

Crown Equity Holdings, Inc.
Form 10-K/A
February 02, 2011

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

FORM 10-K/A
(Mark One)
 ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES
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 Number)

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

Registrant's telephone number, including area code: (702) 448-1543

Securities registered pursuant to Section 12(b) of the Act: None.

Name of each exchange on which registered: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock

Indicate by check mark if the registrant is a well-seasoned issuer, as defined in Rule 405 of the Securities Act
 Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15d of the Act
 Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or such shorter period of that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of

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this chapter) during the previous 12 months (or for such shorter period that the registrant was required to submit and post such files.) Yes x No "

Indicate by checkmark if disclosure of delinquent filers to Item 405 of Regulation S-K (§229.405) is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer "

Non-accelerated filer (Do not check if smaller reporting company

Smaller reporting company

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

The number of shares outstanding of the Company's \$.001 Par Value Common Stock as of March 8, 2010 was 72,880,632. The aggregate number of shares of the voting stock held by non-affiliates on March 10, 2010 was 26,023,220. The market value of these shares, computed by reference to the market closing price on March 8, 2010 was \$1,573,932 For the purposes of the foregoing calculation only, all directors and executive officers of the registrant have been deemed affiliates.

DOCUMENTS INCORPORATED BY REFERENCE: None.

PART I

ITEM 1. BUSINESS

A) General

Crown Equity Holdings Inc. formerly known as Micro Bio-Medical Waste Systems, Inc. (the “Company”) 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. None of the proposed business activities for which the Company’s name was changed produced any revenues or created any appreciable business activities for the Company.

In 2007, the Company, through a 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. CTS is able to run 16 monitors off one CPU. In late 2007, CTS began to attend trade shows and starting selling these systems. However, due to the economic downturn in the economy at the time, the demand for these multiple monitor systems did not materialize and the Company has shelved its plans to sell and market these multiple monitor systems for the present time.

In 2009, Crown Trading Systems was dissolved as a corporation and its business was absorbed into the Company. The Company still uses the trade name "Crown Trading Systems." CTS has reseller and distribution agreements with many wholesale and retail computer and components companies but is not presently engaged in this business due to the lack of demand at the present time. The Company may re-enter this field once the economy rebounds.

At the present time, the Company is offering its services to domestic and global 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 2009, the Company re-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.

In July, 2009, the Company granted a non-exclusive license to Velvet International, Inc. allowing Velvet to use the Company's system and method of rendering public financial relations over the Internet. The Company was paid a one-time licensing fee of \$250,000 for the license but will not receive any future royalty or license payments from Velvet. Revenue from this sale allowed the Company to expand its efforts in developing its normal course of business as describe above.

The Company's office is located at 5440 West Sahara, Suite 205, Las Vegas NV 89146.

As of December 31, 2009, the Company had no employees but was utilizing the services of independent contractors and consultants.

Item 2. Properties.

The Company has sub-leased office space from an affiliate of the Company at a cost of \$2,400 per month for a period of twelve months, expiring in December, 2010. The Company believes that this office space is sufficient for its needs for the period of the lease.

Item 3 Legal Proceedings.

The Company has pending litigation in Arizona small claims court - Strojnik v. Crown Equity Holdings, Inc. and Crown Partners, Inc which was filed September 25, 2008. The Company has assessed the outcome of a loss as remote and furthermore the maximum liability in small claims court is \$2,500. The Company has not accrued any amounts related to this contingency nor has there been any activity related to this matter.

Item 4. Submission of Matters to a Vote of Security Holders

In August, 2009, the Board of Directors proposed to decrease the Company's authorized capital as well as authorizing a class of preferred stock and making certain other changes to the Company's articles of incorporation. At a meeting held on October 15, 2009, the Company's majority shareholder approved an amendment to the Company's Articles of Incorporation decreasing the number of authorized shares of common stock from 5,000,000,000 from 490,000,000 and approving the creation of a class of preferred stock, consisting of 10,000,000 shares, par value \$.001, The Amended and Restated Articles of Incorporation also included the following changes to the original Articles of Incorporation and the many amendments filed thereto through the years:

- o added provisions governing the Board of Directors;
- o added a provision limiting the liability of directors;
- o permitting the votes of interested directors to be counted in certain transactions;
- o added a provision for the indemnification of officers and directors; and
- o added a provision permitting the Board of Directors to approve future stock splits without a vote of the stockholders without affecting the authorized capital stock.

Item 5. Market for Registrant's Common Equity and Related Shareholder Matters.

The Company's common stock is currently traded on the OTC Electronic Bulletin Board in the United States, having the trading symbol "CRWE" and CUSIP #22834M107. The Company's stock is traded on the OTC Electronic Bulletin Board. As of December 31, 2009, the Company had 72,880,632 shares of its common stock issued and outstanding, of which 26,023,220 were held by non-affiliates.

The following table reflects the high and low quarterly bid prices for the fiscal years ended December 31, 2008 and 2009.

Period	High Bid	Low Bid
1st Qtr 2008	.20	.10
2nd Qtr 2008	.16	.07
3rd Qtr 2008	.11	.03
4th Qtr 2008	.07	.01
1 st Qtr 2009	.11	.02
2 nd Qtr 2009	.075	.02
3 rd Qtr 2009	.11	.03
4 th Qtr 2009	.19	.04

The Internet provided the above information to the Company. These quotations may reflect inter-dealer prices without retail mark-up/mark-down/commission and may not reflect actual transactions.

As of December 31, 2009, the Company estimates there are 42 “holders of record” of its common stock and estimates that there are approximately 150 beneficial shareholders of its common stock. The Company has authorized 490,000,000 shares of common stock, par value \$.001 and 10,000,000 shares of preferred stock, par value \$.001, none of which are issued and outstanding.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management’s Discussion and Analysis or Plan of Operation.

FORWARD-LOOKING STATEMENTS MAY NOT PROVE ACCURATE

When used in this Form 10-K, the words “anticipated”, “estimate”, “expect”, and similar expressions are intended to identify forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions including the possibility that the Company will fail to generate projected revenues. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected.

OVERVIEW

The following discussion of the financial condition, changes in financial condition and results of operations of the Company for the fiscal years ended December 31, 2009 and 2008 should be read in conjunction with the financial statements of the Company and related notes included therein.

