

FRAWLEY CORP
Form 10-Q
May 15, 2007

**U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2007

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 1-6436

FRAWLEY CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

Delaware
(STATE OR OTHER
JURISDICTION OF
INCORPORATION)

95-2639686
(I.R.S. EMP I.D. NO)

5737 Kanan Rd. PMB # 188, Agoura Hills, California
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

91301
(ZIP CODE)

(818)735-6640
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

(FORMER NAME, ADDRESS AND FISCAL YEAR, IF CHANGED SINCE LAST REPORT)

Indicated 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act.):

YES NO

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the latest practicable date.

Common stock, par value \$1
(Class)

1,222,905
Outstanding at March 31, 2007

Total Number of Pages 13

FRAWLEY CORPORATION AND SUBSIDIARIES

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ITEM I: FINANCIAL STATEMENTS
FRAWLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	MARCH 31, 2007 (Unaudited)	DECEMBER 31, 2006
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 18,000	\$ 7,000
Accounts receivable, net	4,000	4,000
Prepaid expenses and other current assets	1,000	17,000
TOTAL CURRENT ASSETS	23,000	28,000
Real estate investments, net	457,000	457,000
Investment in partnership	16,000	16,000
TOTAL ASSETS	\$ 496,000	\$ 501,000
<u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u>		
CURRENT LIABILITIES		
Notes payable to stockholders	\$ 2,216,000	\$ 2,138,000
Accounts payable and accrued expenses	139,000	164,000
Environmental reserve	77,000	77,000
Interest payable to related parties	1,892,000	1,840,000
Deposits	378,000	374,000
TOTAL CURRENT LIABILITIES	4,702,000	4,593,000
LONG TERM LIABILITIES		
Environmental reserve	1,120,000	1,120,000
TOTAL LIABILITIES	5,822,000	5,713,000
STOCKHOLDERS' DEFICIT:		
Preferred stock, par value \$1 per share:		
Authorized, 1,000,000 shares; none issued		
Common stock, par value \$1 per share;		
Authorized, 6,000,000 shares, issued		
1,414,217 shares	1,414,000	1,414,000
Capital surplus	17,209,000	17,209,000
Accumulated deficit	(23,188,000)	(23,074,000)
	(4,565,000)	(4,451,000)
Less common stock in treasury, 191,312 shares (at cost)	(761,000)	(761,000)

TOTAL STOCKHOLDERS' DEFICIT	(5,326,000)	(5,212,000)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 496,000	\$ 501,000

See notes to consolidated financial statements.

FRAWLEY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three Months Ended MARCH 31,	
	2007	2006
REVENUES:		
Sale of real estate	\$ -	\$ 749,000
COSTS AND EXPENSES:		
Cost of real estate sold	-	441,000
Selling, general and administrative expenses	62,000	40,000
Interest expense	52,000	59,000
TOTAL COSTS AND EXPENSES	114,000	540,000
NET (LOSS)/INCOME	\$ (114,000)	\$ 209,000
NET (LOSS)/INCOME PER SHARE, COMMON	\$ (0.09)	