

FIRST EQUITY PROPERTIES INC
Form 10-Q
November 14, 2012

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

FORM 10-Q

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

For the quarterly period ended September 30, 2012

Or

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 000-11777

FIRST EQUITY PROPERTIES, INC.
(Exact Name of Registrant as Specified in Its Charter)

Nevada
(State or Other Jurisdiction of
Incorporation or Organization)

95-6799846
(I.R.S. Employer
Identification No.)

1603 LBJ Freeway, Suite 300
Dallas, Texas 75234
(Address of principal executive offices)
(Zip Code)

(469) 522-4200
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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.

Indicate by check mark 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

Edgar Filing: FIRST EQUITY PROPERTIES INC - Form 10-Q

(§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) . Yes No.

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 <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="checkbox"/>

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

Indicate the number of shares outstanding of each of the issuer’s classes of Common Stock, as of the latest practicable date.

Common Stock, \$.01 par value	1,057,628
(Class)	(Outstanding at November 15, 2012)

FIRST EQUITY PROPERTIES, INC.
FORM 10-Q
TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION		PAGE
Item 1.	Financial Statements	
	Consolidated Balance Sheets as of September 30, 2012 (unaudited) and December 31, 2011	3
	Consolidated Statements of Operations for the three and nine months ended September 30, 2012 and 2011 (unaudited)	4
	Consolidated Statement of Shareholders' Equity for the nine months ended September 30, 2012 (unaudited)	5
	Consolidated Statements of Cash Flows for the nine months ended September 30, 2012 and 2011 (unaudited)	6
	Notes to Financial Statements	7-8
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	8-9
Item 3.	Controls and Procedures	9-10
PART II. OTHER INFORMATION		
Item 6.	Exhibits	11
SIGNATURES		12-14

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST EQUITY PROPERTIES, INC.
CONSOLIDATED BALANCE SHEETS

(unaudited)

Assets	September 30, 2012 (unaudited)	December 31, 2011
Real estate land holdings, at cost	\$ -	\$ 5,256,279
Receivables and accrued interest - affiliates	3,046,288	2,965,710
Cash and cash equivalents	353	508
Other assets	-	79,078
Total assets	\$ 3,046,641	\$ 8,301,575
Liabilities and Shareholders' Equity		
Notes payable and accrued interest - affiliates	\$ 2,136,720	\$ 5,779,852
Notes payable - third party lender	-	944,000
Accounts payable - other	16,245	56,927
Accounts payable - affiliates	50,000	874,496
Total liabilities	2,202,965	7,655,275
Shareholders' equity		
Common stock, \$0.01 par value; 40,000,000 shares authorized; 1,057,628 issued and outstanding	10,576	10,576
Preferred stock, \$0.01 par value; 4,960,000 shares authorized; none issued or outstanding	-	-
Paid in capital	1,376,682	1,376,682
Retained earnings (deficit)	(543,582)	(740,958)
Total shareholders' equity	843,676	646,300
Total liabilities and shareholders' equity	\$ 3,046,641	\$ 8,301,575

FIRST EQUITY PROPERTIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended		For the nine months ended	
	September 30, 2012	2011	September 30, 2012	2011
Revenue				
Interest income	\$60,683	\$60,683	\$180,730	\$180,071
Other income	-	\$-	100	\$-
Total income	60,683	60,683	180,830	180,071
Operating Expenses				
General and administrative	3,632	37,314	69,413	101,032
Lease Termination	-	(68,730)	-	(68,730)
Legal and professional fees	7,801	3,506	27,710	47,994
Total operating expenses	11,433	(27,910)	97,123	80,296
Income (loss) before interest expense and taxes	49,250	88,593	83,707	99,775
Other income (expense)				
Gain on sale	-			