The Company was incorporated on August 31, 1995 as Visioneering Corporation. On January 12, 1996, the Company amended its Articles of Incorporation to change its name to Asiamerica Energy Corporation, to Care Financial Corporation in April 29, 1996 and to Trump Oil Corporation on May 15, 1997. In 1999, the Company acquired 20/20 Web Design, Inc., a Colorado corporation wholly owned by Crown Partners, Inc. As part of that transaction, the Company issued 8,620,000 shares of its common stock to Crown Partners with the result that Crown Partners owned 80% of the issued and outstanding shares of the Company. The Company also approved a ten-for-one reverse stock split as part of that transaction. In August, 2009, Crown Partners transferred its shares of the Company to Crown

Marketing Corporation ("Crown Marketing") in exchange for marketing and public relation services to be provided by Crown Marketing.

Since the agreements described above, the Company has financed its activities through the distribution of equity capital, including private placements of its common stock resulting in the Company raising capital of \$853,494 from 1995 to the present. The Company used the proceeds from these offerings to fund its proposed operations, to pay salaries, to pay general and administrative expenses and any necessary expenses.

The Company entered into an agreement to acquire Sanitec™ Services of Hawaii, Inc. ("SSH") from its majority shareholder, Crown Partners, in November, 2003. The Company was unable to secure the funding necessary to complete this transaction and SSH ceased operations in May, 2005. The Company paid a non-refundable deposit to Crown Partners of \$45,520, of which \$20,000 was advanced to SSH and Crown allowed the Company to retain the remaining \$25,520 to pay the Company's obligations. The Company issued shares of its common stock in restricted form to Crown in December 2007, which cancelled this debt.

In July, 2009, the Company received a one-time licensing fee of \$250,000 which it has utilized in funding its current operations. The Company also anticipates that as it proceeds with its planned advertising and marketing services, the revenues generated will be used to finance its operations in the short-term. However, since this is a new venture for the Company, it is not certain whether the revenues generated will be sufficient to sustain the Company in the long-term. The Company continues to search for additional areas in which it can generate revenue so that the Company will become profitable but there can be no guarantee that profitability will be achieved in the near- or long-term.

The Company's sales and revenues are projected to continue to increase during the future. The long term impact on the financial position and liquidity from this growth of operation should be positive. However, during the interim development of the web sites and marketing services may have negative impact on the financial position of the Company

The Company will attempt to carry out its business plan as discussed below. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan prior to the consummation of a business combination.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Company's most significant change in liquidity or capital resources or stockholders' equity has been receipts of proceeds from offerings of its capital stock and from a license fee. The Company's balance sheet as of December 31, 2009 reflects expanded assets and reduced liabilities from the previous year due to a significant increase in revenue over any previous years. The increase in revenue has had a positive impact on the Company's liquidity; however, it may not reflect the ability of the Company to fund itself without outside sources in the future. Further, there exist no agreements or understandings with regard to loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company. In the past, officers and directors of the Company have lent or advanced monies to the Company to fund operations, there are no formal agreements or arrangements for them to continue to do so. As of December 31, 2009, the Company had converted outstanding advances of \$71,184 due to Montse Zaman, an officer and director, to a three year unsecured note due on November 19, 2012, with interest accruing at 12% per annum.

The Company anticipates expanding its business in 2010 through the planned expansion of the Company's marketing and advertising services on a global basis. The Company hopes to begin hiring or retaining persons in other countries to translate the Company's websites, news releases and marketing efforts into various foreign languages such that the Company will become an international provider of news, public relations and press releases for its customers. The Company's plans will be limited, however, by its ability to finance such a proposed expansion of its business. If the revenues generated are not sufficient to finance these proposed operations, then the Company will have to scale back its proposed operations. The Company's ultimate success will be based upon whether or not there continues to be a demand for the services that the Company anticipates providing, which is also very dependent on the economy. There can be no assurance that there will be a demand for the Company's services in the future or that the Company will become profitable in providing these services. As the Company's expands its operations, the revenues received, in addition to paying current expenses, will also be utilized to fund its proposed global expansion making it unlikely that the Company will be profitable in the near future, if ever.

At December 31, 2009, the Company had working capital of \$164,392 which consisted of current assets of approximately \$257,714 and current liabilities of \$93,322. The current liabilities of the Company at December 31, 2009 are composed primarily deferred revenue of \$62,000, income tax accrual of \$16,990 and accounts payable and accrued expenses of \$14,332.

Cash flow provided by operating activities during the year ending December 31, 2009 was \$243,123 compared to a negative amount of \$127,394 for the same period in 2008. This represents a positive change of \$361,817. The primary factor to the positive change include a net profit of \$93,927 for the year ending December 31, 2009 compared to a net loss of \$316,131 during the same period in 2008.

Cash flow provided by financing was \$3,591 for the period ending December 31, 2009 compared to \$ 81,340 for the same period in 2008. The reduced level in 2009 was due to the reduction of advances and notes payable by related parties made compared to previous years offset by the sale of common stock totaling \$25,000 in 2009.

As of December 31, 2009, the Company had assets of \$480,207 and liabilities of \$180,531. Shareholders' Equity as of December 31, 2009 was \$299,676 compared to a shareholders' deficit of \$242,665 at December 31, 2008. Liabilities decreased in 2009 through the reduction of debt due related parties and decreased accounts payable. In addition short term debt of \$97,209 was converted to long term debt maturing November 19, 2012. The Company will attempt to carry out its plan of business as discussed above. The Company cannot predict to what extent its lack of liquidity and capital resources will hinder its business plan. The Company will need additional capital to fund that proposed operation.

NEED FOR ADDITIONAL FINANCING

The Company's existing capital may not be sufficient to meet the Company's cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended.

No commitments to provide additional funds have been made by management or other stockholders. Accordingly, there can be no assurance that any funds will be available to the Company to allow it to cover its expenses.

The Company might seek to compensate providers of services by issuances of stock in lieu of cash.

The Company is active in its business and since inception has experienced significant change in liquidity or capital resources or stockholders' equity through increased sales and business activity. The Company's balance sheet as of December 31, 2009 reflects assets of \$480,207 and liabilities of \$189,253. There exist no agreements or understandings with regard to future loan agreements by or with the Officers, Directors, principals, affiliates or shareholders of the Company.

