

Propell Corporation.
Form 10-Q/A
April 26, 2011

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

Amendment No. 3 to
FORM 10 – Q/A

[mark one]

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: June 30, 2010

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 333-139354

PROPELL CORPORATION

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(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

26-1856569
(IRS Employer Identification Number)

305 San Anselmo Avenue, Suite 300, San Anselmo, CA 94960

(Address of principal executive offices including zip code)

(415) 747-8775

(Registrant's telephone number, including area code)

Check whether the issuer (1) 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 website, if any, every interactive data file required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 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 shell company (as defined in Rule 12b-2 of the Exchange Act).
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. (Check one):

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company

Number of shares outstanding of the issuer's common stock as of the latest practicable date: 20,846,132 shares of common stock, \$.001 par value per share, as of August 12, 2010.

Transitional Small Business Disclosure Format (Check one): Yes No

Explanatory Note

This Amendment No. 3 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2010 is being filed to reflect (i) the restatement of our Balance Sheets, Operating Statements, Statement of Changes in Stockholders Equity, Statements of Cash Flows and Footnotes due to recognition of amortization of our website asset for the three months (approximately \$25,000) and six months (approximately \$50,000) ended June 30, 2010 as well as (ii) the reclassification to discontinued operations of business operations of our subsidiaries that have ceased operations.

PROPELL CORPORATION

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PART I. FINANCIAL INFORMATION**Propell Corporation and Subsidiaries****Consolidated Balance Sheets****As of June 30, 2010 and December 31, 2009****(Unaudited)****Restated**

	June 30,	December 31,
<u>Assets</u>	2010	2009
Current Assets		
Cash	\$ 103,737	\$ 95,484
Accounts receivable (net of allowances)	14,053	1,405
Prepaid expenses	1,786	4,587
Deposits - current	1,499	1,499
Assets from Discontinued Operations	8,314	141,096
Total Current Assets	129,389	244,071
Property and Equipment, net	3,018	3,559
Other Assets		
Website URL, net	4,800	5,600
Website assets, net	353,477	403,597
Total Other Assets	358,277	409,197
Total Assets	\$ 490,684	\$ 656,827
<u>Liabilities and Stockholders' Deficit</u>		
Current Liabilities		
Accounts payable	\$ 129,782	\$ 124,298
Accrued liabilities	1,510	870
Accrued interest related parties	63,284	12,962
Notes payable related parties	100,000	-
Convertible notes payable related party	882,500	407,500
Liabilities from Discontinued Operations	1,243,120	1,283,303
Total Liabilities	2,420,196	1,828,933
Stockholders' Deficit		
Common stock, \$0.001 par value; 100,000,000 shares authorized, 20,846,132 issued and outstanding; (22,482,575 issued and outstanding 2009)	20,846	22,482

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Additional paid-in capital	1,693,518	1,694,614
Accumulated deficit	(3,643,876)	(2,889,202)
Total Stockholders' Deficit	(1,929,512)	(1,172,106)
Total Liabilities and Stockholders' Deficit	\$ 490,684	\$ 656,827

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

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Propell Corporation and Subsidiaries**Consolidated Statements of Operations****(Unaudited)****Restated**

	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net Revenues	\$ 35,719	\$ 2,746	\$ 46,936	\$ 3,325
Cost of Goods Sold	28,117	4,366	36,235	5,197
Gross Profit (Loss)	7,602	(1,620)	10,701	(1,872)
Operating Expenses	394,182	237,408	672,266	378,717
Loss from Operations	(386,580)	(239,028)	(661,565)	(380,589)
Other Income (Expense)	-	-	-	-
Loss from Continuing Operations	(386,580)	(239,028)	(661,565)	(380,589)
Loss from Discontinued Operations	(103,282)	(60,953)	(93,110)	(178,270)
Net Loss	\$ (489,862)	\$ (299,981)	\$ (754,675)	\$ (558,859)
Net Loss Per Share - Basic and Diluted	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of shares outstanding during the period				
basic and diluted	21,889,140	20,978,653	22,184,218	17,180,814

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

Propell Corporation and Subsidiaries

Consolidated Statements of Stockholders' Deficit

As of June 30, 2010

(Unaudited)

Restated

	Common Stock		Additional	Distributions	Accumulated	Total
	\$0.001 Par Value	Amount	Paid-in	to Affiliates	Deficit	Stockholders'
	Shares		Capital			Deficit
Balance, January 29, 2008 (Inception)		\$	\$	\$	\$	\$
Issuance of common stock to acquire Crystal Magic, Inc.	5,400,000	5,400	(5,400)			
Issuance of common stock to acquire Auleron 2005, LLC	136,088	136	(136)			
Issuance of common stock to acquire Mountain Capital, LLC	2,094,864	2,095	381,709			383,804
Conversion of convertible notes to common stock	2,278,000	2,278	20,502			22,780
Reclassification of intercompany payable			61,048			61,048
Distributions to affiliate				(938,664)		(938,664)
Net loss for the period ended December 31, 2008					(1,107,257)	(1,107,257)
Balance, December 31, 2008	9,908,952	9,909	457,723	(938,664)	(1,107,257)	(1,578,289)
Recognition of stock based compensation in connection with stock option grants			43,440			43,440
Recognition of shares issued in connection with services rendered	856,667	857	285,793			286,650
Conversion of convertible notes into common stock	8,650,000	8,650	1,763,014			1,771,664
Issuance of common stock in rights offering	3,066,956	3,066	825,012			828,078
Distributions to affiliate				(122,542)		(122,542)
				1,061,206		1,061,206

