issued to an independent contractor upon his resignation from the company.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None

ITEM 4: [REMOVE AND RESERVE]

None

ITEM 5: OTHER INFORMATION.

None

ITEM 6: EXHIBITS

EXHIBIT
31.1 Certification of Principal Executive Officer

EXHIBIT
31.2 Certification of Principal Financial Officer

EXHIBIT
32.1 Certification of Compliance to Sarbanes-Oxley

EXHIBIT
32.2 Certification of Compliance to Sarbanes-Oxley

101.INS ** XBRL Instance Document

101.SCH ** XBRL Taxonomy Extension Schema Document

101.CAL ** XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF ** XBRL Taxonomy Extension Definition Linkbase Document

101.LAB ** XBRL Taxonomy Extension Label Linkbase Document

101.PRE ** XBRL Taxonomy Extension Presentation Linkbase Document

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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.

Date August 15, 2012

By: /s/ Kenneth Bosket
Kenneth Bosket,
CEO

Date August 15, 2012

By: /s/ Lowell Holden
Lowell Holden,
CFO