RESULTS OF OPERATIONS

During the period from August 31, 1995 (inception) through December 31, 2008, the Company engaged in limited operations and attempted to commence operations in a number of different fields, none of which was ultimately successful or resulted in any appreciable revenues for the Company. For the year ended December 31, 2009, the Company had revenues of \$659,907 compared to \$23,190 revenues for the year ended December 31, 2008. For the year ended December 31, 2009, the Company had operating expenses of \$594,023 and net income of \$93,927. For the year ended December 31, 2008, the Company had operating expenses of \$313,204 resulting in a net loss of \$316,131. The difference in expenses between the two periods resulted from the Company's increased expenses in operations during 2009. The net income per share was \$0.00 for year ended December 31, 2009 and net loss per share of \$0.00, for the year ended December 31, 2008.

The difference in revenues from 2008 to 2009 resulted from a modification to the Company's operations. In 2008, the Company was focused on developing and marketing its multiple monitor computer systems as well as becoming an Internet sales site for the sale of computers and computer components. In 2009, the Company, while still interested in both these sectors of business, had to refocus its efforts due to the economic downturn, both domestically and internationally. The Company focused its efforts in building its website network as well as concentrating its efforts on creating a brand for itself. In 2009, the Company began to provide marketing, advertising and public relations for small and medium sized companies, through disseminating information through its network of websites. In addition, the Company received a one-time royalty payment of \$250,000 as revenue during the 2009 fiscal year. The balance of its revenues in 2009 came from its marketing, advertising and public relations services. The cost of revenue was \$2,805 due to the Company providing services and does not have inventory or product costs. The Company's expenses in 2009 were significantly higher than 2008 due to the expenses of compensating its contractors for its services totaling approximately \$408,000 which enabled the Company to produce the revenues for the year. The Company's professional services for the year were approximately \$81,000, depreciation was approximately \$25,000, computer costs were approximately \$12,000 and advertising expenses totaled \$10,187.

Item 8. Financial Statements.

Financial statements are audited and included herein beginning on Exhibit 1, page 1 and are incorporated herein by this reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no disagreements with accountants on accounting and financial disclosure during the relevant period.

Item 9a. Controls & Procedures

Evaluation of Disclosure Controls and Procedures

For purposes of this section, the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934, as amended (the "Act") (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. It should be noted that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on this evaluation, our CEO and CFO has concluded that the Company's disclosure controls and procedures are not effective because of the identification of a material weakness in our internal control over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

Changes in Internal Controls over Financial Reporting

We have not yet made any changes in our internal controls over financial reporting that occurred during the period covered by this report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our internal control system was designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes, in accordance with generally accepted accounting principles. Because of inherent limitations, a system of internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to change in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework. Based on its evaluation, our management concluded that there is a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

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 President does 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.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to the attestation by the Company's registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

The Company's management carried out an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2009. The Company's management based its evaluation on criteria set forth in the framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management has concluded that the Company's internal control over financial reporting was not effective as of December 31, 2009

Item 9B Other Information

None.

Part III

Item 10. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

Identification of Directors and Executive Officers of the Company

The following table sets forth the names and ages of all directors and executive officers of the Company and all persons nominated or chosen to become a director, indicating all positions and offices with the Company held by each such person and the period during which they have served as a director:

The principal executive officers and directors of the Company are as follows:

Name	Age	Positions Held and Tenure
Arnulfo Saucedo-Bardan	38	Chairman , Director since February, 2008
Steven Onoue	51	Director since July, 2002
Kenneth Bosket	63	CEO, Director since June 2008
Montse Zaman	35	Secretary, Treasurer, Director since February, 2008
Lowell Holden	67	CFO, Director since January 2010

The Directors named above will serve until the next annual meeting of the Company's stockholders. Thereafter, Directors will be elected for one-year terms at the annual stockholders' meeting. Officers will hold their positions at the pleasure of the Board of Directors, absent any employment agreement, of which none currently exist or is contemplated. There is no arrangement or understanding between the Directors and Officers of the Company and any other person pursuant to which any Director or Officer was or is to be selected as a Director or Officer of the Company.

There is no family relationship between or among any Officer and Director except that Arnulfo Saucedo-Bardan and Montse Zaman are brother and sister.

The Directors and Officers of the Company will devote their time to the Company's affairs on an "as needed" basis. As a result, the actual amount of time which each will devote to the Company's affairs is unknown and is likely to vary substantially from month to month.

The Company has no audit or compensation committee.

Business Experience. The following is a brief account of the business experience for the past five years of the directors and executive officers, indicating their principal occupations and employment during that period, and the names and principal businesses of the organizations in which such occupations and employment were carried out.

KENNETH BOSKET. Kenneth Bosket is a director of the Company. Mr. Bosket has been CEO of the Company since June, 2008. Mr. Bosket retired in 2004 after 30 years with Sprint (Telecommunication Division). Mr. Bosket is co-founder of JaHMa, a music company in Las Vegas, Nevada and a former Board Member and President of Bridge Counseling Associates, a mental health and substance abuse service company. His experience includes implementing appropriate procedures for positioning his organization's goals with successful teaming relationships, marketing and over 30 years of extensive customer service, as well as managing various departments, and being a western division facilitator working directly for a President of Sprint. Mr. Bosket has received numerous awards, such as the Pinnacle Award for his exceptional service with his former employer combined with his community service involvements. Mr. Bosket earned a Masters of Business Administration from the University of Phoenix and a Bachelor's of Business Administration from National University. Mr. Bosket brings to the Company extensive experience in managing employees as well as extensive marketing experience which has been invaluable in helping the Company move forward with offering its marketing and advertising services.

