Double Eagle Holdings, Ltd.
Form 10-Q
August 16, 2010

U.S. 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 Quarter Ended: June 30, 2010

Commission File Number: 000-22991

DOUBLE EAGLE HOLDINGS, LTD.
(Exact name of small business issuer as specified in its charter)

NEVADA	87-0460247
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

10130 Mallard Creek Road, Charlotte, NC 28262
(Address of principal executive office)

7633 E 63rd Place, Suite 220, Tulsa, OK 74133
(Former address of principal executive office)

(704) 944-3574
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 x No o.

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 (Section 232.405 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 o No o

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 o Accelerated filer o Non-accelerated filer o 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 o No x

The number of shares outstanding of registrant's common stock, par value $0.001 per share, as of July 31, 2010 was 50,925,820.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(DEVELOPMENT STAGE COMPANIES)

INDEX

PART 1: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(Development Stage Companies)
Condensed Consolidated Balance Sheets
June 30, 2010 and September 30, 2009

		June 30, 2010		September 30, 2009
ASSETS				
Current assets:				
Cash and cash equivalents	$	302	$	582
Total current assets		302		582
Other assets:				
Available-for-sale investments - affiliates		82,869		179,495
Notes and accrued interest receivable - affiliate		26,020		57,819
Total other assets		108,889		237,314
Total assets	$	109,191	$	237,896
LIABILITIES AND STOCKHOLDERS' (DEFICIT)				
Current liabilities:				
Accounts payable		73,625		75,094
Accounts payable - related parties		22,661		97,854
Convertible notes payable - related parties		230,802		100,000
Accrued expenses - related parties		12,597		2,844
Advances from related parties		-		31,660
Total current liabilities		339,685		307,452
Commitments and contingencies				
STOCKHOLDERS' (DEFICIT)				
Preferred stock, $0.001 par value; authorized 12,500 shares; no shares issued and outstanting; $100 per share liquidation preference		-		-
Common stock, $.001 par value; authorized 100,000,000 shares; 50,925,820 shares issued and outstanding at June 30, 2010 and September 30, 2009		50,926		50,926
Additional paid-in capital		9,946,022		9,946,022
Non-controlling interest		(126,340)		-
Accumulated other comprehensive income (loss)		(91,060)		31,085
Accumulated deficit:				
During the development stage		(133,188)		(97,895)
Other		(9,876,854)		(9,999,694)
Total accumulated deficit		(10,010,042)		(10,097,589)
Total stockholders' (deficit)		(230,494)		(69,556)
Total liabilities and stockholders' (deficit)	$	109,191	$	237,896

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(Development Stage Companies)
Condensed Consolidated Statements of Operations
Three Months Ended June 30, 2010 and 2009
(Unaudited)

	2010	2009 (Restated)
Revenue		
Management income - related party	$ 2,933	$ 2,567
Total income	2,933	2,567
Expenses:		
Related party services	3,000	9,929
General and administrative expense	5,861	12,725
Total expenses	8,861	22,654
Loss from operations	(5,928)	(20,087)
Other income (expense):		
Interest income - related party	1,309	-
Interest expense - related party	(5,409)	(2,295)
Realized loss on related party investment	-	(24,500)
Other income (expense)	(4,100)	(26,795)
Net loss before non-controlling interest	(10,028)	(46,882)
Non-controlling interest	-	1,140
Net loss	(10,028)	(45,742)
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities (none attributed to the non-controlling interest)	22,552	102,126
Net comprehensive income (loss)	$ 12,524	$ 56,384
Loss per share, basic and diluted	$ (0.00)	$ (0.00)
Weighted average shares outstanding	50,925,820	50,925,820

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(Development Stage Companies)
Condensed Consolidated Statements of Operations
Nine Months Ended June 30, 2010 and 2009 and from Inception
(January 20, 2009) through June 30, 2010
(Unaudited)

