

Edgar Filing: MICRO BIO-MEDICAL WASTE SYSTEMS, INC. - Form 10QSB

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

Form 10QSB

November 15, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

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

For the quarterly period ended September 30, 2006

OR

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

From the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 0-29935

CROWN EQUITY HOLDINGS INC.

(Exact name of small business issuer as specified in its charter)

Nevada

33-0677140

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer Identification No.)

27430 Riverside Lane, Valencia CA 91354

-----  
(Address of principal executive offices)

(661) 287-3772

-----  
(Issuer's telephone number)

MICRO BIO-MEDICAL WASTE SYSTEMS, INC.

-----  
(Former name, former address and former fiscal year, if changed since last  
report)

Indicate by check mark whether the registrant (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 registrant was required to file  
such reports), and (2) has been subject to such filing requirements for the past  
90 days:

Yes  No

As of November 1, 2006 there were 5,324,465 shares of Common Stock of the issued  
and outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CROWN EQUITY HOLDINGS, INC.  
(FORMERLY MICRO BIO-MEDICAL WASTE SYSTEMS, INC.)  
BALANCE SHEETS  
(UNAUDITED)

	September 30, 2006	December 31, 2005
	-----	-----
ASSETS		
Total Assets	\$           --	\$           --
	-----	-----
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable and accrued expenses	\$       32,105	\$     178,630
Advances - related party	98,451	89,549
	-----	-----
Total current liabilities	130,556	268,179
	-----	-----
STOCKHOLDERS' DEFICIT:		
Common stock, \$.001 par value, 500,000,000 shares authorized, 5,324,465 and 4,825,465 shares issued and outstanding	5,324	4,824
Additional paid in capital	2,808,317	2,626,646
Accumulated deficit	(2,944,197)	(2,899,649)
	-----	-----
Total Stockholders' Deficit	(130,556)	(268,179)
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$           --	\$           --
	-----	-----

CROWN EQUITY HOLDINGS, INC.  
(FORMERLY MICRO BIO-MEDICAL WASTE SYSTEMS, INC.)  
STATEMENTS OF OPERATIONS  
THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2006 AND 2005  
(UNAUDITED)

Three Months Ended September 30,	Nine Months Ended September 30,
-------------------------------------	------------------------------------

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	2006 -----	2005 -----	2006 -----	2005 -----
Costs and Expenses:				
General and administrative	\$ 13,190	\$ 6,938	\$ 44,548	\$ 32,999
Net loss	\$ (13,190)	\$ (6,938)	\$ (44,548)	\$ (32,999)
Net loss per share:				
Net loss basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average shares outstanding:				
Basic and diluted	5,324,465	4,824,465	5,086,370	4,830,917

CROWN EQUITY HOLDINGS, INC.  
(FORMERLY MICRO BIO-MEDICAL WASTE SYSTEMS, INC.)  
STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2006 AND 2005  
(UNAUDITED)

	2006 -----	2005 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (44,548)	\$ (32,999)
Adjustments to reconcile net deficit to cash used by operating activities:		
Provision for advances receivable - related party	20,000	--
Net change in:		
Accounts payable and accrued expenses	35,646	12,999
CASH FLOWS USED IN OPERATING ACTIVITIES	--	(8,902)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net advances from a related party	8,902	--
NET DECREASE IN CASH	--	--
Cash, beginning of period	--	--
Cash, end of period	\$ --	\$ --
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	\$ --	\$ --
Income taxes paid	--	--
NON-CASH FLOW INFORMATION		
Common stock issued for accounts payable	182,171	--

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CROWN EQUITY HOLDINGS, INC.  
(FORMERLY MICRO BIO-MEDICAL WASTE, INC.)  
NOTES TO FINANCIAL STATEMENTS  
(UNAUDITED)

## NOTE 1 - BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Crown Equity Holdings Inc. 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 financial statements and notes thereto contained in the Company's registration statement filed with the SEC on Form 10-KSB. 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, 2005 as reported in Form 10-KSB, have been omitted.

## NOTE 2 - STOCK ISSUED IN EXCHANGE FOR ACCOUNTS PAYABLE

During May 2006, Crown Equity Holdings issued 500,000 shares valued at \$182,171 to a vendor for \$182,171 of accounts payable owed to the vendor.

## NOTE 3 - SUBSEQUENT EVENT

On October 3, 2006, the Company changed its name from "Micro Bio-Medical Waste Systems, Inc." to "Crown Equity Holdings Inc."

## 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. The Company's actual results could differ materially from those set forth on the forward looking statements as a result of the risks set forth in the Company's filings with the Securities and Exchange Commission, general economic conditions, and changes in the assumptions used in making such forward looking statements.

### 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" in Nevada, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisitions.

