Friendly Auto Dealers, Inc.
Form 10-Q/A
February 18, 2011

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A

(Amendment no. 2)

Quarterly Report Under Section 13 or 15 (d) of

Securities Exchange Act of 1934

For the quarterly period ended March 31, 2010

Commission File Number: **333-147560**

FRIENDLY AUTO DEALERS, INC.

(Exact Name of Issuer as Specified in Its Charter)

Nevada	**7389**	**33-1176182**
State of Incorporation	Primary Standard Industrial Employer Classification Code Number	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)

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 X .

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 .	Accelerated filer .
Non-accelerated filer . (Do not check if a smaller reporting company)	Smaller reporting company X .

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). No . Yes X .

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 May 5, 2010, the Registrant had 18,710,000 outstanding shares of Common Stock with a par value of $0.001 per share.

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

Explanatory Note

The Company is filing this Amendment no. 2 on Form 10-Q/A to its quarterly report on Form 10-Q, to amend Exhibit 31.1 to conform with Item 601(b)(31)(i) of Regulation S-K and to check the cover page to state the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

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FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

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March 31, 2010 and 2009

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Condensed Financial Statements

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

		March 31, 2010 *(Unaudited)*		December 31, 2009
ASSETS				
Current assets				
Cash	$	1	$	1
Prepaid expenses		71,216		313,151
Total current assets		71,217		313,152
Total assets	$	71,217	$	313,152
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities				
Accounts payable	$	17,317	$	12,897
Total current liabilities		17,317		12,897
Stockholders' Equity				
Shares held in escrow		-		(10,000)
Preferred stock, $0.001 par value; 5,000,000 shares authorized, no shares issued or outstanding		-		-
Common stock, $0.001 par value; 70,000,000 shares authorized, 18,710,000 and 27,710,000 shares issued; 18,710,000 and 17,710,000 outstanding at March 31, 2010 and December 31, 2009		18,710		27,710
Additional paid in capital		1,958,048		1,929,048
Deficit accumulated during the development stage		(1,922,858)		(1,646,503)
Total stockholders' equity		53,900		310,255
Total liabilities and stockholders' equity	$	71,217	$	323,152

See accompanying notes to financial statements.

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

	Three months ended March 31, 2010	Three months ended March 31, 2009	For the period from August 6, 2007 (inception) to March 31, 2010
Revenue	$ -	$ -	$ -
Expenses			
Office expenses	-	3,200	15,940
Travel	-	-	30,474
Officer compensation	-	170,000	170,000
Professional fees	276,355	105,371	1,706,444
Total expenses	276,355	278,571	1,922,858
Net loss	$ (276,355)	$ (278,571)	$ (1,922,858)
Basic and diluted loss per common share	$ (0.02)	$ (0.03)	
Weighted average shares outstanding	17,787,778	9,451,833	

See accompanying notes to financial statements.

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

	Three months ended March 31, 2010	2009	For the period of August 6, 2007 (inception) to March 31, 2010
Cash flows from operating activities			
Net loss	$ (276,355)	$ (278,571)	$ (1,922,858)
Adjustments to reconcile net loss to net cash used in operating activities			
Common stock issued for services	30,000	1,687,250	1,825,500
Common stock issued for advertising	-	3,200	3,200
Warrants issued for services	-	23,396	34,653
Changes in operating assets and liabilities			
Prepaid expenses	241,935	(1,435,275)	(71,216)
Accounts payable	4,420	-	17,317
Net cash used in operating activities	-	-	(113,404)
Net cash used in investing activities	-	-	-
Cash flows from financing activities			
Proceeds from related party loans	-	-	7,225
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	-	-	113,405
(Decrease) increase in cash	-	-	1
Cash at beginning of period	1	371	-
Cash at end of period	$ 1	$ 371	$ 1
Supplemental disclosure of non-cash investing and financing activities:			
Stock based compensation	$ 30,000	$ 1,713,846	$ 1,863,353
Supplemental Cash Flow Information:			
Cash paid for interest	$ -	$ -	$ -
Cash paid for income taxes	$ -	$ -	$ -

See accompanying notes to financial statements.

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Notes to Condensed Financial Statements

March 31, 2010 and 2009

Note 1 Condensed Financial Statements

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2010 and 2009 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2009 audited financial statements dated April 13, 2010 as reported in Form 10-K. The results of operations for the period ended March 31, 2010 are not necessarily indicative of the operating results for the full year.

