

CrowdGather, Inc.
Form DEF 14A
October 12, 2010

SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

- Preliminary Proxy Statement
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12
- Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

CROWDGATHER, INC.
(Name of Registrant as Specified In Its Charter)
N/A
(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number,

or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

CROWDGATHER, INC.
20300 Ventura Blvd. Suite 330
Woodland Hills, CA 91364

October 12, 2010

Dear Stockholder:

We cordially invite you to attend our 2010 annual meeting of stockholders, which will be held at 10:00 a.m. on Friday, November 19, 2010 at the offices of the company at 20300 Ventura Blvd., Suite 330, Woodland Hills, California 91364.

At this year's annual meeting, the agenda will include: (i) the election of directors; (ii) the ratification of the selection of our independent registered public accounting firm for fiscal 2011; and (iii) transaction of such other business as may properly come before the meeting or any adjournment thereof. Please refer to the enclosed proxy statement for detailed information on each of these proposals and other important information about CrowdGather, Inc.

We hope you will be able to attend the annual meeting, but we know that not every stockholder will be able to do so. Whether or not you plan to attend, please complete, sign and return your proxy, or vote by telephone or via the Internet according to the instructions on the proxy card, so that your shares will be voted at the annual meeting.

For admission to the annual meeting, each stockholder may be asked to present valid picture identification, such as a driver's license or passport, and proof of ownership of our capital stock as of the record date, such as the enclosed proxy card or a brokerage statement reflecting stock ownership.

Sincerely,
/s/ Sanjay Sabnani
Sanjay Sabnani
Chief Executive Officer, President
and Secretary

CROWDGATHER, INC.
20300 Ventura Blvd. Suite 330
Woodland Hills, CA 91364

NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS
Friday, November 19, 2010

NOTICE IS HEREBY GIVEN that the 2010 Annual Meeting of Shareholders of CrowdGather, Inc., a Nevada corporation (the "Company") will be held at 10:00 a.m. local time on Friday, November 19, 2010, at the Company's offices at 20300 Ventura Blvd., Suite 330, Woodland Hills, California 91364, for the following purposes:

1. To elect four directors to hold office until the next annual meeting of stockholders or until their successors are duly elected and qualified.
2. To ratify the selection of Q Accountancy Corporation as our independent registered public accounting firm for the 2011 fiscal year.
3. To conduct any other business properly brought before the meeting or any adjournments thereof.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is October 15, 2010. Only stockholders of record at the close of business on that day will be entitled to vote at the annual meeting and any and all adjourned sessions thereof. For ten days prior to the meeting, a complete list of shareholders entitled to vote at the meeting will be available for examination by any shareholder, for any purpose relating to the meeting, during ordinary business hours at our offices located at 20300 Ventura Blvd., Suite 330, Woodland Hills, California 91364.

To ensure that your vote is recorded promptly, please vote as soon as possible. If you are a stockholder of record, please complete, sign and mail the proxy card in the enclosed postage-paid envelope. If your shares are held in "street name", that is held for your account by a broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted.

Important Notice Regarding the Availability of Proxy Materials for the Annual Stockholder Meeting
to be held on Friday, November 19, 2010 At 10:00 a.m. Local Time at our offices,
located at 20300 Ventura Blvd., Suite 330, Woodland Hills, California 91364.

Our proxy statement and proxy are enclosed along with our Annual Report on Form 10-K for the fiscal year ended April 30, 2010, which is being provided as our Annual Report to Stockholders and are available at <http://www.crowdgather.com/proxy.cgs>.

By Order of the Board of Directors,

/s/ Sanjay Sabnani
Sanjay Sabnani
Chief Executive Officer, President
and Secretary

October 12, 2010
Woodland Hills, California

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CROWDGATHER, INC.
20300 Ventura Blvd. Suite 330
Woodland Hills, CA 91364

PROXY STATEMENT

2010 ANNUAL MEETING OF SHAREHOLDERS
November 19, 2010

VOTING AND PROXY

Our board of directors is soliciting your proxy for the annual meeting of stockholders to be held at the company's offices at 20300 Ventura Blvd., Suite 330, Woodland Hills, California 91364, on Friday, November 19, 2010 at 10:00 a.m. local time and at any and all adjourned sessions of the annual meeting.

We are mailing our annual report for the fiscal year ended April 30, 2010, to our stockholders with this notice and proxy statement (including the form of proxy) on or about October 20, 2010.

Record Date and Quorum Requirements

Only stockholders of record at the close of business on October 15, 2010 will be entitled to vote at the annual meeting. At the close of business on October 12, 2010, we had 45,969,536 shares of common stock issued and outstanding.

A majority of the outstanding shares of common stock as of the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a "quorum." A stockholder's shares are counted as present at the meeting if the stockholder is present at the meeting and votes in person or a proxy card has been properly submitted by the stockholder or on the stockholder's behalf. Both abstentions and broker non-votes are counted as present for the purpose of determining the presence of a quorum.

"Broker non-votes" are shares of common stock held by brokers or nominees over which the broker or nominee lacks discretionary power to vote and for which the broker or nominee has not received specific voting instructions from the beneficial owner.

Voting Your Shares and Votes Required

Your vote is very important. If you do not vote your shares, you will not have an impact with respect to the issues to be voted on at this annual meeting. In addition, banks and brokers cannot vote on their clients' behalf on "non-routine" proposals without your specific voting instructions.

The holders of all outstanding shares of common stock are entitled to one vote for each share of common stock registered in their names on the books of our company at the close of business on the record date.

In order to be elected as directors, each of the nominees for director must receive a plurality of the votes cast at the annual meeting. Approval of the proposed ratification of the selection of Q Accountancy Corporation as our independent registered public accounting firm for the 2011 fiscal year will require the affirmative vote of a majority of the shares of common stock present or represented by proxy at the annual meeting. For purposes of determining the outcome of any matter, shares represented in person or by proxy at the meeting but abstaining from voting on a particular proposal and "broker non-votes" will each be treated as not present and not entitled to vote with respect to that matter, even though the shares of common stock are considered entitled to vote for the purposes of determining a

quorum and may be entitled to vote on other matters. Therefore, abstentions will have the effect of a vote “against” this proposal.

Submitting Your Proxy

If you complete and submit your proxy, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy card but do not fill out the voting instructions on the proxy card, the persons named as proxies will vote the shares represented by your proxy as follows:

FOR the election of the director nominees; and
FOR the ratification of the selection of Q Accountancy Corporation as our registered public accounting firm.

To ensure that your vote is recorded promptly, please vote as soon as possible. To vote by proxy, please complete, sign and mail the proxy card in the enclosed postage-paid envelope (or follow instructions to grant a proxy to vote by means of telephone or Internet).

Stockholders that attend the annual meeting and wish to vote in person will be given a ballot at the meeting. If your shares are held in “street name” and you want to attend the annual meeting, you must bring an account statement or letter from the brokerage firm or bank holding your shares showing that you were the beneficial owner of the shares on the record date. If you want to vote shares that are held in “street name” or are otherwise not registered in your name, you will need to obtain a “legal proxy” from the holder of record and present it at the annual meeting.

Revoking or Changing Your Proxy

You may revoke or change your proxy at any time before it is voted. For a stockholder "of record", meaning one whose shares are registered in his or her own name, to revoke or change a proxy, the stockholder may follow one of the procedures listed below.

submit another properly signed proxy, which bears a later date;
deliver a written revocation to our corporate secretary; or
if you voted by telephone or through the Internet, by voting again either by telephone or through the Internet prior to the close of the voting facility;
or attend the annual meeting or any adjourned session thereof and vote in person.

If you are a beneficial owner of our common stock, and not the stockholder of record (for example your common stock is registered in "street name" with a brokerage firm), you must follow the procedures required by the holder of record, which is usually a brokerage firm or bank, to revoke or change a proxy. You should contact the stockholder of record directly for more information on these procedures.

Other Information

We will bear the expense of soliciting proxies. Our officers and certain other employees, without additional remuneration, may solicit proxies personally or by telephone, e-mail or other means.

Our Annual Report on Form 10-K for the year ended April 30, 2010, which is not part of the proxy soliciting materials, is included with this Proxy Statement as Appendix A.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The table below shows the number of our shares of common stock beneficially owned as of September 20, 2010 by:

each person or group known by us to beneficially own more than 5% of our outstanding common stock;
each director;
each executive officer named in the Summary Compensation Table under the heading "Executive Compensation and Related Information" below;
and
all of our current directors and executive officers of the company as a group.

The number of shares beneficially owned by each 5% holder, director or executive officer is determined by the rules of the SEC, and the information does not necessarily indicate beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the person or entity has sole or shared voting power or investment power and also any shares that the person or entity can acquire within 60 days of September 20, 2010, through the exercise of any stock option or other right. For purposes of computing the percentage of outstanding shares of common stock held by each person or entity, any shares that the person or entity has the right to acquire within 60 days after September 20, 2010, are deemed to be outstanding with respect to such person or entity but are not deemed to be outstanding for the purpose of computing the percentage of ownership of any other person or entity. Unless otherwise indicated, each person or entity has sole investment and voting power (or shares such power with his or her spouse) over the shares set forth in the following table. The inclusion in the table below of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares. As of September 20, 2010, and after giving effect to the issuances described above, there were 45,969,536 shares of common stock issued and outstanding.

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| Title of Class | Name and Address of Beneficial Owner | Amount and Nature of Beneficial Owner | Percent of Class (3) |
|----------------|--|---|----------------------|
| Common Stock | Sanjay Sabnani 20300 Ventura Blvd, Suite 330 Woodland Hills, CA 91364 | 17,335,550 shares (1) CEO, President, Secretary, Treasurer and director | 37.71% |
| Common Stock | Typhoon Capital Consultants, LLC (2) 19069 Braemore Road Northridge, California 91326 | 16,210,550 shares 5% Owner | 35.26% |
| Common Stock | Vinay Holdings, Ltd. (4) P.O. Box 983 Victoria, Mahe, Republic of Seychelles | 2,664,450 shares, 5% Owner | 5.80% |
| Common Stock | Gaurav Singh c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364 | 465,000 shares (5), CFO | * |
| Common Stock | Jonathan R. Dariyanani c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364 | 59,000 shares, Director | * |
| Common Stock | James A. Sacks c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364 | 175,000 shares, Director | * |
| Common Stock | Chuck Timpe c/o 20300 Ventura Blvd., Suite 330 Woodland Hills, California 91364 | 146,878 shares (6) Director | * |
| Common Stock | All directors and named executive officers as a group | 20,845,878 shares | 45.34% |

* Denotes less than 1%.

(1) Includes 16,210,550 shares, which are held by Typhoon Capital Consultants, LLC, of which Sanjay Sabnani is the beneficial owner, 225,000 shares of common stock underlying options granted to Mr. Sabnani and 900,000 shares held by Sabnani Children Income Trust, of which Sanjay Sabnani may be deemed to have beneficial ownership due to his spouse's role as sole trustee for this trust. Mr. Sabnani disclaims beneficial ownership of those 900,000 shares, except as to his pecuniary interest therein. Does not include 175,000 shares issuable upon the exercise of options which have been granted but will not vest within 60 days of September 20, 2010.

(2) Sanjay Sabnani holds voting and dispositive power over the shares of Typhoon Capital Consultants, LLC.

(3) Based on 45,969,536 common shares issued as of September 20, 2010.

(4) Parshotam Shambhunath Vaswani holds voting and dispositive power over the shares of Vinay Holdings, Ltd.

(5) Includes 200,000 shares of common stock held of record by Gaurav Singh and 265,000 shares of common stock underlying options granted to Mr. Singh. Does not include 165,000 shares issuable upon the exercise of options which have been granted but will not vest within 60 days of September 20, 2010.

(6) Consists of 146,878 shares of common stock underlying options granted to Chuck Timpe. Does not include 228,122 shares issuable upon the exercise of options which have been granted but will not vest within 60 days of September 20, 2010.

EXECUTIVE COMPENSATION AND RELATED INFORMATION

Summary Compensation Table. The table set forth below summarizes the annual and long-term compensation for services in all capacities to us payable to our principal executive officer during the fiscal years ending April 30, 2010 and 2009.

| Name and Principal Position | Year Ended April 30 | Salary \$ | Bonus \$ | Stock Awards \$ | Option Awards \$ | Non-Equity Incentive Plan Compensation \$ | Nonqualified Deferred Compensation Earnings \$ | All Other Compensation \$ | Total \$ |
|---|---------------------|-----------|----------|-----------------|------------------|---|--|---------------------------|----------|
| Sanjay Sabnani CEO, President, Secretary | 2010 | 162,000 | 0 | 0 | 0 | 0 | 0 | 0 | 162,000 |
| | 2009 | 172,384 | 0 | 0 | 472,016 | 0 | 0 | 0 | 644,400 |
| Gaurav Singh, CFO, Treasurer | 2010 | 126,000 | 0 | 0 | 0 | 0 | 0 | 0 | 126,000 |
| | 2009 | 101,607 | 0 | 0 | 352,211 | 0 | 0 | 36,900 | 490,718 |

Employment Contracts and Termination of Employment. We do not anticipate that we will enter into any employment contracts with any of our employees. We have no plans or arrangements in respect of remuneration received or that may be received by our executive officers to compensate such officers in the event of termination of employment (as a result of resignation or retirement), except as follows:

1. If terminated without Good Cause (as defined below), Gaurav Singh is entitled to one month of severance pay equal to one month of his base salary during the first six months of employment and severance pay equal to three months of his base salary in cash, restricted Company stock or some combination thereof, as determined in the sole discretion of the Company if terminated after six months of employment.

A termination shall be for "Good Cause" if the officer, in the subjective good faith opinion of the Company, shall

1. Commit and act of fraud, moral turpitude, misappropriation of funds or embezzlement;
2. Breach his/her fiduciary duty to the Company, including, but not limited to, acts of self-dealing (whether or not for personal profit);
3. Materially breach this agreement, the confidentiality agreement, or the Company's written Code of Ethics as adopted by the Board of Directors;
4. Willful, reckless or grossly negligent violation of any applicable state or federal law or regulation; or
5. Fail to or refuse (whether willful, reckless or negligent) to substantially perform the responsibilities and duties specified herein (other than a failure caused by temporary disability); provided, however, that no termination shall occur on that basis unless the Company first provides his/her with written notice to cure; the notice to cure shall reasonably specify the acts or omissions that constitute his/her failure or refusal to perform his/her duties, and he/she shall have reasonable opportunity (not to exceed 10 days after the date of notice to cure) to correct his/her failure or refusal to perform his/her duties; termination shall be effective as of the date of written notice to cure.

Stock Options/SAR Grants. On May 9, 2008, the Board of Directors granted 400,000 options with an exercise price of \$1.00 per share to Gaurav Singh. On June 20, 2008, the Board of Directors granted 400,000 options with an

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exercise price of \$1.49 per share to Sanjay Sabnani. On November 17, 2008, the Board of Directors granted 30,000 options with an exercise price of \$1.50 per share to Gaurav Singh. All of the options covered by each grant vest as follows: 1/8 of total vests after 180 days after grant; remaining to vest at the rate of 1/16 of the total every 90 days thereafter, over 4 years. The options granted expire 10 years after the date of grant.