In December, 2003, the Company entered into an Agreement with its majority shareholder, Crown Partners, Inc. ("Crown") to acquire Crown's wholly owned subsidiary, Sanitec Services of Hawaii, Inc. ("SSH"). The Company was obligated

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to pay Crown the sum of \$550,000 and issue five percent of its common stock to Crown. As part of this transaction, the Company made a non-refundable deposit to Crown of \$45,521. From this deposit, Crown agreed to allow the Company to advance \$20,000 to SSH and to use the balance of the deposit to fund the Company's operations. The Company is obligated to repay this \$45,521 to Crown. The Company was unable to raise the funds necessary to complete this transaction and SSH was forced to cease operations. The Company is seeking other acquisition candidates. Additionally, the Company owes an additional \$53,000 to Crown for expenses Crown has paid on the Company's behalf.

The Company presently shares office space provided to it at no cost by a shareholder of the Company.

As of September 30, 2006, the Company had no employees.

### RESULTS OF OPERATIONS

#### THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2006 COMPARED TO THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2005

There were no revenues or cost of revenues for the three and nine months ended September 30, 2006 and 2005, respectively. The Company's expenses for the three months ended September 30, 2006 were approximately \$13,190, representing general and administrative expenses. The Company recorded a net loss of (\$13,190) for the three months ended September 30, 2006. The Company's expenses for the three months ended September 30, 2005 were \$6,938 representing general and administrative costs and the Company recorded a net loss of (\$6,938) for the three months ended September 30, 2005. The net loss per share was \$0.00 for the three months ended September 30, 2006 compared to a net loss of \$0.00 per share for the three months ended September 30, 2005.

The Company's expenses for the nine months ended September 30, 2006 were \$44,548, representing general and administrative expenses. The Company recorded a net loss of (\$44,548) for the nine months ended September 30, 2006. The Company's expenses for the nine months ended September 30, 2005 were \$32,999 representing general and administrative costs. The Company recorded a net loss of \$(32,999) for the nine months ended September 30, 2005. The net loss per share was \$0.01 for the nine month period ended September 30, 2006 compared to a net loss of \$0.01 for the nine month period ended September 30, 2005.

As of September 30, 2006, the Company had no assets. The Company's current liabilities at September 30, 2006 were approximately \$131,000.

The Company anticipates that until a business combination is completed with an acquisition candidate, it will not generate revenues and may operate at a loss after completing a business combination, depending upon the performance of the acquired business.

The Company will attempt to carry out its business plan as discussed above. 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 has experienced no significant change in liquidity

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or capital resources or stockholders equity other than the receipts of proceeds from offerings of its capital stock. The Company received \$250,000 from an offering conducted under Rule 504 of Regulation D in 1999. The Company also raised approximately \$158,000 from the issuance of 7,200,000 shares of the Company's common stock prior to 1997. In 1997, the Company raised an additional \$345,000 from the sale of its common stock. The Company's balance sheet as of September 30, 2006 reflects limited assets and limited liabilities. 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.

The Company is continuing to search for suitable merger candidates or other businesses to become involved in so that it can commence operations and generate revenues to continue paying its bills.

The Company will attempt to carry out its plan of business and hopes to enter into a business combination with another entity. 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.

### NEED FOR ADDITIONAL FINANCING

The Company's existing capital is not sufficient to meet its cash needs, including the costs of compliance with the continuing reporting requirements of the Securities Exchange Act of 1934, as amended. Once a business combination is completed, the Company's need for additional financing is likely to increase substantially.

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 issuing common stock in lieu of cash.

### DESCRIPTION OF PROPERTIES

The Company presently shares office space provided to it at no cost by a shareholder of the Company.

### EMPLOYEES

As of September 30, 2006, the Company has no employees. The Company utilizes the services of consultants as needed.

### Inflation

The Company's results of operations have not been affected by inflation and management does not expect inflation to have a significant effect on its operations in the future.

### ITEM 3. CONTROLS AND PROCEDURES

Based on the evaluation of the Company's disclosure controls and procedures by Mr. Eirik Hjelle, both the chief executive officer and chief accounting officer of the Company, as of a date within 90 days of the filing date of this quarterly

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report, such officer has concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Securities and Exchange Act of 1934, as amended, is recorded, processed, summarized and reported, within the time period specified by the Securities and Exchange Commission's rules and forms.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

### PART II

Items No. 1, 2, and 3 - Not Applicable.

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

On October 3, 2006, the Company's majority shareholder, holding a total of 64% of the Company's issued and outstanding shares of common stock, consented to the change of name from "Micro Bio-Medical Waste Systems, Inc." to "Crown Equity Holdings Inc."

Item 5 - Other Matters

On September 1, 2006, Charles Smith resigned as President, CFO and director of the Corporation. Eirik Hjelle was elected to replace Mr. Smith as director and was appointed CEO and CFO. Additionally, the Board was increased to four and Harold Gewerter was appointed to fill the resulting vacancy on the Board of Directors.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

- a) Exhibits - None.
- b) Reports on Form 8-K

There were four reports on Form 8-K filed during the quarter ended September 30, 2006, three relating to the change of auditors and one relating to the change in directors and officers.

### SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

CROWN EQUITY HOLDINGS INC.

By /s/ Eirik Hjelle

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Eirik Hjelle, CEO, CFO

Date: November 14, 2006