

Friendly Auto Dealers, Inc.
Form 10-Q
November 15, 2010

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15 (d) of
Securities Exchange Act of 1934

For the quarterly period ended September 30, 2010

Commission File Number: **333-147560**

FRIENDLY AUTO DEALERS, INC.

(Exact Name of Issuer as Specified in Its Charter)

Nevada
State of Incorporation

7389
Primary Standard Industrial Employer
Classification Code Number

33-1176182
I.R.S. Identification No.

4132 South Rainbow Road, Suite 514, Las Vegas, Nevada 89103

(Address of principal executive offices, including zip code)

(702) 321-6876

(Registrant's telephone number, including area code)

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EastBiz.Com, Inc.

5348 Vegas Drive

Las Vegas, Nevada 89108

Telephone: (702) 871-8678

(Name, Address, and Telephone Number of Agent)

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.

No . Yes .

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 .

Non-Accelerated Filer .

(Do not check if a smaller reporting company)

Accelerated Filer .

Smaller reporting company .

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

No . Yes .

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY

PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13, 15(d) of the Exchange Act after the distribution of the securities under a plan confirmed by a court.

No . YES .

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock at the latest practicable date. As of November 5, 2010, the Registrant had 28,710,000 outstanding shares of Common Stock with a par value of \$0.001 per share.

Transitional Small Business Disclosure Format (Check one):

No . Yes .

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Condensed Financial Statements

September 30, 2010 and 2009

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Condensed Financial Statements

September 30, 2010 and 2009

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FRIENDLY AUTO DEALERS, INC.
(A Development Stage Enterprise)
Balance Sheets

	September 30, 2010 <i>(Unaudited)</i>	December 31, 2009
ASSETS		
Current assets		
Cash	\$ 1	\$ 1
Prepaid expenses	-	313,151
Total current assets	1	313,152
Total assets	\$ 1	\$ 313,152
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities		
Accounts payable	\$ 6,186	\$ 12,897
Related party payable	18,716	-
Total current liabilities	24,902	12,897
Stockholders' (Deficit) Equity		
Shares held in escrow	-	(10,000)
Preferred stock, \$.001 par value; 5,000,000 shares authorized, no shares issued or outstanding	-	-
Common stock, \$.001 par value; 70,000,000 shares authorized; 28,710,000 and 17,710,000 issued and outstanding at September 30, 2010 and December 31, 2009	28,710	27,710
Additional paid in capital	2,048,048	1,929,048
Deficit accumulated during the development stage	(2,101,659)	(1,646,503)
Total stockholders' (deficit) equity	(24,901)	300,255
Total liabilities and stockholders' (deficit) equity	\$ 1	\$ 313,152

See accompanying notes to financial statements

FRIENDLY AUTO DEALERS, INC.
(A Development Stage Enterprise)
Statement of Operations (unaudited)

	Three months ended September 30,		Nine months ended September 30,		For the period from August 6, 2007 (inception) to September 30, 2010
	2010	2009	2010	2009	
Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Expenses					
Office expenses	-	-	-	3,270	15,940
Travel	-	-	2,149	-	32,623
Officer compensation	-	-	-	170,000	170,000
Professional fees	84,539	393,283	455,507	926,302	1,885,596
Total expenses	84,529	393,283	457,656	1,099,572	2,104,159
Other income	2,500	-	2,500	-	2,500
Net loss	\$ (82,029)	\$ (393,283)	\$ (455,156)	\$ (1,099,572)	\$ (2,101,659)
Basic and diluted loss per common share	\$ (0.00)	\$ (0.01)	\$ (0.02)	\$ (0.05)	
Weighted average shares outstanding	28,710,000	26,870,000	23,570,806	21,157,418	

See accompanying notes to financial statements

FRIENDLY AUTO DEALERS, INC.
(A Development Stage Enterprise)
Statements of Cash Flows (unaudited)

	Nine months ended September 30,		For the period of
	2010	2009	August 6, 2007 (inception) to September 30, 2010
Cash flows from operating activities			
Net loss	\$ (455,156)	\$ (1,099,572)	\$ (2,101,659)
Adjustments to reconcile net loss to net cash used in operating activities			
Common stock issued for services	130,000	1,687,250	1,925,500
Common stock issued for advertising	-	3,200	3,200
Warrants issued for services	-	34,653	34,653
Changes in operating assets and liabilities			
Prepaid expenses	313,151	(636,593)	-
Accounts payable	(6,711)	10,692	6,186
Net cash used in operating activities	(18,716)	(370)	(132,120)
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Proceeds from related party loans	18,716	-	25,941
Forgiveness of related party loans	-	-	(7,225)
Capital contributed by officer	-	-	8,405
Proceeds from sale of stock	-	-	105,000
Net cash provided by financing activities	18,716	-	132,121
(Decrease) increase in cash	-	(370)	1
Cash at beginning of period	1	371	-
Cash at end of period	\$ 1	\$ 1	\$ 1
Supplemental disclosure of non-cash investing and financing activities:			
Stock based compensation	\$ 130,000	\$ 1,725,103	\$ 1,963,353
Supplemental Cash Flow Information:			
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -	\$ -