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Reclassification of affiliate distributions as a result of change in control						
Reclassification of affiliate equity and payables due to change in control			(1,680,368)			(1,680,368)
Net loss for the year ended December 31, 2009					(1,781,945)	(1,781,945)
Balance, December 31, 2009	22,482,575	22,482	1,694,613	-	(2,889,201)	(1,172,106)
Net loss for the six months ended June 30, 2010					(754,675)	(754,675)
Recognition of stock repurchases	(1,886,443)	(1,886)	(43,114)			(45,000)
Recognition of stock based compensation in connection with stock option grants			1,019			1,019
Recognition of stock based compensation	250,000	250	41,000			41,250
Balance, June 30, 2010	20,846,132	\$ 20,846	\$ 1,693,518	\$	(3,643,876)	\$ (1,929,512)

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

Propell Corporation and Subsidiaries**Consolidated Statements of Cash Flows****(unaudited)****Restated**

	For the six months ended June 30,	
	2010	2009
Cash Flows From Operating Activities:		
Net loss for the period	\$ (754,675)	\$ (558,859)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation	541	66
Amortization	50,919	49,085
Issuance of common stock for services	41,250	26,400
Issuance of stock options in connection with employment services	1,019	-
Changes in Assets and Liabilities		
Accounts receivable	(12,648)	(1,501)
Prepaid expenses	2,801	-
Accounts payable	5,484	(22,518)
Accrued liabilities	640	19,028
Accrued interest related parties	50,322	(32,870)
Cash Used In Operating Activities from Continuing Operations	(614,347)	(521,169)
Cash Provided by (Used In) Operating Activities from Discontinued Operations	92,600	(183,526)
NET CASH USED IN OPERATING ACTIVITIES	(521,747)	(704,695)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(5,420)
Development of website asset	-	(99,616)
Net Cash Provided By (Used In) Investing Activities from Continuing Operations	Director	

Officers:

Mario J. Gabelli

Chief Executive Officer and Chief Investment Officer

Michael G. Chieco

Chief Financial Officer, Secretary

GAMCO Investors, Inc.

Directors:

Edwin L. Artzt

Raymond C. Avansino

Richard L. Bready

Former Chairman and Chief Executive Officer
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Cincinnati, OH 45202

Chairman & Chief Executive Officer
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Chairman and Chief Executive Officer
Nortek, Inc.
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Mario J. Gabelli

John D. Gabelli

Elisa M. Wilson
See above

Director

Director

Eugene R. McGrath

Former Chairman and Chief Executive Officer
Consolidated Edison, Inc.

Robert S. Prather

President & Chief Operating Officer
Gray Television, Inc.
4370 Peachtree Road, NE
Atlanta, GA 30319
Officers:

Mario J. Gabelli

Chairman and Chief Executive Officer

Douglas R. Jamieson

Henry G. Van der Eb

Bruce N. Alpert

Jeffrey M. Farber

Christopher Michailoff

President and Chief Operating Officer

Senior Vice President

Senior Vice President

Executive Vice President and Chief Financial Officer

Acting Secretary

GAMCO Asset Management Inc.

Directors:

Douglas R. Jamieson

Regina M. Pitaro

William S. Selby

Officers:

Mario J. Gabelli

Chief Investment Officer – Value Portfolios

Douglas R. Jamieson

Jeffrey M. Farber

Christopher J. Michailoff

President

Chief Financial Officer

General Counsel and Secretary

Gabelli Funds, LLC
Officers:

Mario J. Gabelli

Chief Investment Officer – Value Portfolios
Bruce N. Alpert
Executive Vice President and Chief Operating Officer

Agnes Mullady
Vice President and President Closed-End Fund Division

Teton Advisors, Inc.
Directors:

Bruce N. Alpert

Douglas R. Jamieson

Nicholas F. Galluccio

Alfred W. Fiore

Edward T. Tokar

Chairman

See above

Chief Executive Officer and President

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Beacon Trust
Senior Managing Director
333 Main Street
Madison, NJ 07940

Officers:

Bruce N. Alpert

Nicholas F. Galluccio

Jeffrey M. Farber

See above

See above

Chief Financial Officer

Gabelli Securities, Inc.

Directors:

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President of W. R. Blake & Sons, Inc.
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Flushing, NY 11358

Douglas G. DeVivo
General Partner of ALCE Partners, L.P.
One First Street, Suite 16
Los Altos, CA 94022

Douglas R. Jamieson

President

Officers:

Douglas R. Jamieson	See above
Christopher J. Michailoff	Secretary
Jeffrey M. Farber	Chief Financial Officer

Gabelli & Company, Inc.
Directors:

James G. Webster, III	Chairman & Interim President
Irene Smolicz	Senior Trader Gabelli & Company, Inc.

Officers:

James G. Webster, III	See Above
Bruce N. Alpert	Vice President - Mutual Funds
Diane M. LaPointe	Treasurer
Douglas R. Jamieson	Secretary

Gabelli Foundation, Inc.

Officers:

Mario J. Gabelli	Chairman, Trustee & Chief Investment Officer
Elisa M. Wilson	President

MJG-IV Limited Partnership

Officers:

Mario J. Gabelli	General Partner
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SCHEDULE II

INFORMATION WITH RESPECT TO
TRANSACTIONS EFFECTED DURING THE PAST SIXTY
DAYS OR
SINCE THE MOST RECENT FILING ON
SCHEDULE 13D (1)

SHARES PURCHASED	AVERAGE	
DATE	SOLD(-)	PRICE(2)

COMMON STOCK-GABELLI GLOBAL UTILITY &
INCOME TRUST

(1) UNLESS OTHERWISE INDICATED, ALL TRANSACTIONS WERE EFFECTED
ON THE NY STOCK EXCHANGE.

(2) PRICE EXCLUDES COMMISSION.