Note 2 Significant Accounting Policies

Share Based Expenses

ASC 718 *"Compensation - Stock Compensation"* codified SFAS No. 123 prescribes accounting and reporting standards for all stock-based payments award to employees, including employee stock options, restricted stock, employee stock purchase plans and stock appreciation rights. , may be classified as either equity or liabilities. The Company should determine if a present obligation to settle the share-based payment transaction in cash or other assets exists. A present obligation to settle in cash or other assets exists if: (*a*) the option to settle by issuing equity instruments lacks commercial substance or (*b*) the present obligation is implied because of an entity's past practices or stated policies. If a present obligation exists, the transaction should be recognized as a liability; otherwise, the transaction should be recognized as equity

The Company accounts for stock-based compensation issued to non-employees and consultants in accordance with the provisions of ASC 505-50 *"Equity - Based Payments to Non-Employees"* which codified SFAS 123 and the Emerging Issues Task Force consensus in Issue No. 96-18 ("EITF 96-18"), *"Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring or in Conjunction with Selling, Goods or Services"*. Measurement of share-based payment transactions with non-employees shall be based on the fair value of whichever is more reliably measurable: (*a*) the goods or services received; or (*b*) the equity instruments issued. The fair value of the share-based payment transaction should be determined at the earlier of performance commitment date or performance completion date.

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Notes to Condensed Financial Statements

March 31, 2010 and 2009

Note 2 - Significant Accounting Policies (continued)

Going concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management's plans to obtain such resources for the Company include (1) obtaining capital from management and significant stockholders sufficient to meet its minimal operating expenses, and (2) as a last resort, seeking out and completing a merger with an existing operating company. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Recently Implemented Standards

ASC 855, *Subsequent Events* ("ASC 855") (formerly Statement of Financial Accounting Standards No. 165, *Subsequent Events*) includes guidance that was issued by the FASB in May 2009, and is consistent with current auditing standards in defining a subsequent event. Additionally, the guidance provides for disclosure regarding the existence and timing of a company's evaluation of its subsequent events. ASC 855 defines two types of subsequent events, "recognized" and "non-recognized". Recognized subsequent events provide additional evidence about conditions that existed at the date of the balance sheet and are required to be reflected in the financial statements. Non-recognized subsequent events provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date and, therefore; are not required to be reflected in the financial statements. However, certain non-recognized subsequent events may require disclosure to prevent the financial statements from being misleading. This guidance was effective prospectively for interim or annual financial periods ending after June 15, 2009. The Company implemented the guidance included in ASC 855 as of April 1, 2009. The effect of implementing this guidance was not material to the Company's financial position or results of operations.

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Notes to Condensed Financial Statements

March 31, 2010 and 2009

Note 2 - Significant Accounting Policies (continued)

Recently Issued Pronouncements (continued)

In February 2010, the FASB issued amended guidance on subsequent events to alleviate potential conflicts between FASB guidance and SEC requirements. Under this amended guidance, SEC filers are no longer required to disclose the date through which subsequent events have been evaluated in originally issued and revised financial statements. This guidance was effective immediately and we adopted these new requirements for the period ended March 31, 2010. The adoption of this guidance did not have a material impact on our financial statements.

In January 2010, the FASB issued guidance to amend the disclosure requirements related to recurring and nonrecurring fair value measurements. The guidance requires a roll forward of activities on purchases, sales, issuance, and settlements of the assets and liabilities measured using significant unobservable inputs (Level 3 fair value measurements). The guidance will become effective for the Company with the reporting period beginning July 1, 2011. The adoption of this guidance will not have a material impact on the Company s consolidated financial statements.

Note 3 Stockholders Equity

Common stock

On March 19, 2009, the Company entered into a Memorandum of Understanding ("Memo") with Excellent Auto Consulting ("Excellent") to purchase all or a majority of the outstanding capital voting stock of Excellent in such a way that allows Excellent to acquire the business of the Company. The Memo outlines that each party negotiate and complete a Material Definitive Agreement ("Agreement"). Pursuant to the Memo, the Company issued 10,000,000 shares of its common stock to be held in trust while negotiating the Agreement. The Agreement was unilaterally terminated March 23, 2010 and the shares in escrow are being returned for cancellation.

On March 31, 2010 the Company and TMD Courses, Inc., a California company, entered into a non-binding memorandum of understanding to explore business opportunities between the two companies. TMD Courses, Inc. is a research and development firm that owns by license intellectual property including patents and trademarks for proprietary medical devices. Both sides are in confidential due diligence investigations to determine the scope and form of a final business relationship.

On March 25, 2010, the Company issued a total of 1,000,000 common shares at $0.03 for total consideration of $30,000 to two separate consultants in consideration of consulting services to be provided.

FRIENDLY AUTO DEALERS, INC.

(A Development Stage Enterprise)

Notes to Condensed Financial Statements

March 31, 2010 and 2009

Note 3 Stockholders Equity (continued)

Warrants

The fair value of each warrant granted is estimated on the date of grant using the Black-Scholes option valuation model that uses the assumptions noted in the following table. Expected volatilities are based on volatilities from the Company's traded common stock since the beginning of free trading stock on June 27, 2008.

The expected term of options granted is estimated at half of the contractual term as noted in the individual option agreements and represents the period of time that options granted are expected to be outstanding. The risk-free rate for the periods within the contractual life of the option is based on the U.S. Treasury bond rate in effect at the time of grant for bonds with maturity dates at the estimated term of the options.

	March 31, 2010
Expected volatility	136.53% - 276.11%
Expected div	