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

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

FORM 10-Q

X	QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934				
	For the quarterly period ended July 3	1, 2010			
0		T TO SECTION 13 OR 15(d) OF THE SECURITIES			
	EXCHANGE ACT OF 1934				
	For the transition period from	to			
Co	ommission File Number: 000-52143				
		CrowdGather, Inc.			
	(Exact i	name of registrant as specified in its charter)			
Ne	evada	20-2706319			
(S	tate or other jurisdiction	(I.R.S. Employer			
-	incorporation or organization)	Identification No.)			
	20300 Ventura Blvd. Sui	te 330, Woodland Hills, California 91364			
	(Address of princ	ipal executive offices) (Zip Code)			
		(818) 435-2472			
	(Registrant's telep	phone number, including area code)			
	(Former nam	ne 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. xYes oNo

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 file, 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 o Accelerated filer o Non-accelerated o (Do not check if a smaller reporting filer company)

Accelerated filer o Smaller reporting x company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). oYes xNo

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)

Current assets		July 31, 2010 (Unaudited)	April 30, 2010
Cash \$115,706 \$589,408 Accounts receivable 89,865 - Advance to employee 25,615 25,615 Prepaid expenses and deposits 14,998 17,224 Total current assets 246,184 632,247 Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively \$5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 Current liabilities \$10,354,316 \$2,695,631 Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity 43,353 39,823 Common stock, \$0,001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and outstanding, respectively 43,353 39,823 Common stock obligation 3,525,988 -	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 Total current assets 246,184 632,247 Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively \$5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities \$89,010 207,697 Stockholders' equity \$89,010 207,697 Stockholders' equity 43,353 39,823 Common stock, \$0,001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and outstanding, respectively 43,353 39,823 Common stock obligation 3,525,988 - Additional paid-in capital			
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Advance to employee 25,615 25,615 Perpaid 25,615 14,998 17,224 Total current assets 246,184 632,247 Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively 5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity 43,353 39,823 Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and outstanding, respectively 43,353 39,823 Common stock obligation 3,525,988 - Additional paid-in capital 13,127,412 8,763,661 Accumulated deficit (6,31,447)			\$589,408
Prepaid expenses and deposits 14,998 17,224 Total current assets 246,184 632,247 Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively 5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and outstanding, respectively 43,353 39,823 Common stock obligation 3,525,988 - Additional paid-in capital 13,127,412 8,763,661 Accumulated deficit (6,315,550)			-
Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively	* *	·	·
Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively 5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Prepaid expenses and deposits	14,998	17,224
Property and equipment, net of accumulated depreciation of \$94,506 and \$62,849, respectively 115,484 82,721 Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively 5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Total augment accate	246 194	622 247
Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively	Total current assets	240,184	032,247
Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively			
Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively	Property and equipment, net of accumulated		
Intangible assets, net of accumulated amortization of \$7,735 and \$0, respectively 5,632,472 1,980,663 Goodwill 4,360,176 - Total assets \$10,354,316 \$2,695,631 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)		115,484	82,721
\$7,735 and \$0, respectively Goodwill Total assets \$10,354,316 LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities Accounts payable Accrued vacation Accrued liabilities Total current liabilities Total current liabilities \$28,000 \$3,871 Total current liabilities \$589,010 \$207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353, 108 and 39,822,748 issued and outstanding, respectively Additional paid-in capital Accumulated deficit \$5,632,472 \$1,980,663 \$2,695,631 LIABILITIES AND STOCKHOLDERS' EQUITY \$517,222 \$103,193 \$40,633 \$28,000 \$63,871 Total current liabilities \$589,010 \$207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353, 108 and 39,822,748 issued and outstanding, respectively \$43,353 \$39,823 Common stock obligation \$3,525,988 \$- Additional paid-in capital Accumulated deficit \$6,315,550		·	·
Current liabilities	Intangible assets, net of accumulated amortization of		
Total assets	\$7,735 and \$0, respectively	5,632,472	1,980,663
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Goodwill	4,360,176	-
LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)			
Current liabilities \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Total assets	\$10,354,316	\$2,695,631
Current liabilities \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	LIABILITIES AND STOCKHOLDERS' FOUITY		
Accounts payable \$517,222 \$103,193 Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities Stockholders' equity 207,697 Stockholders' equity 207,697 Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)			
Accrued vacation 43,788 40,633 Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Current liabilities		
Other accrued liabilities 28,000 63,871 Total current liabilities 589,010 207,697 Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Accounts payable	\$517,222	\$103,193
Total current liabilities 589,010 207,697 Stockholders' equity 207,697 Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Accrued vacation	43,788	40,633
Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)	Other accrued liabilities	28,000	63,871
Stockholders' equity Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)			
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Common stock, \$0.001 par value, 975,000,000 shares authorized, 43,353,108 and 39,822,748 issued and 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)			
authorized, 43,353,108 and 39,822,748 issued and outstanding, respectively Common stock obligation Additional paid-in capital Accumulated deficit 3,525,988 13,127,412 8,763,661 (6,931,447) (6,315,550)	1 1		
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Common stock obligation 3,525,988 - Additional paid-in capital 13,127,412 8,763,661 Accumulated deficit (6,931,447) (6,315,550)		42.252	20.022
Additional paid-in capital 13,127,412 8,763,661 Accumulated deficit (6,931,447) (6,315,550)			39,823
Accumulated deficit (6,931,447) (6,315,550)	Ç		9 762 661
Total stockholders' equity 9,765,306 2,487,934	Accumulated deficit	(0,931,447)	(0,513,330)
	Total stockholders' equity	9,765,306	2,487,934

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)

(UNAUDITED)		2010		2009
Revenue	\$	330,079	\$	53,071
Cost of revenue		148,729		-
Gross profit		181,350		53,071
Gloss profit		101,330		33,071
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 (avnerse);				
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		41,818,47	9	40,684,818
Net loss per share – basic and diluted				
See accompanying notes to financial stateme	\$ nts.	(0.01) \$	(0.03)
4				

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