STEVEN ONOUE. Mr. Onoue is a director of the Company. Since 2009, Mr Onoue has been self-employed as a day trader of securities. From 2000 until August, 2009, Mr. Onoue was an officer and director of Crown Partners, Inc., the former majority shareholder of the Company. As part of his duties with Crown Partners, Mr. Onoue was formerly as vice president and manager of Sanitec™ Services of Hawaii, Inc., a wholly-owned subsidiary of Crown Partners, Inc. engaged in medical waste treatment and disposal, from 2000 until May, 2005. Prior to that, Mr. Onoue was the president of Cathay Atlantic Trading Company in Honolulu, Hawaii which traded in hard commodities and acted as consultant to many construction and renovation projects. Mr. Onoue acts as a community liaison and legislative analyst to Rep. Suzuki of the State of Hawaii. Mr. Onoue has been registered securities professional as well as a being involved in real estate in Hawaii for more than 15 years. Mr. Onoue brings his extensive experience in the securities and business fields to the Company. His experience in operating businesses as well as his keen understanding of the public securities markets for small cap companies makes him an asset to the Company.

ARNULFO SAUCEDO-BARDAN. Mr. Saucedo-Bardan joined the Company in 2008 and presently is in charge of the Company's developing the Company's international sales. Mr. Saucedo-Bardan is a businessman and developer and has been self-employed for more than five years. Prior to joining the Company, in 2005, Mr. Saucedo-Bardan owned and operated a small restaurant in Mexico which he closed in December, 2007. Mr. Saucedo-Bardan has a Bachelor's Degree in Engineering from the Instituto Tecnologico De La Laguna in Mexico. Mr. Saucedo-Bardan is the brother of Montse Zaman. Mr. Saucedo-Bardan's engineering experience has provided the Company with a great deal of assistance in developing and maintaining the Company's numerous websites as well as assisting in the constant monitoring and updating of these websites.

MONTSE ZAMAN. Montse Zaman is the secretary and treasurer for the Company. She worked for Zaman & Company, a private business consulting firm, as an administrative assistant from 2003 until the end of 2008 when she joined the Company. Ms. Zaman has extensive organizational experience and is involved in handling the day-to-day administrative operations of the Company. Ms. Zaman has an extensive background in journalism and has a degree in Communications from Instituto Superior De Ciencia Y Tecnologia A.C. in Mexico. Mrs. Zaman possesses strong administrative credentials which have proven invaluable in handling the daily operations of the Company and reporting and working directly with the Company's CFO in ensuring that all financial transactions are accurately and properly reported.

LOWELL HOLDEN. Lowell Holden is CFO and Chief Accounting Officer of the Company as well as a director. Since 1983, Mr. Holden has owned and operating his own consulting firm, LS Enterprises, Inc., which provides business consulting, accounting and other services to businesses. Mr. Holden has a broad range of business experience including managing, securing financing, structuring of transactions, and is experienced and knowledgeable in managing relationships with customers, financing institutions and stockholders. Mr. Holden also has a background in assisting companies in fulfilling their financial auditing and SEC reporting requirements. Mr. Lowell Holden has a Bachelor's of Science degree from Iowa State University.

CONFLICTS OF INTEREST

The Officers and Directors of the Company will devote only a small portion of their time to the affairs of the Company, estimated to be no more than approximately 15 hours per month. There will be occasions when the time requirements of the Company's business conflict with the demands of their other business and investment activities. Such conflicts may require that the Company attempt to employ additional personnel. There is no assurance that the services of such persons will be available or that they can be obtained upon terms favorable to the Company.

There is no procedure in place which would allow the Officers and Directors to resolve potential conflicts in an arms-length fashion. Accordingly, they will be required to use their discretion to resolve them in a manner which they consider appropriate.

The Company's Officers and Directors may actively negotiate or otherwise consent to the purchase of a portion of their common stock as a condition to, or in connection with, a proposed merger or acquisition transaction. It is anticipated that a substantial premium over the initial cost of such shares may be paid by the purchaser in conjunction with any sale of shares by the Company's Officers and Directors which is made as a condition to, or in connection with, a proposed merger or acquisition transaction. The fact that a substantial premium may be paid to the Company's Officers and Directors to acquire their shares creates a potential conflict of interest for them in satisfying their fiduciary duties to the Company and its other shareholders. Even though such a sale could result in a substantial profit to them, they would be legally required to make the decision based upon the best interests of the Company and the Company's other shareholders, rather than their own personal pecuniary benefit.

The Company previously adopted a Code of Ethics in 2004. The Company has revised the Code of Ethics and is adopting a new Code of Ethics which applies to its directors as well as to its officers including its principal executive officer, principal financial officer, and principal accounting officer. A copy of the Code of Ethics is attached as an Exhibit to this Report and is also available on the Company's website, www.crownequityholdings.com. A copy of the Code of Ethics is also available at no charge to anyone who may send a request in writing to the Company, addressed to its CEO, at 5440 West Sahara Avenue, Suite 205, Las Vegas, NV 89146.

Identification of Certain Significant Employees. The Company does not employ any persons who make or are expected to make significant contributions to the business of the Company.

Item 11. Executive Compensation.

During fiscal 2009 the Company paid its officers and directors an aggregate of \$61,750 plus issued 2,270,000 shares of common stock worth \$227,000 for an aggregate value of \$ 288,750 for their services.

The following table sets for the compensation for all officers and directors during the past three years:

Summary Compensation Table

Name and Principal Position	Year	Annual compensation			Long-term compensation			All other compensation (\$)(1)
		Salary (\$)	Bonus (\$)	Other annual compensation (\$)	Awards Restricted stock award(s) (\$)	Securities underlying options/SARs (#)	Payouts LTIP payouts (\$)	
Kenneth Bosket, CEO, Director	2009	19,500	-	-	17,600	-	-	37,100
	2008	12,000(1)	-	-	-	-	-	12,000
	2007	—	-	-	-	-	-	-
Arnulfo Saucedo-Bardan, Chairman, Director	2009	21,800	-	-	41,400	-	-	63,200
	2008	3,000(2)	-	-	-	-	-	3,000
	2007	-	-	-	-	-	-	-
Montse Zaman, Secretary, Treasurer, Director	2009	20,450	-	-	87,550	-	-	108,000
	2008	20,700(3)	-	-	-	-	-	20,700-
	2007	12,000	-	-	-	-	-	12,000
Steven Onoue, Director	2009	-	-	-	10,000	-	-	10,000
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-
Lowell Holden, CFO, Director	2009	-	-	-	-	-	-	-
	2008	-	-	-	-	-	-	-
	2007	-	-	-	-	-	-	-

(1) Mr. Bosket received \$9,000 in cash and \$ 3,000 in accrued compensation

(2) Mr. Saucedo-Bardan received \$3,000 in accrued compensation

(3) Ms. Zaman received \$3,700 in cash and \$17,000 in accrued compensation

Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meeting of the Board of Directors.

