

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 or 15(d) of the  
SECURITIES EXCHANGE ACT OF 1934  
For the Quarterly period ended June 30, 2001

or

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-17843

REGAL ONE CORPORATION  
(name of small business issuer as specified in its charter)

Florida 95-4158065  
(State or other jurisdiction of (IRS Employer  
Incorporation or Organization) Identification No.)

C/O Christopher H. Dietrich, Attorney at Law  
11300 W. Olympic Blvd., Suite 800  
Los Angeles, California 90064  
(Address of Principal Executive Offices)

(310) 312-6888  
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be  
filed by Section 13 or 15(d) of the Exchange Act during the past  
12 months (or 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

As of June 30, 2001, the Company had 1,269,716 shares of common  
stock issued and outstanding and 208,965 shares of convertible  
preferred stock issued and outstanding, each of which is  
convertible into 100 shares of the Company's common stock.

Part 1

ITEM 1: Financial Statements

REGAL ONE CORPORATION  
BALANCE SHEETS  
June 30, 2001 and December 31, 2000  
(See Accountants' Report)

	June 30, 2001 (Unaudited)	December 31, 2000 (Audited)
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ASSETS

Current Assets

Cash	\$ 2,254	\$ 2,336
Total Assets	\$ 2,254	\$ 2,336

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

Current Liabilities		
Due to stockholders and officers	\$ 154,184	\$ 148,003
Accounts payable and accrued liabilities	132,352	124,122
Total Current Liabilities	286,536	272,125

Stockholders' Equity (Deficit)		
Preferred stock, no par value.		
Authorized 50,000,000 shares;		
issued and outstanding		
208,965 shares	500	500
Common stock, no par value.		
Authorized 50,000,000 shares;		
issued and outstanding		
1,269,716 shares	6,036,604	6,036,604
Accumulated deficit	(6,321,386)	(6,306,893)
Net Stockholders' Equity (Deficit)	(284,282)	(269,789)

Total Liabilities and Stockholders' Equity (Deficit)	\$ 2,254	\$ 2,336
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REGAL ONE CORPORATION  
STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
For the Three Months and Six Months Ended June 30, 2001 and 2000  
(Unaudited)

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	Three Months Ended June 30, 2001	2000	Three Months Ended June 30, 2001	2000
Expenses:				
Consulting and outside services	\$ -	\$ 10,500	\$ -	\$ 21,000
Professional services	11,120	10,605	12,758	19,606
Other, selling, general and administrative expenses	234	310	988	1,046
Interest expense	672	-	747	-
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	12,026	21,415	14,493	41,652
Loss from Operations	(12,026)	(21,415)	(14,493)	(41,652)
Other Income (Expense)	-	-	-	-
Loss Before Provision for Income Taxes	(12,026)	(21,415)	(14,493)	(41,652)
Income Tax Expenses	-	-	-	-
Net Income (Loss)	(12,026)	(21,415)	(14,493)	(41,652)
Other Comprehensive Income	-	-	-	-
Comprehensive (Loss)	\$(12,026)	\$(21,415)	\$(14,493)	\$(41,652)
Basic and Diluted Net Loss per Common Share				
	\$ (.01)	\$ (.02)	\$ (.01)	\$ (.03)
Shares Used in Computing Basic and Diluted per Share Data				
	1,269,716	1,228,312	1,269,716	1,224,763

See the accompanying notes to the Financial Statements.

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REGAL ONE CORPORATION  
STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2001 and 2000  
(Unaudited)

	2001	2000
Cash flows from operating activities:		
Net income (loss)	\$(14,493)	\$(41,652)
Adjustments to reconcile net loss to net cash used by operating activities:		
Noncash consulting fees	-	36,000
Expenses paid by stockholders and officers	6,181	-
Increase (Decrease) in accounts payable and accrued liabilities	8,230	(18,460)
Total Adjustments	14,411	17,540
Net cash used by operating activities	(82)	(24,112)
Cash Flows from Investing Activities:		
Net cash provided by investing activities	-	-
Cash flows from financing activities:		
Proceeds from sales of stock	-	26,530
Net cash used by financing activities	-	26,530
Net increase (decrease) in cash	(82)	2,418
Cash at beginning of period	2,336	8
Cash at end of period	\$ 2,254	\$ 2,426

See the accompanying notes to the Financial Statements.

REGAL ONE CORPORATION  
STATEMENTS OF CASH FLOWS  
For the Six Months Ended June 30, 2001 and 2000  
(See Accountants' Report)  
(Unaudited)

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:

	2001	2000
Cash paid during the quarter for interest	\$ -	\$ -
Cash paid during the quarter for income taxes	\$ -	\$ -

See the accompanying notes to the Financial Statements.