Outstanding Equity Awards at Fiscal Year-end. As of the year ended April 30, 2010, the following named executive officer had the following unexercised options, stock that has not vested, and equity incentive plan awards:

| Option Awards | | | | | | Stock Awards | | | |
|--|---|------------------|---|-----------------------|------------------------|--------------------------------------|--|--|---|
| Name | Number of Securities Underlying Unexercised Options # Exercisable | # Un-exercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options | Option Exercise Price | Option Expiration Date | Number of Shares or Units Not Vested | Market Value of Shares or Units Not Vested | Equity Incentive Plan Awards: Number of Unearned Shares, Other Rights Not Nested | Value of Unearned Shares, Other Rights Not Vested |
| Sanjay Sabnani CEO, President, and Secretary | 200,000 | 200,000 | 400,000 | \$1.49 | 06/20/2018 | 0 | 0 | 0 | 0 |
| Gaurav Singh CFO, and Treasurer | 200,000 | 200,000 | 400,000 | \$1.00 | 05/09/2018 | 0 | 0 | 0 | 0 |
| | 11,250 | 26,250 | 18,750 | \$1.50 | 11/17/2018 | 0 | 0 | 0 | 0 |

All of the options specified above vest as follows: 1/8 of total vests after 180 days after grant; remaining to vest at the rate of 1/16 of the total every 90 days thereafter, over 4 years. The options granted expire 10 years after the date of grant. There have been no exercises of stock options by either of the above named executive officers during the year April 30, 2010.

Long-Term Incentive Plans. As of April 30, 2010, we had no group life, health, hospitalization, or medical reimbursement or relocation plans in effect. Further, we had no pension plans or plans or agreements which provide compensation in the event of termination of employment or change in control of our company.

Director Compensation. Our directors received the following compensation for their service as directors during the fiscal year ended April 30, 2010:

| Name | Fees Earned or Paid in Cash | Stock Awards \$ | Option Awards \$ | Non-Equity Incentive Plan Compensation \$ | Non-Qualified Deferred Compensation Earnings \$ | All Other Compensation \$ | Total \$ |
|-------------------------------|-----------------------------|-----------------|------------------|---|---|---------------------------|----------|
| Sanjay Sabnani, director | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Jonathan Dariyanani, director | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| James Sacks, director | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chuck Timpe, director | 0 | 0 | 219,408 | 0 | 0 | 0 | 219,408 |

INFORMATION ABOUT OUR BOARD OF DIRECTORS, BOARD COMMITTEES AND RELATED MATTERS

The Board and Board Meetings. The Board currently consists of four directors. During the fiscal year ended April 30, 2010, the Board took 19 corporate actions by written consent and held no formal meetings. It is our policy that directors are expected to attend the annual meeting of stockholders.

Director Independence. We believe that Jonathan R. Dariyanani, James A. Sacks and Chuck Timpe are independent members of our Board of Directors as that term is defined by defined in Rule 4200(a)(15) of the Nasdaq Marketplace Rules.

Audit Committee and Financial Expert. Presently, our Board of Directors acts as the audit committee, and Chuck Timpe acts as the audit committee financial expert.

During the next six to twelve months, we hope to establish a formal audit committee, which will be responsible for: (1) selection and oversight of our independent accountant; (2) establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls and auditing matters; (3) establishing procedures for the confidential, anonymous submission by our employees of concerns regarding accounting and auditing matters; (4) engaging outside advisors; and, (5) funding for the independent auditor and any outside advisors engaged by the audit committee. We will adopt an audit committee charter when we establish the audit committee.

Committees. Our Board of Directors does not currently have a compensation committee or nominating and corporate governance committee because, due to the Board of Director's composition and our relatively limited operations, the Board of Directors is able to effectively manage the issues normally considered by such committees. Our Board of Directors may undertake a review of the need for these committees in the future.

Security holders may send communications to our Board of Directors by writing to 20300 Ventura Blvd. Suite 330, Woodland Hills, CA 91364, attention Board of Directors.

Code of Ethics. We have adopted a Code of Ethics (the “Code”) that applies to our directors, officers and employees, including our principal executive officer and principal financial and accounting officer, respectively. The Code is filed as Exhibit 14 to our Report on Form 8-K filed on July 23, 2008. A written copy of the Code will be available on our website at www.crowdgather.com.

Report of Audit Committee. Presently, the board of directors acts as the audit committee. The audit committee is responsible for assessing the information provided by management and our registered public accounting firm in accordance with its business judgment. Management is responsible for the preparation, presentation and integrity of our financial statements and for the appropriateness of the accounting principles and reporting policies that are used. Management is also responsible for testing the system of internal controls, and reports to the audit committee on any deficiencies found. Our registered public accounting firm QAC, is responsible for auditing the financial statements and for reviewing the unaudited interim financial statements.

The Board has approved the audited financial statements included in the Annual Report on Form 10-K for the year ended April 30, 2010 for filing with the SEC. The Board reappointed QAC as our registered public accounting firm for the 2011 fiscal year.

Independent Registered Public Accounting Firm Fees. The following table summarizes the fees for our registered public accounting firms, billed to us for each of the last two fiscal years:

| Fee Category | FY 2010 | FY 2009 |
|--------------------|-----------|-----------|
| Audit Fees | \$ 31,320 | \$ 57,747 |
| Audit-Related Fees | — | — |
| Tax Fees | \$ 1,250 | \$ 3,975 |
| All Other Fees | — | — |
| Total Fees | \$ 32,570 | \$ 61,722 |

Pre-Approval Policies and Procedures. The Board is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit related services, tax services and other services as allowed by law or regulation. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specifically approved amount. The independent auditors and management are required to periodically report to the Board regarding the extent of services provided by the independent auditors in accordance with this pre-approval and the fees incurred to date. The Board may also pre-approve particular services on a case-by-case basis.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related party transactions.

On July 8, 2008, we issued a convertible promissory note to one of our shareholders for \$500,000, due in one year, or upon default, whichever is earlier, with interest at the annual rate of 8%. The convertible note has a mandatory conversion feature by which it will automatically convert to shares of our common stock immediately before the closing of a transaction or series of transactions in which we sell equity securities in an amount equal to or greater than \$2,000,000 (“Next Equity Financing”). The holder of the convertible note will receive shares at a rate that represents discount of 15% to the price per share in the Next Equity Financing. In connection with the issuance of the convertible note, we also agreed that the holder will be entitled to a grant of warrants in an amount to be determined at the time of Next Equity Financing.

On September 25, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$200,000, due in one year with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.50 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On October 31, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$170,000, due in one year with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.50 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On December 3, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$110,000, due in one year with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.40 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On January 9, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$90,000, due in six months with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.25 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On February 11, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$60,000, due in six months with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$0.90 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On March 10, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$32,000, due in six months with interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$0.70 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000.

On May 21, 2009, we closed a private offering of 18-month secured convertible debentures. As part of the initial closing \$150,000 of the above notes was repaid and the remaining balance of the notes plus accrued interest of approximately \$62,000 were exchanged for an 18 month secured convertible debenture. Following the closing, we had no short-term debt obligations.

On May 4, 2009, we issued a promissory note to our majority shareholder for \$54,000, due in 60 days from the date of the note. In the event the note is not repaid in the 60 day period, interest at 10% will accrue for two years. The note was subsequently repaid on May 29, 2009.

On February 27, 2010, we issued 1,004,875 shares of our common stock to one foreign institutional investor who elected to convert an 18-month secured convertible debenture that was issued in May 2009. The investor converted the debenture in the principal amount of \$1,300,000 together with accrued interest of \$80,066 for a total of \$1,380,066, into 1,004,875 shares of our common stock, or approximately \$1.37 per share. On the same date, we also issued 903,038 shares to a second foreign institutional investor who elected to convert two debentures that were issued in May 2009. The investor converted one debenture in the principal amount of \$532,500 together with accrued interest of \$32,796 for a total of \$565,296, into 484,250 shares of our common stock, or approximately \$1.17 per share. The investor also converted a second debenture in the principal amount of \$541,783 together with accrued interest of \$33,368, for a total of \$575,151, into 418,788 shares of our common stock, or approximately \$1.37 per share.

On February 27, 2010, we issued 285,715 shares to the one foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$200,000. On the same date, we also issued 671,426 shares to the second foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$470,000.

There have been no other related party transactions, or any other transactions or relationships required to be disclosed pursuant to Item 404 of Regulation S-K.

With regard to any future related party transaction, we plan to fully disclose any and all related party transactions, including, but not limited to, the following:

- disclose such transactions in prospectuses where required;
- disclose in any and all filings with the SEC, where required;
- obtain disinterested directors consent; and
- obtain shareholder consent where required.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who beneficially own more than 10% of a registered class of our equity securities, or reporting persons, to file initial reports of ownership and reports of changes in ownership of our common stock and other equity securities with the SEC. The reporting persons are required by the SEC regulations to furnish us with copies of all reports that they file.

Based solely upon a review of copies of the reports furnished to us during our fiscal year ended April 30, 2010 and thereafter, we believe that our officers, directors, and principal shareholders have filed all reports required to be filed on, respectively, a Form 3 (Initial Statement of Beneficial Ownership of Securities), a Form 4 (Statement of Changes of Beneficial Ownership of Securities), or a Form 5 (Annual Statement of Beneficial Ownership of Securities).

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the following persons has any substantial or material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the annual meeting except for our current and future directors and executive officers inasmuch as they may be granted stock options or stock awards pursuant to our

2008 Stock Plan:

1. Each person who has been one of our directors or executive officers at any time since the beginning of our last fiscal year;
2. Each nominee for election as one of our directors; or
3. Any affiliate or associate of any of the foregoing persons.

PROPOSAL 1
ELECTION OF DIRECTORS

The first proposal to be voted on is the election of four directors, including the re-election of Sanjay Sabnani, Jonathan Dariyanani, James Sacks, and Chuck Timpe, currently all sitting as directors. If elected, each of the nominees will serve a one-year term and will be subject to reelection next year.

Biographical information about each of the nominees is included below. There are no family relationships among any of our directors, nominees for director and executive officers.

The board of directors has no reason to believe that any nominee will be unable to serve or decline to serve as a director if elected. If a nominee becomes unable or unwilling to accept nomination or election, the board will either select a substitute nominee or will reduce the size of the board. If you have submitted a proxy and a substitute nominee is selected, your shares will be voted for the election of the substitute nominee.

Director Nominees

Sanjay Sabnani
Age: 40
Director since 2008

Sanjay Sabnani. Sanjay Sabnani was appointed as Chief Executive Officer, President, Chief Financial Officer, Secretary, and Treasurer of our Company on April 2, 2008 and became our sole director shortly thereafter. Mr. Sabnani founded General Mayhem, LLC in May 2004. While building General Mayhem, LLC's operations and network communities Mr. Sabnani has served senior executive roles in several public companies including: EVP strategic development at Hythiam, Inc. (NASDAQ:HYTM) from April 2004 to December 2007; and president and director at Venture Catalyst, Inc. (NASDAQ:VCAT), from July 1999 to November 2000. Mr. Sabnani assisted in raising over \$200 million in public equity financing for these companies, and served as the chief strategist and communicator for these businesses during his tenure with each. In addition, Mr. Sabnani has served as chairman of the board of two distinguished non-profits: Artwallah (arts festival); and TiE SoCal (venture capital networking). Mr. Sabnani was also the founder of another California charity, EndDependence (scholarships for addiction treatment). Mr. Sabnani received his BA in English Literature from UCLA in 1999. Mr. Sabnani is not an officer or director of any other reporting company.

Jonathan R. Dariyanani
Age: 40
Director since 2008

Mr. Dariyanani has been the principal of Zoma Law Group/Zoma Ventures in New York since 1999. From 2003 to 2004, Mr. Dariyanani also served as the director of ESL for Leapfrog Enterprises, Inc. From 1997 to 1999, he was an associate attorney at the Palo Alto, California office of Wilson Sonsini Goodrich and Rosati. Mr. Dariyanani is licensed to practice law in California. Mr. Dariyanani holds a Juris Doctor from Duke University, earned in 1997, and a bachelor's degree in legal studies from the University of California at Berkeley, which he earned in 1993. Mr. Dariyanani is not an officer or director of any other reporting company.

James A. Sacks
Age: 45
Director since 2008

Mr. Sacks founded JAS Holdings in 2001, which provides contract sales services for medical business process outsourcing providers. From 1995 to 2000, Mr. Sacks was a registered securities principal for Joseph Charles & Associates. From 2000 to 2001, he served as a principal and the corporate secretary for Metropolitan Capital Partners. In 2002, he also served as a registered securities principal for West Park Capital. Mr. Sacks is not an officer or director of any other reporting company.

Chuck Timpe
Age: 64
Director since 2009

Mr. Timpe has been a member of our Board of Directors since May 2009. Mr. Timpe is a seasoned director and financial executive and has served as a director since 1998 for IPC The Hospitalist Company (IPCM – NASDAQ) and as an advisor to CrowdGather since October 2008. From June 2003 to November 2008, Mr. Timpe served as the chief financial officer of Hythiam, Inc. (HYTM—NASDAQ). Prior to joining Hythiam, Mr. Timpe was chief financial officer, from its inception in February 1998 to June 2003, of Protocare, Inc., a clinical research and pharmaceutical outsourcing company which merged with Radiant Research, Inc. in March 2003. Previously, he was a principal in two private healthcare management consulting firms he co-founded, chief financial officer of National Pain Institute, treasurer and corporate controller for American Medical International, Inc. (now Tenet Healthcare Corp.; THC—NYSE), and a member of Arthur Andersen, LLP’s healthcare practice, specializing in public company and hospital system audits. Mr. Timpe is currently a business consultant. Mr. Timpe received his B.S. from University of Missouri, School of Business and Public Administration, and is a certified public accountant.

OUR BOARD UNANIMOUSLY RECOMMENDS A VOTE “FOR” EACH OF THE NOMINEES TO THE BOARD OF DIRECTORS SET FORTH IN THIS PROPOSAL 1.

In considering your vote with respect to the election of directors pursuant to Proposal 1, you should consider the discussions of “Executive Compensation and Related Information” and “Information about our Board of Directors, Board Committees and Related Matters” and the other discussions contained in this Proxy Statement.

PROPOSAL 2
RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Our Board has selected the firm of Q Accountancy Corporation as our registered public accounting firm for fiscal 2011. Q Accountancy Corporation has served as our registered public accounting firm since April 30, 2010. Although stockholder approval of the Board's selection of Q Accountancy Corporation is not required by law, the board believes that it is advisable to give stockholders an opportunity to ratify this selection. If this proposal is not approved at the annual meeting, the Board will reconsider its selection of Q Accountancy Corporation.

Representatives of Q Accountancy Corporation are expected to be present at the annual meeting. They will have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions from stockholders.

In considering your vote with respect to the ratification of our selection of Q Accountancy Corporation as our registered public accounting firm pursuant to Proposal 2, you should consider the discussion of "Relationship with Independent Registered Public Accounting Firm" and the other discussions contained in this Proxy Statement.

OUR BOARD UNANIMOUSLY RECOMMENDS A VOTE "FOR" THIS PROPOSAL 2, THE APPROVAL OF Q ACCOUNTANCY CORPORATION AS OUR REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING APRIL 30, 2011.