The Company has no material bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to the Company's directors or executive officers.

The Company has no compensatory plan or arrangements, including payments to be received from the Company, with respect to any executive officer or director, where such plan or arrangement would result in any compensation or remuneration being paid resulting from the resignation, retirement or any other termination of such executive officer's employment or from a change-in-control of the Company or a change in such executive officer's responsibilities following a change-in-control and the amount, including all periodic payments or installments where the value of such compensation or remuneration exceeds \$100,000 per executive officer.

During the last completed fiscal year, no funds were set aside or accrued by the Company to provide pension, retirement or similar benefits for Directors or Executive Officers.

The Company has no written employment agreements.

In December, 2007, the Company adopted the Crown Equity Holdings, Inc. Consultants and Employees Stock Plan for 2007. Under the Plan, 10,000,000 shares are reserved for issuance to employees, officers, directors, advisors and consultants. As of December 31, 2009, 3,371,000 shares had been issued under the Plan.

Termination of Employment and Change of Control Arrangement. Except as noted herein, the Company has no compensatory plan or arrangements, including payments to be received from the Company, with respect to any individual named above from the latest or next preceding fiscal year, if such plan or arrangement results or will result from the resignation, retirement or any other termination of such individual's employment with the Company, or from a change in control of the Company or a change in the individual's responsibilities following a change in control.

Section 16(a) Beneficial Ownership Reporting Compliance. During the year ended December 31, 2009, the following persons were officers, directors and more than ten-percent shareholders of the Company's common stock:

Name	Position	Filed Reports
Steven Onoue	Director	Yes
Kenneth Bosket	Officer, Director	Yes
Arnulfo Saucedo-Bardan	Officer, Director	Yes
Montse Zaman	Officer, Director	Yes
Lowell Holden	Officer, Director	Yes
Crown Marketing	Shareholder	Yes

Item 12. Security Ownership of Certain Beneficial Owners and Management.

There were 72,880,632 shares of the Company's common stock issued and outstanding on December 31, 2009. There are 10,000,000 shares of preferred stock, par value \$.001, authorized but none issued. The following tabulates holdings of shares of the Company by each person who, subject to the above, at the date of this Report, holds or record or is known by Management to own beneficially more than five percent (5%) of the Common Shares of the Company and, in addition, by all directors and officers of the Company individually and as a group.

Names and Addresses	Number of Shares Owned Beneficially	Percent of Beneficially Owned Shares
Steven Onoue (1) 5440 Sahara, Suite 205 Las Vegas, NV 89146	350,000	0.48%
Kenneth Bosket (1) 5440 Sahara, Suite 205 Las Vegas, NV 89146	510,002	0.7%
Arnulfo Saucedo-Bardan (1) 5440 Sahara, Suite 205 Las Vegas, NV 89146	680,000	0.93%
Montse Zaman (1) 5440 Sahara, Suite 205 Las Vegas, NV 89146	1,082,000	1.48%
Lowell Holden(1) 5440 Sahara, Suite 205 Las Vegas, NV 89146	156,000	.22%
Crown Marketing Corporation Mina #222 Sur, Gomez Palacio Durango Mexico CP 35000	44,079,410	60.48
Aida Bardan Gloria(2) Mina #222 Sur, Gomez Palacio Durango Mexico CP 35000	44,079,410	60.48
All directors and officers as a group (5)	2,778,002	3.81%

(1) Denotes officer or director.

(2) Mrs. Bardan Gloria is the sole shareholder of Crown Marketing Corp. She is the mother of Montse Zaman and Arnulfo Saucedo-Bardan. Both Ms. Zaman and Mr. Saucedo-Bardan disclaim any beneficial interest in the shares owned by Crown Marketing.

Change in Control. There are no arrangements known to the Company, including any pledge by any person of securities of the Company, the operation of which may at a subsequent date result in a change of control of the Company.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon	Weighted-average exercise price of	Number of securities remaining available
---------------	--	------------------------------------	--

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	exercise of outstanding options, warrants and rights	outstanding options, warrants and rights	for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	0	n/a	6,629,000
Equity compensation plans not approved by security holders			0
Total			6,629,000

The Company utilizes the shares available under the Plan described above to issue shares of stock as compensation to employees, consultants and officers and directors. At the end of each quarter, the Board of Directors of the Company determines the amount of shares to be issued pursuant to the Plan.

Item 13. Certain Relationships and Related Transactions.

In 2009, the Company paid the following related parties:

- Ken Bosket, CEO and director, \$19,500 cash and 410,000 shares of restricted stock for a total value of \$37,100
- Arnulfo Saucedo-Bardan, director and employee, \$21,800 cash and 680,000 shares of restricted stock for a total value of \$63,200.
- Montse Zaman, officer and director, \$20,450 cash and 1,080,000 shares of restricted stock for a total value of \$108,000
 - Steven Onoue, director, 100,000 shares of restricted stock for a total value of \$10,000

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 or \$28,800 due in 2010. The landlord is Ms. Zaman's husband.

Crown Equity shared office space at a cost of \$845 per month with its majority shareholder, Crown Partners, Inc. Crown Equity entered into this lease in August 2007 and it expired in July 2008. Since the expiration of the lease and through December 31, 2009, Crown Equity office space was provided by one of the officers.

On September 29, 2009 Crown Marketing, Inc. acquired from TaxMasters, Inc. a majority of the outstanding shares of Crown Equity. As part of this transaction effective August 4, 2009, 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 Marketing Corp. is owned by the mother of Ms. Zaman and Mr. Saucedo-Bardan, directors of the Company.

During December 2008, Crown Equity's then-Chief Financial Officer Montse Zaman advanced the company \$24,335 in notes payable. As of December 31, 2009 and 2008, \$0 and \$51,210 were outstanding.

