

NowAuto Group, Inc.  
Form 10-Q  
May 15, 2008

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

FORM 10-Q

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

For the fiscal quarter ended:  
March 31, 2008

Commission file number:  
000-50709

NOWAUTO GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada  
(State or other jurisdiction  
of incorporation)

77-0594821  
(I.R.S. Employer  
Identification No.)

2090 East University, Suite 112, Tempe, Arizona 85281

(address of principal executive offices, including zip code)

(480) 990-0007

(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports,) and (2) has been subject to such filing requirements for the past 90 days. Yes  NO

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes  No

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

Title of Each Class	Outstanding at March 31, 2008
Common Stock, par value \$0.001 per share	9,843,046

**NowAuto  
Group, Inc  
Consolidated  
Condensed  
Balance  
Sheets**

	Assets	
	March 31, 2008 (unaudited)	June 30, 2007
Current Assets		
Cash	15,285	37,454
Accounts Receivable - Net	2,609,427	2,325,893
Inventory	693,258	530,056
Prepaid Expenses	49,281	71,233
Taxes Receivable	6,673	
<b>Total Current Assets</b>	<b>3,373,924</b>	<b>2,964,636</b>
Long Term Notes Receivable	3,382,412	3,119,020
Equipment - Net	86,974	89,528
Goodwill	716,179	714,179
<b>Total Assets</b>	<b>7,559,489</b>	<b>6,887,363</b>
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts Payable	406,412	327,848
Taxes Payable	0	149,474
Line of Credit	2,073,137	1,897,744
Accrued Payroll	39,320	49,282
Deferred Revenue	925,002	80,593
Other Loans	167,976	285,795
<b>Total Current Liabilities</b>	<b>3,611,848</b>	<b>2,790,737</b>
Long Term Notes Payable	4,850,737	3,740,015
Commitment	25,500	137,859
<b>Total Liabilities</b>	<b>8,488,084</b>	<b>6,668,611</b>
Stockholders' Equity		
Common Stock, authorized 100,000,000 shares, \$0.001 par value; Issued and outstanding		
June 30, 2007 - 9,843,046 shares;		
March 30, 2008 - 9,843,046 shares;	9,843	9,843

Edgar Filing: NowAuto Group, Inc. - Form 10-Q

Paid in Capital	4,565,631	4,565,631
Retained Earnings/(Deficit)	(5,504,069)	(4,356,721)
Total Stockholder's Equity (Deficit)	(928,595)	218,752
Total Liabilities and Stockholder's Equity (Deficit)	7,559,489	6,887,363

The accompanying notes are an integral part of these financial statements

**NowAuto Group, Inc**  
Consolidated Condensed Statements of Operations

	3 months Ended March 31, 2008 (unaudited)	3 months Ended March 31, 2007 (unaudited)	9 months Ended March 31, 2008 (unaudited)	9 months Ended March 31, 2007 (unaudited)
<b>Income</b>				
Vehicle & Finance Income	1,300,443	1,662,846	3,450,631	5,622,835
Cost of Goods Sold	720,797	939,995	1,791,826	3,454,262
Gross Profit/Loss	579,645	722,851	1,658,805	2,168,573
Gross Margin	44.6%	43.5%	48.1%	38.6%
<b>Expenses</b>				
Selling and Financing Costs	451,817	848,866	1,400,762	1,716,333
General and Administrative	472,310	621,105	1,405,391	1,686,272
Write off of Reserves				
Impairment of Goodwill	0			
Profit/Loss before Income Taxes	(344,482)	(747,121)	(1,147,348)	(1,234,033)