RELATIONSHIP WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

There have been no changes in or disagreements with our accountants since our formation required to be disclosed pursuant to Item 304 of Regulation S-K, except as specified below.

On April 2, 2008, we dismissed Dale Matheson Carr-Hilton Labonte, LLP ("Dale Matheson") as our principal accountant effective on such date, and we appointed Mendoza Berger & Company, LLP ("Mendoza") as our new principal accountant. Dale Matheson's report on our financial statements for fiscal years 2006 and 2007 did not contain an adverse opinion or a disclaimer of opinion, nor was it qualified or modified as to uncertainty, audit scope, or accounting principles, with the exception of a qualification with respect to uncertainty as to our ability to continue as a going concern. The decision to change accountants was recommended and approved by our Board of Directors.

During fiscal years 2006 and 2007, and the subsequent interim period through April 2, 2008, there were no disagreements with Dale Matheson on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Dale Matheson, would have caused them to make reference to the subject matter of the disagreement(s) in connection with their report, nor were there any reportable events as defined in Item 304(a)(1)(iv)(B) of Regulation S-K.

We engaged Mendoza Berger & Company, LLP ("Mendoza") as our new independent accountant as of April 2, 2008. During fiscal years 2006 and 2007, and the subsequent interim period through April 2, 2008, we nor anyone on our behalf engaged Mendoza regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a "disagreement" or a "reportable event," both as such terms are defined in Item 304 of Regulation S-K.

On January 29, 2010, we dismissed Mendoza as our independent public accountant effective on such date. The reports of Mendoza on our financial statements for fiscal years 2009 and 2008 did not contain an adverse opinion or a disclaimer of opinion, were not qualified or modified as to uncertainty, audit scope, or accounting principles, with the exception of a qualification with respect to uncertainty as to our ability to continue as a going concern. We engaged

Quintanilla Accountancy Corporation (“Quintanilla”) as our new independent public accountant effective as of January 29, 2010. The decision to change accountants was recommended and approved by our Board of Directors.

During fiscal years 2009 and 2008, and the subsequent interim period through January 29, 2010, the date of dismissal, there were no disagreements with Mendoza on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Mendoza, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report, nor were there any reportable events as defined in Item 304(a)(1)(iv) of Regulation S-K.

During fiscal years 2009 and 2008, and the subsequent interim period through January 29, 2010, neither we nor anyone on our behalf engaged Quintanilla regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a “disagreement” or a “reportable event,” both as such terms are defined in Item 304 of Regulation S-K.

On March 15, 2010, we dismissed Quintanilla as our independent public accountant effective on such date. Quintanilla was our independent public accounting firm from January 29, 2010, the date of appointment, until March 15, 2010, the date of dismissal. We engaged Kelly & Company (“Kelly”) as our new independent registered public accountant effective as of March 15, 2010. The decision to change accountants was recommended and approved by our Board of Directors.

From January 29, 2010, the date of appointment, until March 15, 2010, the date of dismissal, Quintanilla did not issue any reports on our financial statements, and, therefore, there were no reports issued with adverse opinions or a disclaimer of opinion, and there were no reports issued which were qualified or modified as to uncertainty, audit scope, or accounting principles.

From January 29, 2010, the date of appointment, until March 15, 2010, the date of dismissal, there were no disagreements with Quintanilla on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Quintanilla, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report, nor were there any reportable events as defined in Item 304(a)(1)(iv) of Regulation S-K.

During fiscal years 2009 and 2008, and the subsequent interim period through March 15, 2010, we nor anyone on our behalf engaged Kelly regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a “disagreement” or a “reportable event,” both as such terms are defined in Item 304 of Regulation S-K.

On April 30, 2010, we dismissed Kelly and Company (“Kelly”) as our independent registered public accountant effective on such date. Kelly was the independent registered public accounting firm for us from March 15, 2010, the date of appointment, until April 30, 2010, the date of dismissal. We engaged Q Accountancy Corporation (“QAC”) as our new independent registered public accountant effective as of April 30, 2010. The decision to change accountants was recommended and approved by our Board of Directors.

From March 15, 2010, the date of appointment, until April 30, 2010, the date of dismissal, Kelly did not issue any reports on our financial statements and therefore there were no adverse opinions or a disclaimer of opinion, and there were no reports which were qualified or modified as to uncertainty, audit scope, or accounting principles.

From March 15, 2010, the date of appointment, until April 30, 2010, the date of dismissal, there were no disagreements with Kelly on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreement(s), if not resolved to the satisfaction of Kelly, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report, nor were there any reportable events as defined in Item 304(a)(1)(iv) of Regulation S-K.

During fiscal years 2009 and 2008, and the subsequent interim period through April 30, 2010, we nor anyone on our behalf engaged QAC regarding either the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was either the subject of a “disagreement” or a “reportable event,” both as such terms are defined in Item 304 of Regulation S-K.

HOUSEHOLDING OF ANNUAL MEETING MATERIALS

Some banks, brokers and other nominee record holders may be participating in the practice of “householding”. This means that only one copy of our annual report and proxy statement will be sent to stockholders who share the same last name and address. Householding is designed to reduce duplicate mailings and save significant printing and postage costs.

If you receive a household mailing this year and would like to receive additional copies of our annual report and/or proxy statement, please submit your request in writing to: CrowdGather, Inc., 20300 Ventura Blvd. Suite 330, Woodland Hills, CA, 91364, Attention: Secretary or by calling CrowdGather, Inc. at (818) 435-2472. Any stockholder

who wants to receive separate copies of the proxy statement in the future, or who is currently receiving multiple copies and would like to receive only one copy for his or her household, should contact his or her bank, broker, or other nominee record holder.

STOCKHOLDER PROPOSALS
FOR THE 2011 ANNUAL MEETING

Any stockholders who wish to submit a proposal, pursuant to Rule 14a-8 under the Exchange Act, for inclusion in the proxy materials for our 2011 annual meeting of stockholders must ensure that it is received by our corporate secretary at our corporate headquarters, which are located at 20300 Ventura Blvd. Suite 330, Woodland Hills, CA, 91364, no later than a reasonable time before the materials for our 2011 Annual Meeting are printed and sent, which we anticipate will occur in November 2011.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

ANNUAL REPORT AND AVAILABLE INFORMATION

We file reports, proxy statements and other information with the SEC under the Exchange Act. You may obtain copies of this information by mail from the Public Reference Section of the SEC, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

A copy of our Annual Report on Form 10-K for the year ended April 30, 2010 is being made available with this proxy statement. The reports described in the preceding paragraph are not incorporated by reference into this proxy statement and are not deemed to be a part of our proxy solicitation materials.

THIS PROXY STATEMENT IS DATED OCTOBER 12, 2010. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROXY STATEMENT IS ACCURATE AS OF ANY DATE OTHER THAN SUCH DATE, AND THE MAILING OF THIS PROXY STATEMENT TO THE COMPANY SHAREHOLDERS SHALL NOT CREATE ANY IMPLICATION TO THE CONTRARY.

THE BOARD ENCOURAGES STOCKHOLDERS TO ATTEND THE ANNUAL MEETING. WHETHER OR NOT YOU PLAN TO ATTEND, YOU ARE URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY IN THE ACCOMPANYING ENVELOPE. A PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE ANNUAL MEETING AND YOUR COOPERATION WILL BE APPRECIATED. STOCKHOLDERS WHO ATTEND THE ANNUAL MEETING MAY VOTE THEIR STOCK PERSONALLY EVEN THOUGH THEY HAVE SENT IN THEIR PROXIES.

By Order of the Board of Directors,
/s/ Sanjay Sabnani
Sanjay Sabnani
Chief Executive Officer, President
and Secretary

October 12, 2010

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APPENDIX A

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

FORM 10-K

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

For the fiscal year ended April 30, 2010

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: 000-52143

CrowdGather, Inc.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

20-2706319
(I.R.S. Employer
Identification No.)

20300 Ventura Blvd. Suite 330, Woodland Hills, California
(Address of principal executive offices)

91364
(Zip Code)

(818) 435-2472

(Registrant's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Act:

Title of each class registered:
None

Name of each exchange on which registered:
None

Securities registered under Section 12(g) of the Act:

Common Stock, Par Value \$.001
(Title of Class)

Indicate by check mark if registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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

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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 (§ 229.405 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. 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). Yes xNo

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. As of November 30, 2009, approximately \$26,134,273.

As of June 29, 2010, there were 44,445,311 shares of the issuer's \$.001 par value common stock issued and outstanding.

Documents incorporated by reference. There are no annual reports to security holders, proxy information statements, or any prospectus filed pursuant to Rule 424 of the Securities Act of 1933 incorporated herein by reference.

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PART I

Forward-Looking Information

This Annual Report of CrowdGather, Inc. on Form 10-K contains forward-looking statements, particularly those identified with the words, “anticipates,” “believes,” “expects,” “plans,” “intends,” “objectives” and similar expressions. These statements reflect management's best judgment based on factors known at the time of such statements. The reader may find discussions containing such forward-looking statements in the material set forth under “Management's Discussion and Analysis and Plan of Operations,” generally, and specifically therein under the captions “Liquidity and Capital Resources” as well as elsewhere in this Annual Report on Form 10-K. Actual events or results may differ materially from those discussed herein. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements. The assumptions used for purposes of the forward-looking statements specified in the following information represent estimates of future events and are subject to uncertainty as to possible changes in economic, legislative, industry, and other circumstances. As a result, the identification and interpretation of data and other information and their use in developing and selecting assumptions from and among reasonable alternatives require the exercise of judgment. To the extent that the assumed events do not occur, the outcome may vary substantially from anticipated or projected results, and, accordingly, no opinion is expressed on the achievability of those forward-looking statements. No assurance can be given that any of the assumptions relating to the forward-looking statements specified in the following information are accurate, and we assume no obligation to update any such forward-looking statements.

Item 1. Description of Business.

Our Background. CrowdGather, Inc., formerly WestCoast Golf Experiences, Inc., (the “Company,” “we” or “CrowdGather”) was incorporated in the State of Nevada on April 20, 2005.

On April 2, 2008, the Company, General Mayhem LLC (“General”) and the Company’s wholly owned subsidiary, General Mayhem Acquisition Corp. (the “Acquisition Subsidiary”), closed the agreement and plan of merger, pursuant to which General merged into the Acquisition Subsidiary, with the Acquisition Subsidiary surviving, and each share of General was converted into and became one (1) share, such that former members of General were issued 26,000,000, or approximately 64.9%, of the outstanding shares at that time. Immediately thereafter, the Acquisition Subsidiary merged with and into the Company, with the Company surviving, and the Company changed its name to CrowdGather, Inc.

Our Business. We are an Internet company that specializes in monetizing a network of online forums and message boards designed to engage, provide information to and build community around users. We are in the process of building what we hope will become one of the largest social, advertising, and user generated content networks by consolidating existing groups of online users that post on message boards and forums. Our goal is to create the world's best user experience for forum communities, and world class service offerings for forum owners. We believe that the communities built around message boards and forums are one of the most dynamic sources of information available on the web because forums are active communities built around interest and information exchange on specific topics.

Part of our growth strategy includes identifying and acquiring web properties. In the last six months we have been researching potential opportunities to acquire online forums within targeted content and advertising verticals in our industry in order to expand our operations. In addition to the over 70 properties and 300 domain names acquired to date, we also maintain ongoing discussions with representatives of certain web properties and other companies that may be interested in being acquired by us or entering into a joint venture agreement with us.

The network we create will rely initially upon our own properties, but it is our goal to build a network that is open to third-party owned forums as well. Ultimately, the integration of these message board communities on our central CrowdGather platform will allow for the creation of three things: a user generated content network driven by a proprietary search interface; a social network powered by central ID and log-on management through our proprietary user profile; and an advertising network that allows for us to leverage the targeted demographics of the combined network in order to generate the highest advertising rates for all of our member sites.

On March 12, 2010, we entered into a website and domain name acquisition agreement (“Agreement”) with Phil Santoro (“Santoro”) pursuant to which we acquired the website, www.freeforums.org and domain names (“Websites”) set forth below:

- <http://www.freeforums-dev.org>; and
- <http://www.freeforums-inc.org>.

The Agreement also provides that we acquire all associated software used in building the Websites, along with the associated users lists, databases, add-ons installed with these forums and associated accounts for these websites. The total purchase price of the Websites is \$1,000,000, which consists of cash and stock. The Agreement also provides for payment of conditional traffic bonus compensation in the form of an additional \$200,000 payable to Santoro in shares of our common stock, using the 20-day volume weighted average price of our common stock, the 20th day of which shall be the trading day immediately preceding the one year anniversary date of March 12, 2010. The additional payment will only be due to Santoro if, during the following twelve months, the average monthly visitor traffic to the Websites is greater than or equal to 59.13 million monthly page views, as measured by Google analytics.

Our Community of Online Forums. Our forum community connects what we believe is a robust and vibrant network of people sharing their questions, expertise and experiences. We hope that this collection of forums will help users easily access relevant, dynamic, and compelling user-generated content, conversations and commerce. Some of our representative properties include:

| Forum Name | Target Community/Discussion Topic |
|-------------------------|---|
| Freeforums.org | Free forum hosting |
| Ngemu.com | Software emulators |
| Nsider2.com | Nintendo enthusiast community |
| GenMay.com | Off-topic and humor |
| Freepowerboards.com | Free forum hosting |
| Anythingbutipod.com | Consumer electronics media player community |
| ZuneBoards.com | Microsoft Zune community |
| AquaticPlantCentral.com | Aquascapes |
| Clubxb.com | Scion xB owner community |
| DemocracyForums.com | Politics |
| ABXZone.com | Computer help |
| Zealot.com | Hobby enthusiast forum |
| MotorcycleForum.com | Motorcycles |
| Pocketbikeplanet.com | Mini-bike owner society |
| Wiispace.com | Nintendo Wii enthusiast community |
| IronMass.com | Bodybuilding |
| Eternal-Allegiance.com | Celebrities and their fans |
| FoodForums.com | Food and dining |

Based upon current statistics from Google analytics, CrowdGather's network of forums including all recent acquisitions have approximately 78 to 80 million monthly page views and 4 to 4.5 million monthly unique visitors. Additionally, approximately 5.5 million users have registered on CrowdGather Network sites to date with 5.7 million monthly discussions comprising over 82.5 million individual replies.

Our belief is that the strong search engine rankings of many of our properties will continue to result in increased page views and registered members as we go forward.

We seek to continually add to the number of communities our website services by acquiring additional active forums, thereby increasing traffic to our site and the number of forums we host.

Recent Developments.

Acquisition of Adisn, Inc. On June 9, 2010, we entered into an agreement and plan of merger among us, Adisn, Inc., a Delaware corporation (“Adisn”) and our wholly-owned subsidiary, Adisn Acquisition Corp. (the “Adisn Merger Agreement”), pursuant to which Adisn Acquisition Corp. merged with and into Adisn and Adisn survived as our wholly-owned subsidiary. Pursuant to the Adisn Merger Agreement, the shareholders of Adisn received 4,621,849 shares of our common stock (the “Merger Shares”), subject to the escrow obligations of a securities escrow agreement, as discussed below, plus a right to receive the Earn-Out Shares, as defined below, if and when they become issuable.