	2010	2009 (Restated)	Development Stage Inception (January 20, 2009) Through June 30, 2010
Revenue			
Management income - related party	$ 8,800	$ 2,567	$ 11,367
Total income	8,800	2,567	11,367
Expenses:			
Related party services	9,000	48,908	67,039
General and administrative expense	20,259	66,193	36,405
Total expenses	29,259	115,101	103,444
Loss from operations	(20,459)	(112,534)	(92,077)
Other income (expense):			
Interest income - related party	4,700	4,687	9,387
Interest expense - related party	(9,753)	(1,332)	(12,597)
Realized gain (loss) - related party	-	(24,500)	(24,500)
Other than temporary decline in available-for-sale securities	(13,280)	-	(16,900)
Other income (expense)	(18,333)	(21,145)	(44,610)
Net loss before non-controlling interest	(38,792)	(133,679)	(136,687)
Non-controlling interest	-	19,482	3,499
Net loss	(38,792)	(114,197)	(133,188)
Other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities (none attributed to the non-controlling interest)	(122,145)	(205,974)	(163,531)
Net comprehensive loss	$ (160,937)	$ (320,171)	$ (296,719)
Loss per share, basic and diluted	$ (0.00)	$ (0.00)	
Weighted average shares outstanding	50,925,820	50,925,820	

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(Development Stage Companies)
Condensed Consolidated Statements of Cash Flows
Nine Months Ended June 30, 2010 and 2009 and from Inception
(January 20, 2009) through June 30, 2010
(Unaudited)

	2010	2009 (Restated)	Development Stage Inception (January 20, 2009) Through June 30, 2010
Operating activities:			
Net loss	$ (38,792)	$ (114,197)	$ (133,188)
Adjustments to reconcile net increase (decrease) in net assets			
from operations to net cash used in operating activities:			
Other than temporary decline in available-for-sale securities	13,280	-	16,900
Gain (loss) on sale/impairment of investment in related party	-	24,500	24,500
Non-controlling interest	-	(19,482)	(3,499)
Amortization of deferred revenue - related party	(8,800)	-	(8,800)
Changes in operating assets and liabilities:			
Accounts receivable and accrued interest - related parties	(4,701)	(919)	(9,387)
Accounts payable and accrued expenses	(1,470)	43,314	26,792
Accounts payable and accrued expenses - related parties	9,753	(4,354)	43,409
Net cash used in operating activities	(30,730)	(71,138)	(43,273)
Investing activities:			
Proceeds from investments	6,500	45,000	6,500
Net cash used in investing activities	6,500	45,000	6,500
Financing activities:			
Common stock issued for cash	-	10,000	-
Advances from related parties for working capital	23,950	6,660	30,610
Net cash used in investing activities	23,950	16,660	30,610
Net increase (decrease) in cash and cash equivalents	(280)	(9,478)	(6,163)
Cash and cash equivalents, beginning of period	582	10,886	6,465
Cash and cash equivalents, end of period	$ 302	$ 1,408	$ 302
Supplemental Cash Flow Information:			
Cash paid for interest and income taxes:			
Interest	$ -	$ -	$ -
Income taxes	-	-	-
Non-cash investing and financing activities:			
Note payable issued to acquire investment	$ -	$ -	$ 100,000
Accrued interest receivable included in amended notes	5,326	-	8,915
Convertible notes payable issued for advances from affiliates	63,310	-	63,310
Convertible notes payable issued for accounts payable to affiliates	67,493	-	67,493

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARY
(DEVELOPMENT STAGE COMPANIES)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1: ORGANIZATION

CONSOLIDATION POLICY AND HISTORY OF BUSINESS

The consolidated financial statements include the accounts of Double Eagle Holdings, Ltd. ("DEGH") and Ultimate Social Network, Inc. ("USN") its 60% subsidiary (collectively the "Company"). All significant intercompany balances and transactions have been eliminated in consolidation. DEGH was originally incorporated in 1985 in Nevada. Its securities now trade on the Pink Sheets under the symbol DEGH.PK.

SHAREHOLDER ACTIONS

The holders of a majority of the Company's issued and outstanding common stock, pursuant to a written consent in lieu of a meeting, in accordance with the Company's certificate of incorporation and Nevada Law, have approved the withdrawal of the Company's election to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act").

Withdrawal of the Company's election to be treated as a BDC under the 1940 Act became effective on January 20, 2009, when the Company filed Form N-54c with the U.S. Securities and Exchange Commission ("SEC").