## NOTE 1 - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

### Business

Regal One Corporation (the "Company") located in Las Vegas, Nevada, is a Florida corporation originally incorporated as Electro-Mechanical Services, Inc., in 1959 in Florida. The Company has been involved in a variety of industries including automobile mufflers, real estate, and the pharmaceutical and health fields. The Company is currently not in formal business operations, but is actively seeking a merger candidate.

### Basis of Presentation

The accompanying unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions for Form 10-QSB and Regulation S-B. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. All adjustments that, in the opinion of management, are necessary for a fair presentation of the results of operations for the interim periods have been made and are of a recurring nature unless otherwise disclosed herein. The results of operations for the quarter ended June 30, 2001, are not necessarily indicative of the results that will be realized for a full year. For further information, refer to the financial statements and notes thereto contained in the Company's Annual Report on Form 10-KSB for the year ending December 31, 2000.

## NOTE 2 - GOING CONCERN

For the fiscal year ended December 31, 2000, the independent auditors report included an explanatory paragraph calling attention to a going concern issue. The Company has suffered recurring losses from operations and at June 30, 2001, continues to have an accumulated deficit. The accompanying financial statements have also been prepared contemplating continuation of the Company as a going concern, which is dependent upon the Company obtaining additional financing to satisfy the operating needs of the Company and/or completing a successful merger.

## NOTE 3 - PRIOR PERIOD ADJUSTMENT

The accompanying financial statements for the quarter ended June 30, 2000, have been restated to correct an error made in 1994 when 30,000 shares of common stock that had been issued in 1993 were incorrectly canceled. The effect of the restatement had no impact on net income. However, the number of shares of common stock outstanding have been adjusted to reflect the additional 30,000 shares.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Overview.

The Company is currently not in formal business operations, but is actively seeking a merger candidate. The Company has not generated significant revenue during the last several years, and has funded its operation primarily through the issuance of additional debt and equity financing. Accordingly, the Company's ability to accomplish its business strategy and to ultimately achieve profitable operations is dependent upon its ability to obtain additional debt or equity financing, or to merge with a going concern company. The Company is currently exploring a merger option.

### Results of Operations.

The Company reported no revenues for the quarters ending June 30, 2001 and 2000.

Operating expenditures decreased from \$21,415 in the quarter ended June 30, 2000, to \$12,026 in the quarter ended June 30, 2001. The decrease of \$9,389 is primarily attributable to consulting expenses incurred in the second quarter of 2000.

#### Liquidity and Capital Resources.

During the prior year and current quarter, the Company had continuing losses from operations. There can be no assurances that the Company will be able to secure long-term borrowings with which to finance its future operations. The Company does not currently have any established bank lines of credit. The Company's lack of liquidity is reflected in the table below, which shows comparative working capital (current assets less current liabilities) which is an important measure of the Company's ability to meet its short-term obligations.

June 30, 2001      December 31, 2000

Working Capital (deficit)	\$(284,282)	\$(269,789)
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The Company's financial condition at June 30, 2001, reflects an immediate inability to meet its short-term obligations. At June 30, 2001, the Company had \$2,254 in cash on hand. The liabilities of the Company at June 30, 2001, aggregated \$286,536. Certain accounts payable are past due, and it is possible that the persons to whom these obligations are due may seek to collect the amounts due them.

#### Stock Option Plan.

The Company's Stock Option Plan (Plan) is for its employees, directors, officers and consultants or advisors of the Company. In May 1995, the Company filed a registration statement on Form S-8 covering 3,000,000 shares of common stock for this Plan. Since May 1995, holders have exercised options to purchase 597,009 shares of common stock. No options were exercised during the quarter ended June 30, 2001, leaving 2,402,991 yet available, with an amended expiration date of March 31, 2002 (See the Company's 14c, filed March 23, 2001).

#### Cautionary Statements Regarding Forward-Looking Statements.

Certain statements contained in this Form 10-QSB regarding matters that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve risks and uncertainties, and actual results may differ materially from those expressed or implied by such forward-looking statements. All statements that address operating performance, liquidity issues, or events or developments that management expects or anticipates to occur in the future are forward-looking statements. The forward-looking statements are based on management's current views and assumptions regarding future events and operating performance. Many factors could cause actual results to differ materially from estimates contained in management's forward-looking statements. Some of these factors are adverse economic conditions, inadequate capital, availability of alternative financing resources, unexpected costs, and the Company's ability to manage its recurring losses and shareholders' deficit.

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

None

### Item 2. Changes in Securities

None

Item 3. Default Upon Senior Securities

None

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

None

Item 5. Other Information

None

Item 6. Exhibits and Reports

None

REGAL ONE CORPORATION  
(Registrant)

Date: August 14, 2001      /s/ Richard Babbitt  
Richard Babbitt, President