The Merger Shares will be issued to the Adisn stockholders in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act and Regulation D promulgated pursuant to that act by the Securities and Exchange Commission (SEC).

The Adisn Merger Agreement also provides that we will issue an additional \$1,000,000 to the Adisn stockholders, which shall be payable in shares of our common stock (“Earn-Out Shares”) to be distributed on a pro-rata basis. The number of Earn-Out Shares to be issued to the Adisn stockholders shall be calculated by dividing \$1,000,000 by the 20-day volume weighted average price of our common stock, the 20th day of which shall be the trading day immediately preceding the one year anniversary date of June 9, 2010. The Earn-Out Shares will only be issued to the Adisn stockholders if, during the next twelve months, Adisn generates gross revenues, as defined according to generally accepted accounting principals in the United States of America, of more than \$1,562,500.

The Adisn Merger Agreement further provides that in the event we file a registration statement with the SEC pursuant to the Securities Act of 1933, as amended, Adisn stockholders have the right to request that we include in that registration statement the shares of common stock then held by Adisn stockholders.

Securities Escrow Agreement

As an inducement to us to enter into the Adisn Merger Agreement, on June 9, 2010, we and certain of the Adisn stockholders entered into a securities escrow agreement, pursuant to which those Adisn stockholders agreed to place stock certificates of our common stock representing an aggregate of 2,172,603 shares of common stock (“Escrow Shares”) into escrow for our benefit of (i) to secure certain indemnification obligations in the Adisn Merger Agreement, and (ii) in the event we fail to achieve certain financial performance thresholds for the six and twelve month periods following the closing of the Adisn merger.

Lock-up Agreements

Concurrently with the closing of the Adisn Merger Agreement, we entered into lock-up agreements with certain of the Adisn stockholders for the Merger Shares. The Adisn stockholders agreed that during the period from the closing of the Adisn Merger Agreement on June 9, 2010, until the first anniversary thereof, the Adisn stockholders will not sell, transfer, or otherwise dispose of more than (i) fifty percent of the Merger Shares during the first three month period after the six month period from June 9, 2010, and (ii) fifty percent of the Merger Shares during the second three month period after the six month period from June 9, 2010, other than in connection with an offer made to all of our stockholders in connection with merger, consolidation, or similar transaction involving us.

Concurrently with the closing of the Adisn Merger Agreement, we entered into lock-up agreements with certain of the Adisn stockholders for the Escrow Shares. Each holder agreed that during the period from the closing of the Adisn Merger Agreement on June 9, 2010, until the eighteen month anniversary thereof, the Adisn stockholders will not sell, transfer, or otherwise dispose of more than (i) fifty percent of the Escrow Shares during the first three month period after the twelve month period from June 9, 2010, and (ii) fifty percent of the Escrow Shares during the second three month period after the twelve month period from June 9, 2010, other than in connection with an offer made to all our stockholders in connection with merger, consolidation, or similar transaction involving us.

Revenues. We derive revenue principally from the sale of Internet advertising and sponsorships, as well as from subscription services on free forum hosting platforms and e-commerce. The Internet is an attractive forum for certain advertisers, depending on the number of users we have and a variety of other factors. Internet advertising spending continues to increase on an annual basis. We believe that significant revenues can be generated from online advertising both for our Company-owned sites as well as on a commission sales basis for our third-party network sites.

Additionally, we have decided to leverage our excess engineering capabilities towards developing web services applications for third-party customers. This is not a significant focus of ours going forward, but will help us towards reducing our net monthly deficit.

Sales, Marketing and Distribution. We intend to pursue direct sales with advertisers interested in exposing their products or services to our forum populations on a targeted basis. We will work not only with direct advertisers, but also advertising networks as represented by intermediaries. A key component of our strategy will be to customize advertising programs that are directly relevant to an advertiser, while not at odds with our online communities. We will also allow for direct personalized advertising sales to the members of our respective forum communities who wish to market their products or services to their fellow members.

We hope to develop a widely recognized brand, which will enable us to attract, retain, and more deeply engage users, forum owners, advertisers, publishers, and developers. We believe a great brand begins with a great product, services, and content. We focus on each step of product and services development, deployment, and management and content design to understand our offerings and how best to market them to our communities of potential and existing users. We hope to use online advertising, and we leverage our online network and our distribution partnerships to market our products and services to the right people at the right time. With continued investment in brand and product marketing, we believe we can continue to attract and engage users, advertisers, publishers, and developers.

We have also decided to develop, market, and sell products that are focused on expanding our visibility amongst owners of forums. The first such product will be our proprietary forum Content Management System (CMS), CrowdReport™.

Competition. We operate in the Internet products, services, and content markets, which are highly competitive and characterized by rapid change, converging technologies, and increasing competition from companies offering communication, information, and entertainment services integrated into other products and media properties.

We compete for users, advertisers, publishers, and developers with many other providers of online services, including Web businesses where expertise in a particular market segment may provide a competitive advantage and with social media and networking competitors. Ad networks (such as Yahoo!'s Yahoo! Properties, Google Inc.'s "Google" Ad sense, Ad.com, and Valueclick), which create specialized marketing solutions for specific advertiser or publishers segments, also compete with us for a share of marketing budgets.

We compete with companies to attract users and developers as well as attract advertisers and publishers to our forums. The principal competitive factors relating to attracting and retaining users include the usefulness, accessibility, integration, and personalization of the forums that we offer and the overall user experience on our site.

Many of our current and potential competitors have longer operating histories, more industry experience, larger customer or user bases, greater brand recognition and significantly greater financial, marketing and other resources than we do. We may not be able to compete with either the large or mid-sized companies. We are also at a significant competitive disadvantage within the Internet industry because we have limited capital resources. Our ability to compete will depend on our ability to obtain users of our products without spending any significant funds to market and promote our products.

Intellectual Property. Our intellectual property assets include domain names and websites; trademarks related to our brands, products and services; copyrights in software and creative content; trade secrets; and other intellectual property rights and licenses of various kinds. We also currently own the web domain www.crowdgather.com, which serves as our corporate website and the future home of our new forum software platform which is currently in development. Our portfolio currently consists of over 500 domain names and approximately 85 message board communities at various stages of development. Our corporate website (www.crowdgather.com) features a current list of our developed communities and software products.

Under current domain name registration practices, no one else can obtain an identical domain name, but someone might obtain a similar name, or the identical name with a different suffix, such as “.org”, or with a country designation. The regulation of domain names in the United States and in foreign countries is subject to change, and we could be unable to prevent third parties from acquiring domain names that infringe or otherwise decrease the value of our domain names.

We seek to protect our intellectual property assets through patent, copyright, trade secret, trademark and other laws of the United States and other countries, and through contractual provisions. We enter into confidentiality and invention assignment agreements with our employees and contractors, and non-disclosure agreements with third parties with whom we conduct business in order to secure our proprietary rights and additionally limit access to, and disclosure of, our proprietary information. We consider our trademarks to be our most valuable assets and we will seek to register these trademarks in the United States and will seek to protect them. We have licensed in the past, and expect that we may license in the future, certain of our proprietary rights, such as trademark, patent, copyright, and trade secret rights to third parties.

In May 2009, we converted a provisional patent with a priority date of May, 2008 into a utility patent titled “Systems and Methods for Syndicating Content to, and Mining Content from, Internet Based Forums.”

Adisn also filed a patent with a priority date of October 9, 2008 titled “Systems and Methods for Targeted Advertising.”

Government Regulation. We are subject to regulations and laws directly applicable to providers of Internet content and services. Many laws and regulations, however, are pending and may be adopted in the United States, individual states and local jurisdictions and other countries with respect to the Internet. The federal government and some state governments have introduced or considered legislation relating to Internet usage generally, including measures relating to privacy and data security, as well as specific legislation aimed at social networking sites, such as ours. It is not possible to predict whether or when such legislation may be adopted, and certain proposals, if adopted, could negatively affect our business. We do not know for certain how existing laws governing issues such as property ownership, copyright and other intellectual property issues, digital rights management, security, illegal or obscene content, retransmission of media, spyware, and personal privacy and data protection apply to the Internet. We monitor pending legislation to ascertain relevance, analyze impact and develop strategic direction surrounding regulatory trends and developments within the industry.

A number of U.S. federal laws, including those referenced below, impact our business. The Digital Millennium Copyright Act (“DMCA”) is intended, in part, to limit the liability of eligible online service providers for listing or linking to third-party Websites that include materials that infringe copyrights or other rights of others. Portions of the Communications Decency Act (“CDA”) are intended to provide statutory protections to online service providers who distribute third-party content. We rely on the protections provided by both the DMCA and CDA in conducting our business. Any changes in these laws or judicial interpretations narrowing their protections will subject us to greater risk of liability and may increase our costs of compliance with these regulations or limit our ability to operate certain lines of business. The Children’s Online Privacy Protection Act of 1998 (“COPPA”) prohibits web sites from collecting personally identifiable information online from children under age 13 without prior parental consent. The Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (“CAN-SPAM”) regulates the distribution of unsolicited commercial emails, or “spam.” Online services provided by us may be subject to COPPA and CAN-SPAM requirements. Congress and individual states may also consider online privacy legislation that would apply to personal information collected from teens and adults. We believe that we are in material compliance with the requirements imposed by those laws and regulations.

We are also subject to federal, state and local laws and regulations applied to businesses generally. We believe that we are in conformity with all applicable laws in all relevant jurisdictions. We do not believe that we have not been affected by any of the rules and regulations specified in this section.

Research and Development. We seek to continually enhance, expand, and launch products and features to meet evolving user, advertiser, and publisher needs for technological innovation and a deeper, more integrated experience for the online community of users. We intend to leverage our internal development efforts through technology acquisitions. We anticipate that our internal development costs for the first generation forum networking software will approximate \$50,000.

Employees. As of June 26, 2010, we have eight full time employees. None of our employees is covered by a collective bargaining agreement, nor are they represented by a labor union. We have not experienced any work stoppages, and we consider relations with our employees to be good.

Item 1A. Risk Factors.

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below together with all of the other information included in this report before making an investment decision with regard to our securities. If any of the following risks actually occurs, our business, financial condition, and/or results of operations could be harmed. In that case, the trading price of our common stock could decline, and you may lose all or part of your investment. You should only purchase our securities if you can afford to suffer the loss of your entire investment.

Risks Related to Our Business:

We have a history of net losses which will continue and which may negatively impact our ability to achieve our business objectives.

For the year ended April 30, 2010, we had revenue of \$309,781 and a net loss of \$3,429,694 compared to revenue of \$112,546 and a net loss of \$ 2,439,007 for the year ended April 30, 2009. There can be no assurance that our future operations will result in net income. Our failure to increase our revenues will harm our business. We may not be able to operate profitably on a quarterly or annual basis in the future. If our revenues grow more slowly than we anticipate or our operating expenses exceed our expectations, our operating results will suffer.

Our auditors have questioned our ability to continue operations as a “going concern.” Investors may lose all of their investment if we are unable to continue operations and generate revenues.

We hope to obtain significant revenues from future sales. In the absence of significant sales and profits, we will seek to raise additional funds to meet our working capital needs principally through the additional sales of our securities. However, we cannot guaranty that we will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to us. As a result, our auditors believe that substantial doubt exists about our ability to continue operations. In the event we are not able to continue operations, our securities will become worthless.

Our limited operating history may not serve as an adequate basis to judge our future prospects and results of operations.

We have a relatively limited operating history. Such limited operating history and the unpredictability of the success of online social networks makes it difficult for investors to evaluate our business and future operating results. An investor in our securities must consider the risks, uncertainties, and difficulties frequently encountered by companies in new and rapidly evolving markets. The risks and difficulties we face include challenges in accurate financial planning as a result of limited historical data and the uncertainties resulting from having had a relatively limited time period in which to implement and evaluate our business strategies as compared to older companies with longer operating histories.

We will need additional financing to execute our business plan.

The revenues from the sale of advertising and forum memberships and the projected revenues from these potential streams are not adequate to support our expansion and product development programs. We will need substantial additional funds to:

- effectuate our business plan;
- expand our online reach and presence;
- develop and enhance our technological capabilities;
- file, prosecute, defend and enforce our intellectual property rights; and
- hire and retain key employees.

We will seek additional funds through public or private equity or debt financing, via strategic transactions, and/or from other sources. There are no assurances that future funding will be available on favorable terms or at all. If additional funding is not obtained, we will need to reduce, defer or cancel development programs, planned initiatives, or overhead expenditures to the extent necessary. The failure to fund our operating and capital requirements could have a material adverse effect on our business, financial condition and results of operations.

Our resources may not be sufficient to manage our expected growth; failure to properly manage our potential growth would be detrimental to our business.

We may fail to adequately manage our anticipated future growth. Any growth in our operations will place a significant strain on our administrative, financial and operational resources, and increase demands on our management and on our operational and administrative systems, controls and other resources. We cannot assure you that our existing personnel, systems, procedures or controls will be adequate to support our operations in the future or that we will be able to successfully implement appropriate measures consistent with our growth strategy. As part of this growth, we may have to implement new operational and financial systems, procedures and controls to expand, train and manage our employee base, and maintain close coordination among our technical, accounting, finance, marketing and sales staff. We cannot guarantee that we will be able to do so, or that if we are able to do so, we will be able to effectively integrate them into our existing staff and systems. There may be greater strain on our systems mainly because we have acquired several businesses over the last 18 months and have had to devote significant management time and expense to the ongoing integration and alignment of management, systems, controls and marketing. To the extent we acquire other businesses, we will also need to integrate and assimilate new operations, technologies and personnel. If we are unable to manage growth effectively, such as if our sales and marketing efforts exceed our capacity to install, maintain and service our products or if new employees are unable to achieve performance levels, our business, operating results and financial condition could be materially and adversely affected.

Interest-group forums may not prove to be a viable business model.

Interest-group forums as a business model for delivering information and entertainment over the Internet is unproven, and we have only recently launched our efforts to develop a business centered on this model. It is too early to predict whether consumers will accept, and use our products on a regular basis, in significant numbers, and participate in our online community. Our products may fail to attract significant numbers of users, or, may not be able to retain the usership that it attracts, and, in either case, we may fail to develop a viable business model for our online community. In addition, we expect a significant portion of the content that we will provide to be available for free. If we are unable to successfully monetize the use of our content, either through advertising or fees for use, we may not be able to generate revenues.

We may be unable to attract higher quality advertisers to our online forums.

We expect that advertising revenue will comprise a significant portion of the revenue to be generated by the forums that we own. Most large high quality direct advertisers have fixed advertising budgets, only a small portion of which has traditionally been allocated to Internet advertising. In addition, the overall market for advertising, including Internet advertising, has been generally characterized in recent periods by softness of demand, reductions in marketing and advertising budgets, and by delays in spending of budgeted resources.

We generate our revenue almost entirely from key advertising relationships, and the reduction in spending by, or loss of, advertisers and forum members could seriously harm our ability to generate revenues.

If we are unable to provide value to key advertisers and our online communities, our revenues and business may be negatively impacted. In addition, we expect that advertisers will be able terminate their contracts with us at any time. We may encounter difficulty collecting from our advertisers because we are a very small company with limited resources to collect outstanding balances.