As of December 31, 2008, amounts were due to Crown Partners of \$55,897 and Montse Zaman, Chief Financial Officer, of \$18,822. During 2009, \$10,000 was paid, and as of December 31, 2009, the amount outstanding was zero.

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. 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 can be converted into common shares of the company at the holder's option at a to be determined in the future conversion price. 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 \$16,024 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.

Of the Company's five directors, only Messrs. Holden and Onoue may be considered "independent" directors as they are the only directors which are not also employed by the Company and/or work out of the Company's headquarters in Las Vegas, Nevada. The Company has no committees and therefore has no independent directors serving on committees

Item 14. Principal Accounting Fees and Services

The following table presents for each of the last two fiscal years the aggregate fees billed in connection with the audits of our financial statements and other professional services rendered by our independent registered public accounting firm MaloneBailey, LLP, Certified Public Accountants and Consultants.

	2009	2008
Audit fees	\$ 13,828	\$ 12,223
Audit related fees	0	0
Tax fees	6,000	0
All other fees	0	0

Audit fees represent the professional services rendered for the audit of our annual financial statements and the review of our financial statements included in quarterly reports, along with services normally provided by the accounting firm in connection with statutory and regulatory filings or engagements. Audit-related fees represent professional services rendered for assurance and related services by the accounting firm that are reasonably related to the performance of the audit or review of our financial statements that are not reported under audit fees.

Tax fees represent professional services rendered by the accounting firm for tax compliance, tax advice, and tax planning. All other fees represent fees billed for products and services provided by the accounting firm, other than the services reported for in the other categories.

Item 13. Exhibits and Reports on Form 8-K.

On October 1, 2009 an 8-K was filed reporting the change of control of the Company from Crown Partners, Inc. to Crown Marketing, Inc.

(a) Financial Statements and Schedules

The following financial statements and schedules are filed as part of this report:

Report of Independent Registered Public Accounting Firm	F-1
Balance Sheets as of December 31, 2009 and 2008	F-2
Statements of Operations for the Years Ended December 31, 2009 and 2008	F-3
Statement of Stockholders' Equity for the Years Ended December 31, 2009 and 2008	F-4
Statements of Cash Flows for the Years Ended December 31, 2009 and 2008	F-5
Notes to Financial Statements	F-6

EXHIBITS FILED WITH THIS REPORT

Exhibits required by Item 601 of Regulation S-K. The following exhibits are filed as a part of, or incorporated by reference into, this Report.

Exhibit

Number	Description
3(i)	Amended and Restated Articles of Incorporation
3(ii)	Bylaws
10(5)	License Agreement with Velvet International
10(6)*	Stock Purchase Agreement by and between TaxMasters, Inc. and Crown Marketing Corp.
14	Code of Business Conduct and Ethics
31.1*	Certifications Required by Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Exhibit filed herewith

(b) There was one report on Form 8-K during the fourth quarter of the Company's fiscal year ended December 31, 2009.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, in the City of Las Vegas, State of Nevada, on January 31, 2011.

CROWN EQUITY HOLDINGS, INC.

By: /s/ Kenneth Bosket
Kenneth Bosket, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on January 31, 2011.

Signature	Title
/s/ Arnulfo Saucedo-Bardan Arnulfo Saucedo-Bardan	Chairman, Director
/s/ Kenneth Bosket Kenneth Bosket	Director, Chief Executive Officer
/s/ Steven Onoue Steven Onoue	Director
/s/ Montse Zaman Montse Zaman	Director, Secretary, Treasurer
/s/ Lowell Holden Lowell Holden	Director, Chief Financial Officer (Principal Financial Officer), Principal Accounting Officer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Crown Equity Holdings Inc.
Las Vegas, Nevada

We have audited the accompanying balance sheets of Crown Equity Holdings Inc. (“the Company”) as of December 31, 2009 and 2008, and the related statements of operations, shareholders’ equity (deficit), and cash flows for the years then ended. These financial statements are the responsibility of Crown Equity Holdings Inc.’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included 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 Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crown Equity Holdings Inc. as of December 31, 2009 and 2008 and the results of operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that Crown Equity Holdings Inc. will continue as a going concern. As discussed in Note 2 to the financial statements, Crown Equity Holdings Inc. has historically suffered losses from operations which raise substantial doubt about its ability to continue as a going concern. Management’s plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ MaloneBailey, LLP
www.malonebailey.com
Houston, Texas
March 8, 2010

CROWN EQUITY HOLDINGS, INC.
BALANCE SHEETS

	December 31, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 249,612	\$ 2,898
Prepaid Expenses	8,102	—
Total current assets	257,714	2,898
Fixed assets		
Equipment, net of accumulated depreciation	17,993	43,373
Restricted securities	204,500	—
Total Assets	\$ 480,207	\$ 46,271
LIABILITIES AND STOCKHOLDERS' EQUITY(DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	\$ 14,332	\$ 40,393
Accounts payable - related party	—	74,718
Salaries payable	—	23,000
Advances from related party	—	85,915
Note payable - related party	—	51,210
Notes payable	—	13,700
Tax payable	16,990	—
Deferred revenue	62,000	—
Total current liabilities	93,322	288,936
Long term liabilities		
Notes payable – related parties	87,209	—
Total liabilities	180,531	288,936
STOCKHOLDERS' EQUITY(DEFICIT)		
Preferred stock, \$001 par value, 10,000,000 authorized, none issued		
Common stock, \$.001 par value, 490,000,000 shares authorized, 72,880,632 and 69,199,632 shares issued and outstanding, respectively	72,881	69,200
Additional-paid-in-capital	6,475,637	6,030,904
Accumulated deficit	(6,248,842)	(6,342,769)
Total stockholders' equity(deficit)	299,676	(242,665)
Total Liabilities and Stockholders' Equity(Deficit)	\$ 480,207	\$ 46,271

See summary of significant accounting policies and notes to financial statements.