GENERAL

The financial statements included in this report have been prepared by the Company pursuant to the rules and regulations of the SEC for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report for the year ended September 30, 2009, which is included in the Company's Form 10-K for the year ended September 30, 2009. The financial data for the interim periods presented may not necessarily reflect the results to be anticipated for the complete fiscal year.

FINANCIAL STATEMENT REPORTING

The Company filed Form N-54c with the SEC on January 20, 2009 indicating the withdrawal of its election to be treated as a BDC under the 1940 Act, which resulted in a change in its method of accounting. BDC financial statement presentation and accounting uses the value method of accounting used by investment companies, which allows BDCs to value their investments at fair value as opposed to historical cost. In addition, entities in which the Company owns a majority are not consolidated; rather the investments in these entities are reflected on the balance sheet as an investment in a majority-owned portfolio company at fair market value. Our investments will be accounted for as either marketable equity securities, available for sale securities, at amortized cost, or under the equity method. In addition, our statements will be consolidated with our majority owned subsidiary.

The accounting change shall be retrospectively applied to the financial statements of all prior periods presented to show financial information for the new reporting entity for those periods. Previously issued interim financial statements shall be presented on a retrospective basis.

DEVELOPMENT STAGE

At the time of filing Form N-54c with the SEC on January 20, 2009, the Company had limited resources and did not have sufficient capital to complete its business plans. Accordingly, the operations of the Companies are presented as those of a development stage enterprise, from its inception (January 20, 2009).

GOING CONCERN

The Company has not established sources of revenue sufficient to fund the development of business, projected operating expenses and commitments for the next twelve months. The Company had a net loss from operations of $38,792, recognized an unrealized loss on investments of $122,145 resulting in a comprehensive loss of $160,937 during the nine months ended June 30, 2010. At June 30, 2010, current assets, excluding investments, are $302 and current liabilities are $339,685.

The Company expects to raise necessary capital from the private placement of its restricted common stock and sale of a portion of its investments. The Company has demonstrated an ability to raise funds as needed to fund operations and investments. However, there can be no assurance that the planned sale of common stock and sale of investments will provide sufficient funding to develop the Company's current business plan.

These conditions raise serious doubt about the Company's ability to continue as a going concern.

RECLASSIFICATION

Certain reclassifications have been made in the condensed consolidated financial statements at June 30, 2009 and for the three and nine months then ended to conform to the June 30, 2010 presentation. The reclassifications had no effect on net loss.

FISCAL YEAR

Fiscal 2010 refers to periods in the year ending September 30, 2010. Fiscal 2009 refers to periods in the year ended September 30, 2009.

INVESTMENTS

Investments are classified into the following categories:

- Trading securities reported at fair value with unrealized gains and losses included in earnings;
- Available-for-sale securities reported at fair value with unrealized gains and losses, net of applicable deferred income taxes, reported in other comprehensive income;
- Held-to-maturity securities and other investments reported at amortized cost; and
- Investments using the equity method of accounting.

FAIR VALUE

The Company adopted fair value accounting for certain financial assets and liabilities that have been evaluated at least annually. The standard defines fair value as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Management has determined that it will not, at this time, adopt fair value accounting for nonfinancial assets or liabilities currently recorded in the financial statements, which includes investments carried at cost, deposits and other assets. Impairment analyses will be made of all assets using fair value measurements.

NEW ACCOUNTING PRONOUNCEMENTS

Below is a listing of the most recent accounting standards and their effect on the Company, as issued by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASU"). We have evaluated all recent accounting pronouncements through [Date] and find none that would have a material impact on the financial statements of the Company, except for those detailed below.

In February 2010, the FASB issued ASU 2010-09, "Subsequent Events (Topic 855)." The amendments remove the requirements for an SEC filer to disclose a date, in both issued and revised financial statements through which subsequent events have been reviewed. Revised financial statements include financial statements revised as a result of either correction of an error or retrospective application of U.S. GAAP. The Company adopted ASU 2010-09 effective for our interim ended June 30, 2010, with no effect on our financial position or results of operations.