If we are unable to compete effectively in the forum sector of the Internet industry, our business will fail.

The forum sector of the Internet industry is extremely competitive. The competition comes from both companies within the same business and companies in other media which create alternative forms of entertainment. We compete with several major Internet companies which are dominant in the industry, as well as with numerous small and independent Internet companies. Many of the organizations with which we compete have significantly greater financial and other resources than we do. The major companies are typically large, diversified entertainment and media companies or subsidiaries of diversified corporations which have strong relationships with advertisers and others involved in the Internet industry. We may not be able to compete with those companies for users and advertisers.

We may not be able to sustain or grow our business unless we keep up with changes in technology and consumer tastes.

The Internet and electronic commerce industries are characterized by:

- rapidly changing technology;
- evolving industry standards and practices that could render our website and proprietary technology obsolete;
 - changes in consumer tastes and user demands;
- challenges, such as “click fraud,” that cast doubt on otherwise legitimate activities and practices; and
 - frequent introductions of new services or products that embody new technologies.

Our future performance will depend, in part, on our ability to develop, license or acquire leading technologies and program formats, enhance our existing services and respond to technological advances and consumer tastes and emerging industry standards and practices on a timely and cost-effective basis. Developing website and other proprietary technology involves significant technical and business risks. We also cannot assure you that we will be able to successfully use new technologies or adapt our website and proprietary technology to emerging industry standards. We may not be able to remain competitive or sustain growth if we do not adapt to changing market conditions or customer requirements.

We face significant competition from large-scale Internet content, product and service aggregators, principally Google, Microsoft and Yahoo.

We face significant competition from companies, principally Google, Microsoft, and Yahoo that have developed or acquired similar online sites. These services may directly compete with us for affiliate and advertiser arrangements, which will be key to our business and operating results. Some of these competitors offer services that indirectly compete with our services, including: consumer e-mail services, desktop search, local search, and instant messaging services; photos, maps, video sharing, content channels, mobile applications, and shopping services; movie, television, music, book, periodical, news, sports, and other media holdings; access to a network of cable and other broadband users and delivery technologies; advertising offerings; and considerable resources for future growth and expansion. Some of the existing competitors and possible additional entrants may have greater operational, strategic, financial, personnel or other resources than we do, as well as greater brand recognition either overall or for certain products and services. We expect these competitors increasingly to use their financial and engineering resources to compete with us, individually and potentially in combination with each other. In certain of these cases, our competition has a direct billing relationship with a greater number of their users through Internet access and other services than we have with our users through our premium services. This relationship may permit such competitors to be more effective than us in targeting services and advertisements to the specific preferences of their users thereby giving them a competitive advantage. If our competitors are more successful than we are in developing compelling products or attracting and retaining users, advertisers, or publishers, then our revenues and growth rates could decline.

We face significant competition from traditional media companies which could adversely affect our future operating results.

We also compete with traditional media companies for advertising, both offline as well as increasingly with their online assets as media companies offer more content directly from their own websites. Most advertisers currently spend only a small portion of their advertising budgets on Internet advertising. If we fail to persuade existing advertisers to retain and increase their spending with us and if we fail to persuade new advertisers to spend a portion of their budget on advertising with us, our revenues could decline and our future operating results could be adversely affected.

We anticipate that the majority of our revenues will be derived from advertising to our users, and the reduction in spending by or loss of current or potential advertisers would cause our revenues and operating results to decline.

We anticipate that we will primarily rely on our ability to generate revenues from advertising on our sites and from paid subscriptions from our members. Our ability to develop revenue from advertising revenue depends upon:

- establishing and maintaining our user base;
- establishing and maintaining our popularity as an Internet destination site;
- broadening our relationships with advertisers to small and medium-sized businesses;
- attracting advertisers to our user base;
- increasing demand for our services by advertisers, users, businesses and affiliates, including prices paid by advertisers, the number of searches performed by users, the rate at which users click-through to commercial search results and advertiser perception of the quality of leads generated by our forums;
- the successful implementation and acceptance of our advertising exchange by advertisers, networks, affiliates, and publishers;
- the successful development and deployment of technology improvements to our advertising platform;
- establishing and maintaining our affiliate program for our search marketing;
- deriving better demographic and other information from our users; and
- driving acceptance of the Web in general and of our site in particular by advertisers as an advertising medium.

We anticipate that our agreements with advertisers will likely have terms of one year or less, or may be terminated at any time by the advertiser. Accordingly, it is difficult to forecast advertising revenues accurately. Any reduction in spending by or loss of existing or potential future advertisers would cause our revenues to decline. Further, we may be unable to adjust spending quickly enough to compensate for any unexpected revenue shortfall.

Decreases or delays in advertising spending by our advertisers due to general economic conditions could harm our ability to generate advertising revenues.

Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Since we derive most of our revenues from advertising, any decreases in or delays in advertising spending due to general economic conditions could reduce our revenues or negatively impact our ability to grow our revenues.

Our intellectual property rights are valuable, and any inability to protect them could reduce the value of our brand image and harm our business and our operating results.

We hope to create, own and maintain a wide array of intellectual property assets, including copyrights, patents, trademarks, trade dress, trade secrets and rights to certain domain names, which we believe will be among our most valuable assets. We seek to protect our intellectual property assets through patent, copyright, trade secret, trademark and other laws of the United States and other countries of the world, and through contractual provisions. The efforts we have taken or will take to protect our intellectual property and proprietary rights may not be sufficient or effective at stopping unauthorized use of those rights. In addition, effective trademark, patent, copyright and trade secret protection may not be available or cost-effective in every country in which our products and media properties are distributed or made available through the Internet. There may be instances where we are not able to fully protect or utilize our intellectual property assets in a manner to maximize competitive advantages. Protection of the distinctive elements of our site may not be available under copyright law or trademark law. If we are unable to protect our proprietary rights from unauthorized use, the value of our brand image may be reduced. Any impairment of our brand could negatively impact our business. In addition, protecting our intellectual property and other proprietary rights is expensive and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and consequently harm our operating results.

We are subject to U.S. and foreign government regulation of Internet services which could subject us to claims, judgments and remedies including monetary liabilities and limitations on our business practices.

We are subject to regulations and laws directly applicable to providers of Internet content and services. In addition, we will also be subject to any new laws and regulations directly applicable to our domestic and international activities. We may incur substantial liabilities for expenses necessary to defend such litigation or to comply with these laws and regulations, as well as potential substantial penalties for any failure to comply. Compliance with these laws and regulations may also cause us to change or limit our business practices in a manner adverse to our business.

We rely on third-party providers for our principal Internet connections and technologies, databases and network services critical to our properties and services, and any errors, failures or disruption in the services provided by these third parties could significantly harm our business and operating results.

We rely on private third-party providers for our principal Internet connections, co-location of a significant portion of our data servers and network access. A key element of our strategy will be to generate a high volume of traffic to our forums. Our ability to generate revenues will depend substantially on the number of customers who use our website. Accordingly, the satisfactory performance, reliability and availability of our website and network infrastructure are critical to our ability to generate revenues, as well as to our reputation. Any disruption, from natural disasters, technology malfunctions, sabotage or other factors, in the Internet or network access or co-location services provided by these third-party providers or any failure of these third-party providers to handle current or higher volumes of use could significantly harm our business, operating results and financial condition. We have little control over these third-party providers, which increases our vulnerability to disruptions or problems with their services. Any financial difficulties experienced by our providers may have negative effects on our business, the nature and extent of which we cannot predict.

Furthermore, we depend on hardware and software suppliers for prompt delivery, installation and service of servers and other equipment to deliver our services. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and information services could negatively impact our relationship with users and adversely affect our brand, our business, and operating results.

If we are not able to retain the full-time services of senior management, there may be an adverse effect on our operations and/or our operating performance until we find suitable replacements.

Our business is dependent, to a large extent, upon the services of our senior management. We do not maintain key person life insurance for any members of our senior management at this time. The loss of services of any key members of our senior management could adversely affect our business until suitable replacements can be found. There may be a limited number of personnel with the requisite skills to serve in these positions, and we may be unable to locate or employ such qualified personnel on acceptable terms.

Our inability to diversify our operations may subject us to economic fluctuations within our industry.

Our limited financial resources reduce the likelihood that we will be able to diversify our operations. Our probable inability to diversify our activities into more than one business area will subject us to economic fluctuations within the Internet industry and therefore increase the risks associated with our operations.

The costs to meet our reporting requirements as a public company subject to the Exchange Act of '34 is substantial and may result in us having insufficient funds to operate our business.

We are a public reporting company in the United States and, accordingly, subject to the information and reporting requirements of the Securities Exchange Act of 1934 and other federal securities laws, and the compliance obligations of the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley). We will incur ongoing expenses associated with professional fees for accounting and legal expenses associated with being a public company. We estimate that these costs will range up to \$100,000 per year for the next few years. Those fees will be higher if our business volume and activity increases. Those obligations will reduce resources to fund our operations and may limit us in expanding our operations.

Our compliance with the Sarbanes-Oxley Act and SEC rules concerning internal controls will be time consuming, difficult and costly.

It will be time consuming, difficult and costly for us to develop and implement the internal controls and reporting procedures required by Sarbanes-Oxley. We will need to hire additional financial reporting, internal control, and other finance staff and consultants in order to develop and implement appropriate internal controls and reporting procedures. If we are unable to comply with Sarbanes-Oxley's internal controls requirements, we may not be able to obtain the independent accountant certifications that Sarbanes-Oxley requires publicly-traded companies to obtain.

We operate as a public company, which means we are subject to evolving corporate governance and public disclosure regulations that may result in additional expenses and continuing uncertainty regarding the application of such regulations.

Changing laws, regulations, and standards relating to corporate governance and public disclosure, including Sarbanes-Oxley and related rules and regulations, are creating uncertainty for public companies. These new or changed laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by courts and regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Maintaining appropriate standards of corporate governance and public disclosure may result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. In addition, if we fail to comply with new or changed laws, regulations, and standards, regulatory authorities may initiate legal proceedings against us and our business and our reputation may be harmed.

We also expect these new rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our Board of Directors or as executive officers.

We are currently evaluating and monitoring developments with respect to these new rules, and we cannot predict or estimate the amount of additional costs we may incur or the timing of such costs.

Risks Related to Owning our Common Stock:

Volatility of stock price may restrict sale opportunities.

Our stock price is affected by a number of factors, including stockholder expectations, financial results, the introduction of new products by us and our competitors, general economic and market conditions, estimates and projections by the investment community and public comments by other persons, and many other factors, many of which are beyond our control. We may be unable to achieve analysts' earnings forecasts, which may be based on projected volumes and sales of many product types and/or new products, certain of which are more profitable than others. There can be no assurance that we will achieve projected levels or mixes of product sales. As a result, our stock price is subject to significant volatility and stockholders may not be able to sell our stock at attractive prices.

Our shares may have limited liquidity.

A portion of our shares of common stock will be subject to registration, and will be closely held by certain insider investors. Consequently, the public float for the shares may be highly limited. As a result, should stockholders wish to sell shares into the open market they may encounter difficulty selling large blocks of shares or obtaining a suitable price at which to sell their shares.

Our stock price may be volatile, which may result in losses to our stockholders.

The stock markets have experienced significant price and trading volume fluctuations, and the market prices of companies quoted on the Over-The-Counter Bulletin Board, where our shares of common stock are quoted, generally have been very volatile and have experienced sharp share-price and trading-volume changes. The trading price of our common stock is likely to be volatile and could fluctuate widely in response to many of the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in expectations of our future financial performance, including financial estimates by securities analysts and investors;
 - changes in operating and stock price performance of other companies in our industry;
 - additions or departures of key personnel; and
 - future sales of our common stock.

Domestic and international stock markets often experience significant price and volume fluctuations. These fluctuations, as well as general economic and political conditions unrelated to our performance, may adversely affect the price of our common stock. In particular, the market prices for stocks of companies often reach levels that bear no established relationship to the operating performance of these companies. These market prices are generally not sustainable and could vary widely.

Our management owns a substantial portion of our outstanding common stock, which enables them to influence many significant corporate actions and in certain circumstances may prevent a change in control that would otherwise be beneficial to our stockholders.

Our management beneficially controls approximately 38.94% of our outstanding shares of common stock as of June 25, 2010. Such concentrated control could have a substantial impact on matters requiring the vote of the stockholders, including the election of our directors and most of our corporate actions. This control could delay, defer, or prevent others from initiating a potential merger, takeover or other change in our control, even if these actions would benefit our stockholders and us. This control could adversely affect the voting and other rights of our other stockholders and could depress the market price of our common stock.

Our common shares may be thinly-traded, and our stockholders may be unable to sell at or near ask prices or at all if they need to sell their shares to raise money or otherwise desire to liquidate such shares.

We cannot predict the extent to which an active public market for our common stock will develop or be sustained due to a number of factors, including the fact that we are a small company that is relatively unknown to stock analysts, stock brokers, institutional investors, and others in the investment community that generate or influence sales volume, and that even if we came to the attention of such persons, they tend to be risk-averse and would be reluctant to follow an unproven company such as ours or purchase or recommend the purchase of our shares until such time as we became more seasoned and viable. As a consequence, there may be periods of several days or more when trading activity in our shares is minimal or non-existent, as compared to a seasoned issuer which has a large and steady volume of trading activity that will generally support continuous sales without an adverse effect on share price. We cannot give any assurance that a broader or more active public trading market for our common stock will develop or be sustained, or that current trading levels will be sustained.

The market price for our common stock may be particularly volatile given our status as a relatively small company with a presumably small and thinly-traded “float” and lack of current revenues that could lead to wide fluctuations in our share price. Our stockholders may be unable to sell their common stock at or above their purchase price if at all, which may result in substantial losses to them.

The market for our common shares may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will be more volatile than a seasoned issuer for the indefinite future. The potential volatility in our share price is attributable to a number of factors. First, as noted above, our common shares may be sporadically and/or thinly traded. As a consequence of this lack of liquidity, the trading of relatively small quantities of shares by our stockholders may disproportionately influence the price of those shares in either direction. The price for our shares could, for example, decline precipitously in the event that a large number of our common shares are sold on the market without commensurate demand, as compared to a seasoned issuer that could better absorb those sales without adverse impact on its share price. Secondly, an investment in us is a speculative or “risky” investment due to our lack of revenues or profits to date and uncertainty of future market acceptance for current and potential products. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a seasoned issuer.

We do not anticipate paying any cash dividends.

We presently do not anticipate that we will pay any dividends on any of our capital stock in the foreseeable future. The payment of dividends, if any, would be contingent upon our revenues and earnings, if any, capital requirements, and general financial condition. The payment of any dividends will be within the discretion of our Board of Directors. We presently intend to retain all earnings, if any, to implement our business plan; accordingly, we do not anticipate the declaration of any dividends in the foreseeable future.

Our common stock may be subject to penny stock rules, which may make it more difficult for our stockholders to sell their common stock.

