

CrowdGather, Inc.  
Form 10-Q  
September 14, 2010

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

FORM 10-Q

- QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended July 31, 2010
- 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: 000-52143

CrowdGather, Inc.  
(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction  
of incorporation or organization)

20-2706319  
(I.R.S. Employer  
Identification No.)

20300 Ventura Blvd. Suite 330, Woodland Hills, California 91364  
(Address of principal executive offices) (Zip Code)

(818) 435-2472  
(Registrant's telephone number, including area code)

\_\_\_\_\_  
(Former name or former address, if changed since last report)

Indicate by check mark whether the issuer (1) has 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

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 (§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

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company" in Rule 12b-2 of the Exchange Act.

|                         |                       |                           |                                  |
|-------------------------|-----------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer         | <input type="radio"/>            |
| Non-accelerated filer   | <input type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |

(Do not check if a smaller reporting company)

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

As of September 13, 2010, there were 45,969,536 shares of the issuer's \$.001 par value common stock issued and outstanding.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CROWDGATHER, INC.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED JULY 31, 2010 AND 2009

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CROWDGATHER, INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
FOR THE THREE MONTHS ENDED JULY 31, 2010 AND 2009  
(UNAUDITED)

|  | July 31,<br>2010<br>(Unaudited) | April 30,<br>2010   |
|--|---------------------------------|---------------------|
| <b>ASSETS</b>  |                                 |                     |
| Current assets   |                                 |                     |
| Cash   | \$ 115,706                      | \$ 589,408          |
| Accounts receivable  | 89,865                          | -                   |
| Advance to employee  | 25,615                          | 25,615              |
| Prepaid expenses and deposits  | 14,998                          | 17,224              |
| <b>Total current assets</b>  | <b>246,184</b>                  | <b>632,247</b>      |
| Property and equipment, net of accumulated<br>depreciation of \$94,506 and \$62,849, respectively                                    | 115,484                         | 82,721              |
| Intangible assets, net of accumulated amortization of<br>\$7,735 and \$0, respectively   | 5,632,472                       | 1,980,663           |
| Goodwill   | 4,360,176                       | -                   |
| <b>Total assets</b>  | <b>\$ 10,354,316</b>            | <b>\$ 2,695,631</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                 |                     |
| Current liabilities  |                                 |                     |
| Accounts payable   | \$ 517,222                      | \$ 103,193          |
| Accrued vacation   | 43,788                          | 40,633              |
| Other accrued liabilities  | 28,000                          | 63,871              |
| <b>Total current liabilities</b>   | <b>589,010</b>                  | <b>207,697</b>      |
| Stockholders' equity   |                                 |                     |
| Common stock, \$0.001 par value, 975,000,000 shares<br>authorized, 43,353,108 and 39,822,748 issued and<br>outstanding, respectively | 43,353                          | 39,823              |
| Common stock obligation  | 3,525,988                       | -                   |
| Additional paid-in capital   | 13,127,412                      | 8,763,661           |
| Accumulated deficit  | (6,931,447 )                    | (6,315,550)         |
| <b>Total stockholders' equity</b>  | <b>9,765,306</b>                | <b>2,487,934</b>    |

|  |              |             |
|--|--------------|-------------|
| Total liabilities and stockholders' equity | \$10,354,316 | \$2,695,631 |
|--|--------------|-------------|

See accompanying notes to financial statements.

CROWDGATHER, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED JULY 31, 2010 AND 2009  
(UNAUDITED)

|  | 2010          | 2009            |
|--|---------------|-----------------|
| Revenue  | \$ 330,079    | \$ 53,071       |
| Cost of revenue  | 148,729       | -               |
| Gross profit   | 181,350       | 53,071          |
| Operating expenses                                     |               |                 |
| Payroll and related expenses                           | 210,958       | 184,502         |
| General and administrative                             | 605,757       | 467,658         |
| Total operating expenses                               | 816,715       | 652,160         |
| Loss from operations                                   | (635,365 )    | (599,089 )      |
| Other income (expense):                                |               |                 |
| Interest income  | -             | 802             |
| Interest expense                                       | (4,404 )      | (39,571 )       |
| Interest expense, debt discount amortization           | -             | (64,283 )       |
| Penalties  | (48,156 )     | -               |
| Gain (loss) on settlement of debt                      | 73,628        | (563,571 )      |
| Other income (expense), net                            | 21,068        | (666,623 )      |
| Net loss before provision for income taxes             | (614,297 )    | (1,265,712 )    |
| Provision for income taxes                             | 1,600         | 800             |
| Net loss   | \$ (615,897 ) | \$ (1,266,512 ) |
| Weighted average shares outstanding- basic and diluted | 41,818,479    | 40,684,818      |
| Net loss per share – basic and diluted                 | \$ (0.01 )    | \$ (0.03 )      |

See accompanying notes to financial statements.

CROWDGATHER, INC.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
JULY 31, 2010 AND 2009  
(UNAUDITED)

2010