

FIRST EQUITY PROPERTIES INC
Form 10-Q
August 14, 2014

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 June 30, 2014

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)

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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 (§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.

* The registrant has not yet been phased into the interactive data requirements

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 checked="" 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
(Class)

1,057,628
(Outstanding at July 31, 2014)

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

FIRST EQUITY PROPERTIES, INC.
BALANCE SHEETS

Assets	June 30, 2014 (unaudited)	December 31, 2013
Notes receivable and accrued interest - affiliates	\$ 2,259,016	\$ 2,694,033
Cash and cash equivalents	874	346
Total assets	\$ 2,259,890	\$ 2,694,379
Liabilities and Shareholders' Equity		
Notes payable and accrued interest - affiliates	\$ 1,081,475	\$ 1,493,010
Accounts payable - other	3,390	3,015
Accounts payable - affiliates	303,460	318,822
Total liabilities	1,388,325	1,814,847
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)	(515,693)	(507,726)
Total shareholders' equity	871,565	879,532
Total liabilities and shareholders' equity	\$ 2,259,890	\$ 2,694,379

The accompanying notes are an integral part of these financial statements.

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

	For the three months ended		For the six months ended	
	June 30, 2014	2013	June 30, 2014	2013
Revenue				
Interest income - affiliates	\$53,560	\$60,024	\$110,722	\$119,388
Total income	53,560	60,024	110,722	119,388
Operating Expenses				
General and administrative - affiliates	15,000	15,000	30,000	30,000
General and administrative	3,872	8,703	5,954	4,296
Legal and professional fees	13,462	28,155	22,595	29,731
Total operating expenses	32,334	51,858	58,549	64,027
Income (loss) before interest expense and taxes	21,226	8,166		