Broker-dealer practices in connection with transactions in “penny stocks” are regulated by certain penny stock rules adopted by the SEC. Penny stocks generally are equity securities with a price of less than \$5.00 per share. The penny stock rules require a broker-dealer, prior to a purchase or sale of a penny stock not otherwise exempt from the rules, to deliver to the customer a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer’s account. In addition, the penny stock rules generally require that prior to a transaction in a penny stock the broker-dealer make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser’s written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for a stock that becomes subject to the penny stock rules.

Volatility in our common stock price may subject us to securities litigation.

The market for our common stock is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management’s attention and resources.

Our need for additional capital, and the sale of additional shares or other equity securities will result in additional dilution to our stockholders.

We believe that our current cash and cash equivalents and anticipated cash flow from operations will not be sufficient to meet our anticipated cash needs for the near future. We will seek to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity securities could result in additional dilution to our stockholders. The incurrence of indebtedness would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

The exercise of outstanding options and warrants to purchase our common stock could substantially dilute your investment, impede our ability to obtain additional financing, and cause us to incur additional expenses.

Under the terms of our outstanding options and warrants to purchase our common stock issued to employees and others, the holders are given an opportunity to profit from a rise in the market price of our common stock that, upon the exercise of the options and/or warrants, could result in dilution in the interests of our other stockholders. The terms on which we may obtain additional financing may be adversely affected by the existence and potentially dilutive impact of our outstanding options and warrants. In addition, holders of the warrants have registration rights with respect to the common stock underlying such warrants, the registration of which will cause us to incur a substantial expense.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

We do not own any interests in real estate. We lease approximately 1,578 square feet of office space located at 20300 Venture Blvd., Suite 330, Woodland Hills, California. The term of our lease is for six months and expires on June 30, 2010. Our rent is \$3,050 per month. We believe that our facilities are adequate for our needs.

Item 3. Legal Proceedings.

We are not currently a party to any legal proceedings.

Our subsidiary, Adisn, is a party to litigation with 3777+ Partners, L.P. The litigation is regarding Adisn's office space, located 3777 Long Beach Blvd., Suite 280, Long Beach, CA 90807. As of the date of this report, the parties have informally agreed on a resolution of the matter. The Escrow Shares secure certain indemnification obligations in the Adisn Merger Agreement, including any loss that may rise as a result of this litigation.

Item 4. Submission of Matters to Vote of Security Holders.

Not applicable.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Common Stock. Our authorized capital stock consists of 975,000,000 common shares, par value \$.001 per share. On April 30, 2010, there were 39,823,462 common shares issued and outstanding.

Our common stock is the only class of voting securities issued and outstanding. Holders of our common shares are entitled to one vote for each share held of record on all matters submitted to a vote of stockholders. Holders of our common shares do not have cumulative voting rights.

The holders of our common shares are entitled to dividends when and if declared by our Board of Directors from legally available funds. The holders of our common shares are also entitled to share pro rata in any distribution to stockholders upon our liquidation or dissolution.

Stock Split. During March 2008, we effected a 13-for-1 stock split of our common stock. All share numbers presented in this filing have been adjusted to reflect the stock split.

Market Information. Our common stock is quoted on the OTC Bulletin Board under the symbol “CRWG.” For the period indicated, the following table sets forth the high and low bid prices per share of common stock. These prices represent inter-dealer quotations without retail markup, markdown, or commission and may not necessarily represent actual transactions.

| | High (\$) | Low (\$) |
|------------------|-----------|----------|
| Fiscal Year 2009 | | |
| First Quarter | 2.05 | 1.35 |
| Second Quarter | 2.30 | 1.40 |
| Third Quarter | 1.55 | 1.12 |
| Fourth Quarter | 1.16 | 0.70 |
| Fiscal Year 2010 | | |
| First Quarter | 0.85 | 0.85 |
| Second Quarter | 1.29 | 1.26 |
| Third Quarter | 1.57 | 1.31 |
| Fourth Quarter | 1.25 | 1.10 |

The approximate number of stockholders of record at April 30, 2010 was 41. The number of stockholders of record does not include beneficial owners of our common stock, whose shares are held in the names of various dealers, clearing agencies, banks, brokers and other fiduciaries.

Reports to Security Holders. We are a reporting company with the SEC. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may also obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that site is <http://www.sec.gov>.

As of April 30, 2010, there are 4,050,213 outstanding shares of our common stock which can be sold pursuant to Securities Act Rule 144. There are no outstanding options or warrants to purchase, or securities convertible into, shares of our common stock.

Dividend Policy. We have never declared or paid a cash dividend on our capital stock. We do not expect to pay cash dividends on our common stock in the foreseeable future. We currently intend to retain our earnings, if any, for use in our business. Any dividends declared in the future will be at the discretion of our Board of Directors and subject to any restrictions that may be imposed by our lenders.

Equity Compensation Plan.

CrowdGather, Inc. 2008 Stock Option and Award Plan

On May 9, 2008, our Board of Directors approved the CrowdGather, Inc. 2008 Stock Option Plan (the "Plan"). The Plan permits flexibility in types of awards, and specific terms of awards, which will allow future awards to be based on then-current objectives for aligning compensation with increasing long-term shareholder value.

The Board of Directors, acting as a compensation committee (the "Committee"), will generally administer the Plan. The Committee will have full power and authority to determine when and to whom awards will be granted, including the type, amount, form of payment and other terms and conditions of each award, consistent with the provisions of the Plan. In addition, the Committee has the authority to interpret the Plan and the awards granted under the Plan, and establish rules and regulations for the administration of the Plan.

The Committee may delegate certain administrative duties associated with the Plan to our officers, including the maintenance of records of the awards and the interpretation of the terms of the awards. The Committee may also delegate the authority to grant awards to a subcommittee comprised of one or more Board members, or to our executive officers, provided that such subcommittee or executive officers cannot be authorized to grant awards to executive officers.

Awards under the Plan may be granted to any person who is (i) an employee of ours, (ii) a non-employee member of the Board of Directors or the board of directors of any of our subsidiaries, or (iii) a consultant who provides services to us; provided that stock appreciation rights and non-qualified stock options shall be granted only to persons as to which we are the “service recipient,” as such term is defined in Section 409A of the Internal Revenue Code.

The Plan will terminate on May 9, 2018, unless all shares available for issuance have been issued, the Plan is earlier terminated by the Board of Directors or the Committee, or the Plan is extended by an amendment approved by our shareholders. No awards may be made after the termination date. However, unless otherwise expressly provided in an applicable award agreement, any award granted under the Plan prior to the termination date may extend beyond the end of such period through the award’s normal expiration date.

The aggregate number of shares of the common stock authorized for issuance as awards under the Plan is 12,000,000. The maximum aggregate number of shares of common stock subject to stock options, stock appreciation rights, restricted stock or stock unit awards which may be granted to any one participant in any one year under the Plan is 1,000,000.

Under the Plan, the Committee can grant stock options, stock appreciation rights, restricted stock, stock units and performance units. Awards may be granted alone, in addition to, or in combination with any other award granted under the Plan. Subject to the limitations set forth in the Plan, the terms and conditions of each award shall generally be governed by the particular document or agreement granting the award. The terms and conditions set forth in an award agreement may include, as appropriate:

- deemed issuance date;
- expiration date;
- number of shares covered by the award;
- acceptable means of payment;
- price per share payable upon exercise;
- applicable vesting schedule;
- individual performance criteria;
- company or group performance criteria;
- continued employment requirement;
- transfer restrictions; or
- any other terms or conditions deemed appropriate by the Committee, in each case not inconsistent with the Plan.

Stock Options and Stock Appreciation Rights. The holder of an option will be entitled to purchase a number of shares of common stock at an exercise price not less than 100% of the fair market value of a share on the date of grant during a specified time period, as determined by the Committee. The option exercise price shall be paid in cash or in such other form if and to the extent permitted by the Committee, including without limitation by delivery of already owned shares. Other than in connection with a change in our capitalization, the exercise price of an option may not be reduced without shareholder approval.

The holder of a stock appreciation right will be entitled to receive, in cash or stock (as determined by the Committee), value with respect to a specific number of shares equal to or otherwise based on the excess of the market value of a share at the time of exercise over the exercise price of the right.

Restricted Stock and Stock Units. The holder of restricted stock will own shares of common stock subject to restrictions imposed by the Committee and subject to forfeiture to us if the holder does not satisfy certain requirements (including, for example, continued employment with us) for a specified period of time. The holder of restricted stock units will have the right, subject to any restrictions imposed by the Committee, to receive shares of common stock, or a cash payment equal to the fair market value of those shares, at some future date determined by the Committee, provided that the holder has satisfied certain requirements (including, for example, continued employment with us until such future date).

Performance Awards. Performance stock or cash awards may be granted by the Committee at its sole discretion, upon the attainment of performance goals as set by the Committee. The maximum number of shares that may be granted in any calendar year may not exceed 500,000 shares of common stock; cash awards may not exceed \$500,000.

Unless otherwise provided by the Committee, awards under the Plan may only be transferred by will or the laws of descent and distribution. The Committee may permit further transferability pursuant to conditions and limitations that it may impose, except that no transfers for consideration will be permitted.

In the event of any stock dividend, stock split, combination of shares, extraordinary dividend of cash and/or assets, recapitalization, reorganization or any similar event, the Committee is entitled to appropriately and equitably adjust the number and kind of shares or other securities which are subject to the Plan or subject to any award under the Plan.

Subject to any restrictive terms which may be set forth in award agreements, in the event we are a party to a merger or other reorganization, outstanding awards shall be subject to the agreement of merger or reorganization. Such agreement may provide, without limitation, for the assumption of outstanding awards by the surviving corporation or its parent, for their continuation by us (if we are a surviving corporation) for accelerated vesting and accelerated expiration, or for settlement in cash.

The Board may generally amend or terminate the Plan as determined to be advisable. Shareholder approval may also be required for certain amendments pursuant to the Internal Revenue Code, the rules of any market in which we participate, or rules of the SEC. No amendment or alteration of the Plan may be made which would impair the rights of any participant under any outstanding award, without such participant's consent, provided that no consent is required with respect to any amendment or alteration if the Committee determines that such amendment or alteration is either:

- required or advisable in order for us, the Plan or the award to satisfy any law or regulation or to meet the requirements of any accounting standard, or
- not reasonably likely to significantly diminish the benefits provided under such award, or that any such diminishment has been adequately compensated.

A copy of the Plan is attached as Exhibit 10.1 to our report on Form 8-K filed on June 23, 2008, and is incorporated herein by reference. The foregoing description of the Plan does not purport to be complete and is qualified in its entirety by reference to such exhibit.

The table below includes the following information as of April 30, 2010 for CrowdGather, Inc. 2008 Stock Option and Award Plan.

Equity Compensation Plan Information

| Plan category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|---|---|
| | (a) | (b) | (c) |
| Equity compensation plans approved by security holders | 2,955,000 | 1.14 | 9,045,000 |
| Equity compensation plans not approved by security holders | 0 | 0 | 0 |
| Total | 2,995,000 | 1.14 | 9,045,000 |

Recent Sales of Unregistered Securities. There have been no sales of unregistered securities within the last three (3) years which would be required to be disclosed pursuant to Item 701 of Regulation S-K, except for the following:

In connection with the merger with General, on April 2, 2008, we issued an aggregate of 26,000,000 shares of our common stock to General's members in exchange for their percentage of ownership of General on a pro-rata basis to their General members. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Rule 506 of Regulation D promulgated pursuant to that act by the SEC.

Upon the closing of the merger with General, on April 2, 2008, we issued and sold an aggregate of 1,000,000 shares of our common stock to two non-U.S. Persons, as that term is defined in Rule 902 (k) of Regulation S as promulgated by the SEC, at a price of \$0.89 per share. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On June 20, 2008, we sold 420,000 shares of our common stock to one investor in exchange for \$420,000 or \$1.00 per share. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

In July 2008, we issued 18,000 shares of our common stock for the purchase of an intangible asset. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act.

As of June 25, 2010, we have granted an aggregate total of 3,005,000 options to purchase shares of our common stock to several of our employees and directors. The options covered by each grant vest as follows: 1/8 of total vests after 180 days after grant; remaining to vest at the rate of 1/16 of the total every 90 days thereafter, over 4 years. The options granted expire 10 years after the date of grant. The options were granted in transactions which we believe satisfy the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act.

On July 8, 2008, we issued a convertible promissory note to one of our shareholders for \$500,000. The convertible note is due in one year, or upon default, whichever is earlier, and bears interest at the annual rate of 8%. The convertible note has a mandatory conversion feature by which it will automatically convert to shares of the our common stock immediately before the closing of a transaction or series of transactions in which the Registrant sells equity securities in an amount equal to or greater than \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On September 25, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$200,000. The convertible note is due in one year and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.50 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On October 31, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$170,000. The convertible note is due in one year and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.50 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believes satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 5 of that act and Regulation S promulgated pursuant to that act by the SEC.

On December 3, 2008, we issued a convertible promissory note to one of our shareholders in exchange for \$110,000. The convertible note is due in one year and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.40 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On January 9, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$90,000. The convertible note is due in six months and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$1.25 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On February 11, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$60,000. The convertible note is due in six months and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$0.90 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On March 10, 2009, we issued a convertible promissory note to one of our shareholders in exchange for \$32,000. The convertible note is due in six months and bears interest at an annual rate of 10%. The convertible note has an optional conversion feature by which the holder can convert the principal and accrued interest to shares of our common stock at a conversion price of the lower of (i) \$0.70 per share or, (ii) the price per share of our next transaction or series of related transactions in which we sell equity securities and in which the gross proceeds to us equal or exceed \$2,000,000. The convertible note was issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On May 21, 2009, we closed the first tranches of a private offering of 18-month secured convertible debentures (Debentures) with a limited number of foreign institutional purchasers. As of the initial closing, we received cash proceeds of \$1,300,000, and approximately \$1,075,000 in previously issued convertible promissory notes (as described above) were exchanged for the new Debentures. In connection with the initial closing, we granted warrants (exercisable at \$0.70 per share – the closing market price on May 21, 2009, the date of signature of the cash investors on their Subscription Agreement) to purchase an aggregate of up to 1,599,997 shares of our common stock. Pursuant to our agreements with the purchasers, we were permitted to close a subsequent tranche of up to \$1.1 million in cash proceeds not later than July 15, 2009.

The Debentures bear interest at a rate of 8 % per annum, which is due and payable upon conversion or upon maturity in November 2010. The majority of the Debentures are convertible into common stock, at the holder's option, at an initial conversion price of the greater of \$0.50 or a 20% discount to the volume weighted average share price (VWAP) for the 10 days prior to the date of conversion. The remaining Debentures (\$532,500 of initial principal value) that were exchanged by the holders of existing short-term promissory notes are convertible into common stock, at the holder's option, at an initial conversion price of the greater of \$0.50 or a 32% discount to the VWAP for the 10 days prior to the date of conversion. Following the closing, we had no short-term debt obligations.

Neither the Debentures sold and the warrants granted to the institutional purchasers, nor the shares of common stock to be issued upon conversion of the Debentures or upon the exercise of the warrants were registered under the Securities Act of 1933 and were sold pursuant to exemptions from registration provided by Regulation D or Regulation S and by Section 4(2) of the Securities Act of 1933, as amended. Accordingly, these securities and warrants may not be offered or sold in the United States, except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act.