CROWN EQUITY HOLDINGS, INC.
STATEMENT OF OPERATIONS
Years Ended December 31, 2009 and 2008

	2009	2008
Revenues	\$ 659,907	\$ 23,190
Cost of revenues	2,805	17,341
Operating expenses:		
General and administrative	568,643	293,675
Depreciation	25,380	25,380
Operating income(loss)	63,079	(313,204)
Other income		
Gain on debt forgiveness	16,083	—
Interest income	225	—
Realized gain(loss)	9,515	—
Unrealized gain(loss)	26,387	—
Total other income	52,210	—
Other expenses:		
Interest expense	(3,015)	(2,927)
Other expense	(1,357)	—
Total other expense	(4,372)	(2,927)
Total other income(expense)	(47,838)	(2,927)
Net income(loss) before taxes	\$ 110,917	\$ (316,131)
Tax	\$ 16,990	—
Net income (loss)	\$ 93,927	\$ (316,131)
Net income(loss) per share:		
Net income(loss) basic and diluted	\$ 0.00	\$ (0.00)
Weighted average shares outstanding:		
Basic and diluted	71,881,265	68,793,729

See summary of significant accounting policies and notes to financial statements.

CROWN EQUITY HOLDINGS, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
Years Ended December 31, 2009 and 2008

	Common Shares		Additional	Accumulated	Total
	Shares	Amount	Paid In Capital	Deficit	
Balance, December 31, 2007	68,572,984	\$ 68,573	\$ 5,922,397	\$ (6,026,638)	\$ (35,668)
Issuance of common stock for accounts payable	100,000	100	14,900		15,000
Issuance of common stock for services	836,668	837	93,297		94,134
Cancellation of common stock	(310,020)	(310)	310		—
Net loss				(316,131)	(316,131)
Balance, December 31, 2008	69,199,632	\$ 69,200	\$ 6,030,904	\$ (6,342,769)	\$ (242,665)
Issuance of common stock for cash	250,000	250	24,750		25,000
Issuance of common stock for accounts payable	60,000	60	5,940		6,000
Issuance of common stock for service	896,000	896	72,024		72,920
issuance of common stock for service to related parties	2,475,000	2,475	235,955		238,430
Debt forgiveness related party			106,064		106,064
Net income				93,927	93,927
Balance , December 31, 2009	72,880,632	72,881	6,457,637	(6,248,842)	299,676

See summary of significant accounting policies and notes to financial statements

CROWN EQUITY HOLDINGS, INC.
STATEMENT OF CASH FLOWS
Years Ended December 31, 2009 and 2008

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income(loss)	\$ 93,927	\$ (316,131)
Adjustments to reconcile net loss to cash used in operating activities:		
Depreciation expense	25,380	25,380
Common stock issued for services	311,350	94,135
Unrealized (gain)/loss on securities	(26,387)	—
Realized (gain)/loss on securities	(9,515)	—
Net Change in:		
Accounts receivable	—	14,004
Accounts payable and accrued expenses	(16,736)	22,357
Accounts payable and accrued expense- related party	(14,187)	32,861
Prepaid expenses	(8,102)	—
Restricted Securities	(106,597)	—
Income Tax Payable	16,990	—
Accrued salaries	(23,000)	—
TOTAL CASH FLOWS PROVIDED IN OPERATING ACTIVITIES	243,123	(127,394)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances- related party	(10,409)	66,005
Note payable payments to - related party	(10,000)	14,335
(Payments on) note payable	(1,000)	1,000
Proceeds for sale of stock	25,000	—
TOTAL CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	3,591	81,340
Net Increase (Decrease) in Cash	246,714	(46,054)
Cash, beginning of period	2,898	48,952
Cash, end of period	\$ 249,612	\$ 2,898
SUPPLEMENTAL DISCLOSURES:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	-	-
NONCASH TRANSACTIONS:		
Common stock issued for stock payable	\$ —	\$ 15,000
Securities received for deferred revenue	62,000	—
Stock for accounts payable and accrued liabilities	6,000	—
Related party liabilities converted to long term debt-related party	97,209	—

See summary of significant accounting policies and notes to financial statements.

CROWN EQUITY HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF BUSINESS AND SUMMARY OF ACCOUNTING POLICIES

Nature of Business

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.

In 2007, the Company, through a 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. CTS is able to run 16 monitors off one CPU. In late 2007, CTS began to attend trade shows and starting selling these systems. In 2009, Crown Trading Systems was dissolved as a corporation and its business was absorbed into the Company.

On September, 30, 2009 Crown Marketing, Inc acquired controlling interest of the Company from Crown Partners, Inc.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheet. Actual results could differ from those estimates.

Cash and Cash Equivalents

Crown Equity considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Stock Based Compensation

The company adopted the provisions of ASC 718 requiring employee equity awards to be accounted for under the fair value method. Accordingly, share-based compensation is measured at grant date, based on the fair value of the award and is recognized as expense over the requisite employee service period. The Company estimates the fair value of share-based payments using the Black-Scholes option-pricing model for common stock options and the closing price of the company's common stock for common share issuances.

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 service or meeting other specified performance conditions.

Services are normally completed as described on the sales invoice issued for the service provided. In most cases the services is a one-time completion and recognized when the service is completed. If a service is provided over a time period that exceeds 30 days the revenue is recognized on a monthly basis at the end of the month in which it is completed.

Contract revenues include royalties under license. 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 performed related to the payments received by Crown Equity. During the year ended December 31, 2009 the Company received equity securities valued at \$216,685 for payment of services to the Company.

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

Marketable Securities

In accordance with Accounting Standards Codification 825 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 upfront 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 in the third quarter and elected the fair value option for all their marketable securities. Securities classified as long term or are not freely marketable are classified as restricted securities.

Management has elected the fair value option as management believes it best reflects the true market value of the securities at the date of valuation.

The Company reports the change in value of the securities as realized or unrealized gains or losses on a quarterly basis. The gain or loss is calculated as the difference between the acquiring value and the closing market value at the end of the reporting period. As of December 31, 2009 the Company reported realized gains of \$9,515 and unrealized gains of \$26,387.

Property and equipment

Property and equipment are carried at the cost of acquisition or construction and depreciated over the estimated useful lives of the assets. Costs associated with repair and maintenance are expensed as incurred. Costs associated with improvements which extend the life, increase the capacity or improve the efficiency of our property and equipment are capitalized and depreciated over the remaining life of the related asset. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which are 3 to 5 years.