On May 4, 2009, we issued a promissory note to our majority shareholder for \$54,000, due in 60 days from the date of the note. In the event the note was not repaid in the 60 day period, interest at 10% would accrue for two years. This note was subsequently repaid on May 29, 2009.

On May 26, 2009, we entered into a consulting and advisory agreement with a third party. Pursuant to the agreement, we were required to compensate the advisory firm 7,000 shares of our restricted common stock per month for three months beginning May 26, 2009 and \$2,000 a month for four months beginning May 26, 2009. The options were granted in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Exchange Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act.

On May 26, 2009, we appointed Mr. Chuck Timpe as a director of the Company and accordingly granted Mr. Timpe 325,000 options to purchase shares of our common stock at an exercise price of \$0.86 per share. The options were granted in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act.

On May 27, 2009, we entered into a consulting and advisory agreement with a third party. Pursuant to the agreement, we were required to compensate the advisory firm 20,000 shares of our restricted common stock per month for three months beginning May 26, 2009 and \$2,000 a month for four months beginning May 26, 2009. The options were granted in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act.

On February 3, 2010, we sold 250,000 shares of our common stock to one investor in exchange for \$300,000, or \$1.20 per share. The price per share of the issuance is subject to certain anti-dilution provisions as specified in the subscription agreement. In connection with the sale of shares, the investor also received warrants to purchase 125,000 shares of our common stock at a purchase price of \$1.68 per share, which was the closing price of our common stock on February 3, 2010. The warrant agreement provides for an expiration period of three years from the date of the investment. The shares and warrants were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On February 27, 2010, we issued 1,004,875 shares of our common stock to one foreign institutional investor who elected to convert an 18-month secured convertible debenture that was issued in May 2009. The investor converted the debenture in the principal amount of \$1,300,000 together with accrued interest of \$80,066 for a total of \$1,380,066, into 1,004,875 shares of our common stock, or approximately \$1.37 per share. On the same date, we also issued 903,038 shares to a second foreign institutional investor who elected to convert two debentures that were issued in May 2009. The investor converted one debenture in the principal amount of \$532,500 together with accrued interest of \$32,796 for a total of \$565,296, into 484,250 shares of our common stock, or approximately \$1.17 per share. The investor also converted a second debenture in the principal amount of \$541,783 together with accrued interest of \$33,368, for a total of \$575,151, into 418,788 shares of our common stock, or approximately \$1.37 per share. Neither the debentures sold to the institutional investors, nor the shares of common stock issued upon conversion of the debentures were registered under the Securities Act of 1933, as amended, and were sold pursuant to exemptions from the registration requirements of the Securities Act, as provided by Regulation S. Accordingly, those securities may not be offered or sold in the United States, except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act of 1933.

On February 27, 2010, we issued 285,715 shares to one foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$200,000. On the same date, we also issued 671,426 shares to a second foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$470,000. Neither the warrants granted to the institutional investors, nor the shares of common stock issued upon exercise of the warrants were registered under the Securities Act, and were sold pursuant to an exemption from the registration requirements of the Securities Act, as provided by Regulation S. Accordingly, these securities and warrants may not be offered or sold in the United States, except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act of 1933.

On March 12, 2010, we agreed to issue shares as part of the purchase price for a website and domain name acquisition agreement we entered with Phil Santoro pursuant to which we acquired certain websites and domain names, all associated software used in building the websites, along with the associated users lists, databases, add-ons installed with these forums and associated accounts for these websites. The purchase price was \$1,000,000, which consisted of \$600,000 payable to Santoro in cash at closing and \$400,000 payable to Santoro in shares of our common stock, consisting of 258,065 shares of common stock, which was calculated by dividing \$400,000 by \$1.55, the closing price of our common stock as of March 12, 2010. The 258,065 shares of common stock were issued to Santoro in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act and Regulation D promulgated pursuant to that act by the SEC.

On March 12, 2010, we authorized the issuance of 32,258 shares of our common stock to Andy Robinowitz in exchange for services valued at \$50,000, or \$1.55 per share, the closing price on March 12, 2010. The shares were issued in a transaction which we believes satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On April 29, 2010, we sold 428,571 shares of our common stock to an investor in exchange for \$450,000, or \$1.05 per share. The price per share of the issuance is subject to certain anti-dilution provisions as specified in the subscription agreement. In connection with the sale of shares, the investor also received warrants to purchase 215,285 shares of our common stock at a purchase price of \$1.17 per share. The warrant agreement provides for an expiration period of three years from the date of the investment. The shares and warrants were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

In addition, on April 29, 2010, we issued 35,714 shares of our common stock to that investor, pursuant to the anti-dilution provisions of the subscription agreement dated February 3, 2010 between us and that same investor, and as disclosed in our Report on Form 8-K filed on February 9, 2010. Specifically, we issued the investor an additional 35,714 shares of our common stock, which is the difference in the amount of shares that would have been issued to the investor if the price per share for the initial investment would have been \$1.05 per share. The shares were issued in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Regulation S promulgated pursuant to that act by the SEC.

On June 9, 2010, we entered into an agreement and plan of merger dated June 9, 2010 among us, Adisn, Inc., a Delaware corporation (“Adisn”) and our wholly-owned subsidiary, Adisn Acquisition Corp. (the “Adisn Merger Agreement”), pursuant to which Adisn Acquisition Corp. merged with and into Adisn and Adisn survived as our wholly-owned subsidiary. Pursuant to the Adisn Merger Agreement, the shareholders of Adisn received 4,621,849 shares of our common stock (the “Merger Shares”), subject to the escrow obligations of a securities escrow agreement, plus a right to receive the Earn-Out Shares, if and when they become issuable. The Merger Shares will be issued to the Adisn stockholders in a transaction which we believe satisfies the requirements of that exemption from the registration and prospectus delivery requirements of the Securities Act of 1933, which exemption is specified by the provisions of Section 4(2) of that act and Regulation D promulgated pursuant to that act by the SEC.

Use of Proceeds of Registered Securities. There were no sales or proceeds during the calendar year ended April 30, 2010, for the sale of registered securities.

Penny Stock Regulation. Shares of our common stock will probably be subject to rules adopted the SEC that regulate broker-dealer practices in connection with transactions in “penny stocks”. Penny stocks are generally equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system). The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from those rules, deliver a standardized risk disclosure document prepared by the SEC, which contains the following:

- a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- a description of the broker’s or dealer’s duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities’ laws;
- a brief, clear, narrative description of a dealer market, including “bid” and “ask” prices for penny stocks and the significance of the spread between the “bid” and “ask” price;
 - a toll-free telephone number for inquiries on disciplinary actions;
- definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- such other information and is in such form (including language, type, size and format), as the SEC shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer the following:

- the bid and offer quotations for the penny stock;
- the compensation of the broker-dealer and its salesperson in the transaction;
- the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
 - monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

Purchases of Equity Securities. None during the period covered by this report.

Item 6. Selected Financial Data.

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition Results of Operation.

Critical Accounting Policies and Estimates. Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. In addition, these accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in this Annual Report on Form 10-K.

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements for the year ended April 30, 2010, together with notes thereto as included in this Annual Report on Form 10-K. In addition, these accounting policies are described at relevant sections in this discussion and analysis and in the notes to the financial statements included in this report for the year ended April 30, 2010.

For the year ended April 30, 2010 as compared to the year ended April 30, 2009.

Results of Operations

Revenue. We realized revenues of \$309,781 for the year ended April 30, 2010, as compared to revenues of \$112,546 for the year ended April 30, 2009. This increased revenue is a result of increasing advertising related revenue and higher service revenues. The services revenues relate to leveraging our excess engineering capabilities towards developing web services applications for third-party customers. This will not be a significant focus of ours going forward, but will help us towards reducing our net monthly deficit. We anticipate that as we continue to operate our business and expand our holdings of websites and domain names, we will begin to generate more significant advertising related revenues as we implement the advertising and sponsorship initiatives for all of our web properties.

To implement our business plan during the next twelve months, we need to generate increased revenues by expanding our online forum offerings and increasing the capabilities of our existing online forums. Our failure to do so will hinder our ability to increase the size of our operations and to generate additional revenues. If we are not able to generate additional revenues to cover our operating costs, we may not be able to expand our operations.

Our recent acquisition of Adisn will contribute to CrowdGather's revenues in two ways. First, we will realize Adisn's existing revenues which are generated by delivering advertising campaigns on behalf of direct advertisers and their agencies. Adisn negotiates advertising rates with its customers and then purchases ad inventory from real-time advertising exchanges and online publishers at a lower cost, thus capturing the difference as net revenues. Many of the campaigns that Adisn delivers have a performance incentive whereby the effectiveness of the campaign as measured by successful conversions on behalf of the advertiser can result in increased pay out on a per action basis. For these types of campaigns, Adisn utilizes its industry knowledge and ad server technology in order to buy targeted placements for the lowest possible cost. Secondly, as a wholly owned subsidiary of CrowdGather, it is our belief that Adisn will be able to represent some of our forum properties to their existing and future advertisers where there is a good fit between the products and services being advertised and the demographics of the sites visitors. CrowdGather's unfilled ad inventory will also provide zero cost advertising inventory for Adisn's performance campaigns thus generating incremental revenue for CrowdGather. With Adisn, CrowdGather has effectively achieved two objectives: the addition of a sales force for our growing advertising network; and ad server technology that can provide analytics and tracking that are required for higher value advertising campaigns.

Operating Expenses. For the year ended April 30, 2010, our operating expenses were \$2,303,501, as compared to total operating expenses of \$2,489,700 for the year ended April 30, 2009. The decrease between the comparable periods is primarily due to a decrease in salaries and employee related expenses, which decreased from \$940,352 for the year ended April 30, 2009, to \$783,636 for the year ended April 30, 2010. We also decreased general and administrative expenses from \$1,549,348 for the year ended April 30, 2009, to \$1,519,865 for the year ended April 30, 2010.

Other Expense. For the year ended April 30, 2010, we also had other expense (net) of \$1,435,174 consisting of interest income of \$1,984, interest expense of \$146,230, interest expense for debt discount amortization of \$727,357, and loss on extinguishment of debt of \$563,571. By comparison, for the year ended April 30, 2009, we had only interest income of \$1,230 and interest expense of \$62,283. The increase in net other expense between the comparable periods is primarily due to the interest and debt discount which resulted from the secured convertible debenture financing that we closed in May 2009.

Barring any additional overhead related to large acquisitions as we anticipate raising additional capital for further acquisitions, our future monthly operating expenses going into 2010 will be similar to our current expense levels, plus only incremental direct costs relating to newly acquired websites. We will continue to incur significant general and administrative expenses, but expect to generate increased revenues after further developing our business.

Our subsidiary, Adisn, currently operates at a minimal fixed overhead comprised of personnel and server costs. The majority of Adisn's future expense increase will be directly related to the need to purchase ad inventory on behalf of the revenues generated from advertisers they service.

Net Loss. For the year ended April 30, 2010, our net loss was \$3,429,694, as compared to a net loss of \$2,439,007 for the year ended April 30, 2009. The increase in net loss between the comparable periods is primarily due to the interest and debt discount which resulted from the secured convertible debenture financing that we closed in May 2009.

Liquidity and Capital Resources. Our total assets were \$2,695,631 as of April 30, 2010, which consisted of cash of \$589,408, accounts receivable of \$25,615, prepaid expenses of \$17,224, property and equipment with a net value of \$82,721, and intangible assets of \$1,980,663, represented by our domain names and other intellectual property owned. By comparison, as of April 30, 2009, our total assets were \$701,634, which consisted of cash of \$2,601, prepaid expenses of \$8,472, property and equipment with a net value of \$83,951, and intangible assets of \$606,610, represented by our domain names and other intellectual property owned, and deposits.

Our current liabilities as of April 30, 2010 totaled \$207,697, compared to our current liabilities as of April 30, 2009, which totaled \$1,341,690. The decrease in current liabilities between the two periods is primarily due to the convertible notes payable that were converted to common stock and hence retired during the year ended April 30, 2010. We had no other liabilities and no long-term commitments or contingencies at April 30, 2010.

On May 21, 2009, we closed a private offering of 18-month secured convertible debentures. As of the closing, we received cash proceeds of \$1,300,000, and approximately \$1,075,000 in previously issued short-term convertible promissory notes were exchanged for the new debentures. In February 2010, the debentures were converted into shares of our common stock (see below). Prior to conversion, the debentures bore interest at a rate of 8 % per annum and were due and payable upon conversion or upon maturity in November 2010. The majority of the debentures were convertible into common stock, at the holder's option, at an initial conversion price of the greater of \$0.50 or a 20% discount to the volume weighted average share price (VWAP) for the 10 days prior to the date of conversion. The remaining debentures (\$532,500 of initial principal value) that were exchanged by the holders of existing short-term promissory notes were convertible into common stock, at the holder's option, at an initial conversion price of the greater of \$0.50 or a 32% discount to the VWAP for the 10 days prior to the date of conversion. In February 2010, all of the outstanding convertible notes payable described above were converted into shares of our common stock as follows:

- On February 27, 2010, we issued 1,004,875 shares of our common stock to one foreign institutional investor who elected to convert an 18-month secured convertible debenture issued as described above in May 2009. The investor converted the debenture in the principal amount of \$1,300,000 together with accrued interest of \$80,066 for a total of \$1,380,066, into 1,004,875 shares of our common stock, or approximately \$1.37 per share.
- On the same date, we issued 903,038 shares to a second foreign institutional investor who elected to convert two debentures that were issued as described above in May 2009. The investor converted one debenture in the principal amount of \$532,500 together with accrued interest of \$32,796 for a total of \$565,296, into 484,250 shares of our common stock, or approximately \$1.17 per share. The investor also converted a second debenture in the principal amount of \$541,783 together with accrued interest of \$33,368, for a total of \$575,151, into 418,788 shares of our common stock, or approximately \$1.37 per share.

In connection with the issuances of the debentures and in order to mitigate the impact of dilution to our stockholders, Sanjay Sabnani, our Chairman and CEO, agreed to surrender 5,000,000 shares of common stock to our treasury for cancellation if and when at least \$2 million of debentures was converted into shares of common stock. As a result of more than \$2 million of the debentures being converted, as described above, 5,000,000 shares of common stock held by Mr. Sabnani were returned to treasury, effective February 27, 2010.

On February 3, 2010, we sold 250,000 shares of our common stock to one investor in exchange for \$300,000, or \$1.20 per share. The price per share of the issuance is subject to certain anti-dilution provisions as specified in the subscription agreement filed as an exhibit to our Report on Form 8-K filed on March 15, 2010. In connection with the sale of shares, the investor also received warrants to purchase 125,000 shares of our common stock at a purchase price of \$1.68 per share, which was the closing price of our common stock on February 3, 2010. The warrant agreement provides for an expiration period of three years from the date of the investment.

On February 27, 2010, we issued 285,715 shares to a foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$200,000. On the same date, we also issued 671,426 shares to a second foreign institutional investor in exchange for the exercise of warrants at \$0.70 per share, or approximately \$470,000. These warrants were granted in connection with the debentures transaction described above and reported on our Form 8-K filed on May 26, 2009. The disclosures in that report are incorporated herein by reference and the instruments were filed as exhibits to that report.

On April 29, 2010, we sold 428,571 shares of our common stock to an investor in exchange for \$450,000, or \$1.05 per share. The price per share of the issuance is subject to certain anti-dilution provisions as specified in the subscription agreement. In connection with the sale of shares, the investor also received warrants to purchase 215,285 shares of our common stock at a purchase price of \$1.17 per share. The warrant agreement provides for an expiration period of three years from the date of the investment. In addition, on April 29, 2010, we issued 35,714 shares of our common stock to that investor, pursuant to the anti-dilution provisions of the subscription agreement dated February 3, 2010, between us and that same investor. Specifically, we issued an additional 35,714 shares of our common stock, which is the difference in the amount of shares that would have been issued to the investor if the price per share for the initial investment would have been \$1.05 per share.

As of April 30, 2010, we had cash of \$589,408. We estimate that our cash on hand will not be sufficient for us to continue and expand our current operations for the next twelve months. Our forecast for the period for which our financial resources will be adequate to support our operations involves risks and uncertainties and actual results could differ as a result of a number of factors. In addition to generating revenues from our current operations, we will need to raise additional capital to expand our operations to the point at which we are able to operate profitably. Accordingly, we believe we will need to raise additional capital to sustain our operations and to expand our business to the point at which we are able to operate profitably. We are pursuing capital through public or private financing as well as borrowings and other sources, including our officers, directors and principal shareholders. We cannot guaranty that additional funding will be available on favorable terms, if at all. If adequate funds are not available from external sources, we are dependent on our officers, directors and/or shareholders to loan us funds to pay for our expenses to achieve our objectives over the next twelve months. In the event that we are unable to raise additional capital or borrow additional funds, we may be forced to undertake significant cost reductions or curtail operations.

The majority of our research and development activity is focused on development of our proprietary software systems such as our forum Content Management System (CMS), CrowdReport™, as a result most of the cost of this is covered within our engineering budgets. We expect to invest under \$50,000 for research and development over the next 12 months.

We do not anticipate that we will purchase any significant equipment except for computer equipment and furniture which we anticipate will cost approximately \$50,000 over the next twelve months.

We do not anticipate any significant changes in the number of employees unless we are able to significantly increase the size of our operations. Our management believes that we do not require the services of additional independent contractors to operate at our current level of activity. However, if our level of operations increases beyond the level that our current staff can provide, then we may need to supplement our staff in this manner.

Contractual Obligations and Reserves

None.

Off-balance Sheet Arrangements.

We had no off-balance sheet arrangements at April 30, 2010.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

The financial statements required by Item 8 are presented in the following order:

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Crowdgather, Inc.

We have audited the accompanying balance sheet of Crowdgather, Inc. as of April 30, 2010 and the related statements of operations, changes in stockholder's equity (deficit) and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Crowdgather, Inc., as of April 30, 2009 were audited by other auditors, whose report dated July 15, 2009, on those statements included an explanatory paragraph that described the uncertainty of the Company's ability to continue as a going concern discussed in Note 2 to the financial statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crowdgather, Inc. as of April 30, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 2, the Company has incurred recurring operating losses and has an accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that may result from the outcome of this uncertainty.

Q Accountancy Corporation
/s/ Q Accountancy Corporation
Laguna Niguel, California
June 15, 2010

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
CrowdGather, Inc.

We have audited the accompanying balance sheets of CrowdGather, Inc. as of April 30, 2009, and the related consolidated statements of operations, stockholders' deficit and cash flows for the fiscal year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CrowdGather, Inc. as of April 30, 2009, and the results of its operations and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has incurred recurring operating losses and has an accumulated deficit. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Mendoza Berger & Company, LLP

/s/ Mendoza Berger &
Company, LLP
Irvine, California
July 15, 2009

CROWDGATHER, INC.
BALANCE SHEETS
APRIL 30, 2010 AND 2009

ASSETS

| | 2010 | 2009 |
|--|--------------------|------------------|
| Current assets | | |
| Cash | \$589,408 | \$2,601 |
| Advance to employee | 25,615 | - |
| Prepaid expenses and deposits | 17,224 | 8,472 |
| Total current assets | 632,247 | 11,073 |
| Property and equipment, net of accumulated depreciation of \$62,849 and \$29,086, respectively | 82,721 | 83,951 |
| Intangible assets | 1,980,663 | 606,610 |
| Total assets | \$2,695,631 | \$701,634 |

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

| | | |
|--|--------------------|-------------------|
| Current liabilities | | |
| Accounts payable | \$103,193 | \$24,629 |
| Accrued interest | - | 62,283 |
| Accrued vacation | 40,633 | 21,238 |
| Other accrued liabilities | 63,871 | 9,040 |
| Unearned revenue | - | 12,500 |
| Note payable | - | 50,000 |
| Convertible notes payable | - | 1,162,000 |
| Total current liabilities | 207,697 | 1,341,690 |
| Stockholders' equity (deficit) | | |
| Common stock, \$0.001 par value, 975,000,000 shares authorized, 39,823,462 and 40,684,818 issued and outstanding, respectively | 39,823 | 40,685 |
| Additional paid-in capital | 8,763,661 | 2,205,115 |
| Accumulated deficit | (6,315,550) | (2,885,856) |
| Total stockholders' equity (deficit) | 2,487,934 | (640,056) |
| Total liabilities and stockholders' equity (deficit) | \$2,695,631 | \$701,634 |

See accompanying notes to financial statements.

CROWDGATHER, INC.
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED APRIL 30, 2010 AND 2009

| | 2010 | 2009 |
|--|-----------------|-----------------|
| Revenue | \$ 309,781 | \$ 112,546 |
| Operating expenses | | |
| Payroll and related expenses | (783,636) | (940,352) |
| General and administrative | (1,519,865) | (1,549,348) |
| Loss from operations | (1,993,720) | (2,377,154) |
| Other income (expense): | | |
| Interest income | 1,984 | 1,230 |
| Interest expense | (146,230) | (62,283) |
| Interest expense, debt discount amortization | (727,357) | - |
| Loss on extinguishment of debt | (563,571) | - |
| Other income (expense), net | (1,435,174) | (61,053) |
| Net loss before provision for income taxes | (3,428,894) | (2,438,207) |
| Provision for income taxes | 800 | 800 |
| Net loss | \$ (3,429,694) | \$ (2,439,007) |
| Weighted average shares outstanding- basic and diluted | 41,190,817 | 40,482,626 |
| Net loss per share – basic and diluted | \$ (0.08) | \$ (0.06) |

See accompanying notes to financial statements.

CROWDGATHER, INC.
STATEMENTS STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED APRIL 30, 2010 AND 2009

| | Common Stock | | Paid-in Capital | Accumulated Deficit | Total |
|---|--------------|----------|--------------------|------------------------|-------------|
| | Shares | Amount | | | |
| Balance, April 30, 2008 | 40,056,818 | \$40,057 | \$888,943 | \$ (446,849) | \$482,151 |
| Shares issued for cash | 420,000 | 420 | 419,580 | - | 420,000 |
| Shares issued for services | 190,000 | 190 | 255,310 | - | 255,500 |
| Shares issued for purchase of intangible asset | 18,000 | 18 | 33,282 | - | 33,300 |
| Amortization of stock options | - | - | 608,000 | - | 608,000 |
| Net (loss) for the year ended April 30, 2009 | - | - | - | (2,439,007) | (2,439,007) |
| Balance, April 30, 2009 | 40,684,818 | 40,685 | 2,205,115 | (2,885,856) | (640,056) |
| Shares issued for cash, net of fees | 1,671,426 | 1,671 | 1,379,412 | - | 1,381,083 |
| Shares issued for services | 156,000 | 156 | 122,004 | - | 122,160 |
| Shares issued for conversion of debt and interest expense | 1,907,913 | 1,908 | 2,518,605 | - | 2,520,513 |
| Shares issued for purchase of intangible asset | 403,305 | 403 | 594,597 | - | 595,000 |
| Amortization of stock options | - | - | 648,000 | - | 648,000 |
| Debt discount and convertible feature | - | - | 727,357 | - | 727,357 |
| Loss on debt extinguishment | - | - | 563,571 | - | 563,571 |
| Shares cancelled into treasury | (5,000,000) | (5,000) | 5,000 | - | - |
| Net (loss) for the year ended April 30, 2010 | - | - | - | (3,429,694) | (3,429,694) |
| Balance, April 30, 2010 | 39,823,462 | \$39,823 | \$8,763,661 | \$ (6,315,550) | \$2,487,934 |

See accompanying notes to financial statements.

CROWDGATHER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2010 AND 2009

| | 2010 | 2009 |
|---|----------------|----------------|
| Cash flows from operating activities: | | |
| Net loss | \$ (3,429,694) | \$ (2,439,007) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 33,763 | 23,061 |
| Stock-based compensation | 648,000 | 608,000 |
| Stock issued for services | 122,160 | 255,500 |
| Stock issued for interest expense | 146,230 | - |
| Amortization of debt discount | 727,357 | - |
| Loss on extinguishment of debt | 563,571 | - |
| Changes in operating assets and liabilities: | | |
| Advance to employee | (25,615) | - |
| Prepaid expenses and deposits | (8,752) | 2,478 |
| Security deposits | - | 11,000 |
| Accounts payable and accrued liabilities | 152,790 | 80,368 |
| Unearned revenue | (12,500) | 12,500 |
| Net cash used in operating activities | (1,082,690) | (1,446,100) |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (32,533) | (90,573) |
| Proceeds from the sale of computer equipment | - | 1,996 |
| Deposit in escrow | - | 72,834 |
| Purchase of intangible assets | (779,053) | (465,989) |
| Net cash used in investing activities | (811,586) | (479,233) |
| Cash flows from financing activities: | | |
| Proceeds from related party notes | 54,000 | 50,000 |
| Proceeds from the sale of common stock | 1,381,083 | 420,000 |
| Proceeds from issuance of debt | 1,300,000 | 1,162,000 |
| Repayment of debt, related party notes | (104,000) | - |
| Repayment of debt | (150,000) | - |
| Net cash provided by financing activities | 2,481,083 | 1,632,000 |
| Net increase (decrease) in cash | 586,807 | (293,333) |
| Cash, beginning of period | 2,601 | 295,934 |
| Cash, end of period | \$ 589,408 | \$ 2,601 |
| Supplemental disclosure of cash flow information: | | |
| Cash paid for: | | |
| Interest | \$ - | \$ 62,283 |
| Income taxes | \$ 800 | \$ 800 |

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| Non-cash transactions: | | |
|--|------------|------------|
| Issuance of common stock for intangible assets | \$ 595,000 | \$ 33,300 |
| Stock-based compensation | \$ 648,000 | \$ 608,000 |
| Stock issued for services | \$ 122,160 | \$ 255,500 |
| Stock issued for interest expense | \$ 146,230 | \$ - |

See accompanying notes to financial statements.

CROWDGATHER, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010 AND 2009

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

CrowdGather, Inc. is an internet company that specializes in developing and hosting forum based websites and is headquartered in Woodland Hills, California.

CrowdGather, Inc. (formerly WestCoast Golf Experiences, Inc., or "WestCoast"), (the "Company") was incorporated under the laws of the State of Nevada on April 20, 2005.

On April 2, 2008, the Company, General Mayhem LLC ("General") and the Company's wholly owned subsidiary, General Mayhem Acquisition Corp. (the "Acquisition Subsidiary"), entered into an agreement and plan of merger (the "Merger Agreement"). The merger contemplated by the Merger Agreement ("the "Merger") closed on April 8, 2008. The Merger resulted in General merging into the Acquisition Subsidiary, with the Acquisition Subsidiary surviving. Prior to the Merger, the Company effected a 13-for-1 stock split of its Shares. All share numbers presented in the accompanying financial statements have been adjusted to reflect the stock split. Each share of General was converted into and became one (1) share, on a post-stock split basis, such that former members of General held 21,000,000, or approximately 52.8%, of the outstanding shares of the Company at the time. On April 8, 2008, pursuant to the Agreement of Merger and Plan of Merger and Reorganization dated April 8, 2008 by and between WestCoast and Acquisition Subsidiary, the Acquisition Subsidiary merged with and into WestCoast, with WestCoast surviving. In connection with the latter merger, WestCoast changed its name to CrowdGather, Inc.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported periods. Actual results could materially differ from those estimates.

Cash Equivalents

For purposes of the balance sheets and statements of cash flows, the Company considers all highly liquid instruments purchased with maturity of three months or less to be cash equivalents.

CROWDGATHER, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010 AND 2009

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from three to ten years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the related lease term.

Identifiable Intangible Assets

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 350, Intangibles – Goodwill and Other, goodwill and intangible assets with indefinite lives are not amortized but instead are measured for impairment at least annually in the fourth quarter, or when events indicate that impairment exists. As required by ASC 350, in the impairment tests for indefinite-lived intangible assets, the Company compares the estimated fair value of the indefinite-lived intangible assets, website domain names, using a combination of discounted cash flow analysis and market value comparisons. If the carrying value exceeds the estimate of fair value, the Company calculates the impairment as the excess of the carrying value over the estimate of fair value and accordingly, records the loss.

Intangible assets that are determined to have definite lives are amortized over the shorter of their legal lives or their estimated useful lives and are measured for impairment only when events or circumstances indicate the carrying value may be impaired in accordance with ASC 360, Property, Plant and Equipment discussed below.

Impairment of Long-Lived Assets

In accordance with ASC 360, the Company estimates the future undiscounted cash flows to be derived from the asset to assess whether or not a potential impairment exists when events or circumstances indicate the carrying value of a long-lived asset may be impaired. If the carrying value exceeds the Company’s estimate of future undiscounted cash flows, the Company then calculates the impairment as the excess of the carrying value of the asset over the Company’s estimate of its fair value.

CROWDGATHER, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010 AND 2009

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company accounts for income taxes under ASC 740, Income Taxes. Under the asset and liability method of ASC 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. The components of the deferred tax assets and liabilities are individually classified as current and non-current based on their characteristics. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

Basic and Diluted Loss Per Share

In accordance with ASC 260, Earnings Per Share, basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of April 30, 2010 and 2009, the Company had vested stock options that could be converted into 1,151,563 and 547,202 shares, respectively, of the Company's common stock. These potential common shares are excluded from the diluted loss per share computation in net loss periods as their inclusion would have been anti-dilutive.

Revenue Recognition

The Company currently works with third-party advertising networks and advertisers pay for advertising on a cost per thousand views, cost per click or cost per action basis. Additionally the Company has entered into a web-based software development contract with a customer, for which revenue is accounted for in accordance with ASC 985-605, Software – Revenue Recognition, and all related interpretations. All sales are recorded in accordance with ASC 605, Revenue Recognition. Revenue is recognized when all the criteria have been met:

CROWDGATHER, INC.
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2010 AND 2009

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- When persuasive evidence of an arrangement exists.
- The services have been provided to the customer.
- The fee is fixed or determinable.
- Collectability is reasonably assured.

Revenue deferrals relate to the timing of revenue recognized for the sale of software in which the customer has already paid for the development costs in advance. Revenue is recognized ratably over the periods in which the services are performed.

Stock Based Compensation