Impairment of long-lived assets

The Company reviews the carrying value of its long-lived assets annually or whenever events or changes in circumstances indicate that the historical-cost carrying value of an asset may no longer be appropriate. The Company assesses recoverability of the asset by comparing the undiscounted future net cash flows expected to result from the asset to its carrying value. If the carrying value exceeds the undiscounted future net cash flows of the asset, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived asset. Fair value is estimated based upon either discounted cash flow analysis or estimated salvage value. No impairment charge was recorded in 2009 or 2008.

Basic and diluted net income (loss) per share

Basic and diluted net income (loss) per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. They include the dilutive effect of common stock equivalents in years with net income. Basic and diluted net income (loss) per share are the same due to the absence of common stock equivalents.

Income Taxes

Crown Equity recognizes deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities using the enacted tax rates and laws that are expected to be in effect when the differences are expected to be recovered. Crown Equity provides a valuation allowance for deferred tax assets for which it does not consider realization of such assets to be more likely than not.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, marketable securities and debt. The carrying amount of these financial instruments approximates fair value due either to length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these consolidated financial statements.

Crown Equity does not expect the adoption of any recently issued accounting pronouncements to have a significant impact on their financial position, results of operations or cash flows.

NOTE 2 - GOING CONCERN

As shown in the accompanying financial statements, Crown Equity has an accumulated deficit of December 31, 2009. Crown Equity had an increase in equity of \$542,341 from the prior year. Although the equity increased substantially in year 2009 compared to year 2008 the Company has had an accumulated deficit and losses for numerous years prior to 2009. Unless profitability and increase in shareholders equity continues, these conditions raises 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.

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Crown Equity continues to review its expense structure reviewing costs and their reduction to move towards profitability. The Company's expenses are planned to decrease as a percent of revenue resulting in profitability and increased shareholder's equity.

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2009:

	2009	2008
Computer equipment	\$ 76,134	76,134
Less: accumulation depreciation	(58,141)	(32,761)
Net property and equipment	\$ 17,993	43,373

Depreciation expense totaled \$25,380 and \$25,380 for the years ended December 31, 2009 and 2008.

NOTE 4 – INCOME TAXES

The Company follows Accounting Standards Codification 740, Accounting for Income Taxes. During 2009 there was a change in control of the Company.

Under section 382 of the Internal Revenue Code such a change in control negates much of the tax loss carry forward and deferred income tax. Deferred income taxes reflect the net tax effects of (a) temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carry forwards. For federal income tax purposes, the Company uses the accrual basis of accounting, the same that is used for financial reporting purposes.

The following schedule provides a reconciliation of the statutory income tax rate in effect as of December 31, 2009, to the effective rate as presented in the financial statements:

Description	2009
Tax provision at statutory rates	\$ 20,948
Unrealized gain on securities (temporary difference)	(3,958)
–	
Total income tax provision	\$ 16,990

The Company had net income of \$93,927 for the year ending December 31, 2009. Based on the unknown amount of NOL that may be applied to earnings no provision was made for the NOL and a tax liability of \$16,990 has been accrued.

NOTE 5 – COMMON STOCK

In December, 2007, the Company adopted the Crown Equity Holdings, Inc. Consultants and Employees Stock Plan for 2007. Under the Plan, 10,000,000 shares are reserved for issuance to employees, officers, directors, advisors and consultants.

The Company values the stock issued for services to non employees based on the closing price of the stock issued upon completion of the requisite service period. The value is expensed upon completion of the services. As of December 31, 2009, 3,371,000 shares had been issued under the Plan.

In 2008 the Company issued 836,668 shares of common stock valued at \$94,134 for services, 100,000 shares of common stock valued at \$15,000 for accounts payable and cancelled 310,020 shares of common stock valued at par or \$310.

In 2009 the Company issued 250,000 shares of common stock valued at \$25,000 for cash, 60,000 shares of common stock valued at \$6,000 for accounts payable and 3,371,000 shares of common stock valued at \$311,350 for services.

NOTE 6 - RELATED PARTY TRANSACTIONS

Crown Equity shared office space at a cost of \$845 per month with its majority shareholder, Crown Partners, Inc. Crown Equity entered into this lease in August 2007 and it expired in July 2008. Since the expiration of the lease and through December 31, 2009, Crown Equity office space was provided by one of the officers.

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 or \$28,800 due in 2010. The landlord is related to one of the officers of the Company.

In the year ending December 31, 2009 the Company paid four related parties \$61,750 and issued \$227,000 of restricted stock to the same parties for services. In 2008, \$13,450 was paid and \$23,000 was accrued for services to two related party consultants. The related parties provide a variety of services including accounting, managerial, writing and web content production.

On September 29, 2009 Crown Marketing, Inc acquired from TaxMasters, Inc a majority of the outstanding shares of Crown Equity. As part of this transaction effective August 4, 2009, 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.

During December 2008, Crown Equity's Chief Financial Officer advanced the company \$24,335 in notes payable. As of December 31, 2009 and 2008, \$0 and \$51,210 were outstanding.

As of December 31, 2008, amounts were due to Crown Partners of \$55,897 and Montse Zaman, Chief Financial Officer, of \$18,822. During 2009, \$10,000 was paid, and as of December 31, 2009, the amount outstanding was zero.

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. 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 can be converted into common shares of the company at the holder's option at a to be determined in the future conversion price. 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 \$16,024 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.

During the quarter ended December 31, 2008, the Company borrowed \$ 1,000 from an unrelated third party. The note was unsecured, due on demand bearing no interest. The note was repaid during 2009.

Note 7 - CONTINGENCIES

There is pending litigation in Arizona small claims court - Strojnik v. Crown Equity Holdings, Inc. and Crown Partners, Inc. The Company 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.

Note 8- RESTRICTED SECURITIES

Crown Equity has classified the marketable securities they hold as of yearend as long-term in accordance with rule 144 due to restrictions on sale & transfers of unregistered shares. As of December 31, 2009 \$204,500 of the marketable securities which are non controlling shares received from customers as consulting income has been classified as restricted securities in accordance with Accounting Standards Codification 825 and 718. The related gain is reflected in the income statement.

Note 9 – SUBSEQUENT EVENTS

Crown Equity evaluated all subsequent events from January 1, 2010 to March 8, 2010 and concluded that there are no significant or material transactions to be reported for the subsequent period.