2. RESTATEMENT

As previously disclosed, the Company was required to audit the year ended September 30, 2008 again, as a result of the revocation of the license of its prior auditor. In this regard our auditor at the time advised us that he had been directed by the PCAOB to consider any asset that originally existed at September 30, 2008 but was later determined to be worthless to now be impaired or worthless as of September 30, 2008. The effect of these and other changes resulted in revisions to the net loss originally reported for the three and nine months ended June 30, 2009 as follows:

	Periods Ended June 30, 2009 Three Months	Nine Months
Net loss, as originally reported	$ (315,236)	$ (656,932)
Unrealized loss on marketable equity securities included in operations	(72,376)	235,724
Realized loss on related party investments	(24,500)	(24,500)
Elimination of management fee charged portfolio company	-	(7,500)
Elimination of interest charged on note written off September 30, 2008	(5,081)	(7,663)
Asset impairment	173,825	173,825
Expenses accrued in prior periods, net	196,486	153,367
Net loss before noncontrolled interest	(46,882)	(133,679)
Noncontrolled interest	1,140	11,142
Net loss as restated	(45,742)	(122,537)
Other comprehensive income (loss):		
Unrealized loss on available-for-sale securities	102,126	(308,100)
Net comprehensive income (loss)	$ 56,384	$ (430,637)
Net loss per share, basic and diluted:		
As originally reported	$ (0.01)	$ (0.01)
Restated	$ (0.00)	$ (0.00)

3. INVESTMENTS IN AFFILIATES

Investments at June 30, 2010 and September 30, 2009 are summarized as follows:

	June 30, 2010	September 30, 2009
Available-for-sale securities - affiliates	$ 82,869	$ 179,495
Notes receivable due from affiliate, Efftec International, Inc. ("EFFI")		
Principal	23,916	55,089
Accrued interest	2,104	2,730
	$ 26,020	$ 57,819

Available-for-sale investments may be summarized as follows:

		Cost		Realized Holding Losses		Unrecognized Holding Gains (Losses)		Fair Value
June 30, 2010								
Efftec International, Inc.	$	38,400	$	-	$	33,866	$	72,266
North American Energy		135,530		-		(124,927)		10,603
	$	173,930	$	-	$	(91,061)	$	82,869
September 30, 2009								
Efftec International, Inc.	$	12,880	$	-	$	-	$	12,880
North American Energy		135,530		-		31,085		166,615
	$	148,410	$	-	$	31,085	$	179,495

EFFI has developed an Internet-based chiller tool which it is installing and selling to its customer base. The note receivable includes interest at 12%, is due on October 15, 2010 and is convertible into common stock at $0.09 per share at March 31, 2010. On February 15, 2010, the note was amended and the accrued interest at the time was included in the new balance of $60,416. A principal reduction of $6,500 was received on February 22, 2010. On June 1, 2010 the Company converted $30,000 of its note for common stock at $0.09 per share and received 333,333 common shares.

At December 31, 2009, the Company valued its investment in EFFI at $8,400 based on its posted trading price on that date. Management determined that the loss of $13,280 was an other-than-temporary loss which was included in the statement of operations at December 31, 2009, and reduced the cost of the investment from $21,680 to $8,400. At June 30, 2010, the investment in EFFI had increased to $72,266 and the resulting unrealized gain was included in accumulated other comprehensive income at June 30, 2010.

North American Energy Resources, Inc. ("NAEY") is an oil and gas development and production company with operations currently in Oklahoma. The Company has determined that the loss on NAEY is temporary and has not been recognized, based on investment opportunities currently available to NAEY. The loss is included in other accumulated comprehensive income (loss).

Fair value for both available-for-sale securities is based on level one inputs, the posted closing price on June 30, 2010.

4. DEFERRED REVENUE

The Company entered into a consulting agreement with EFFI for a period of six months beginning December 1, 2009. The Company received 20,000 shares of EFFI common stock which were valued at $8,800 based on the quoted price of the stock on the date received. The $8,800 was amortized to income over the six month period of the contract. During the three and nine months ended June 30, 2010 the Company recognized $2,933 and $8,800, respectively, in income from the consulting agreement.

5. RELATED PARTY TRANSACTIONS

The Company operated as a BDC until January 20, 2009, when it elected to no longer be treated as a BDC. As a part of its operations and consistent with the operating parameters of a BDC, the Company developed a number of relationships with its portfolio company investments, including members of the Company's board of directors becoming officers and directors of its portfolio company investments. The Company made loans to the portfolio companies and entered into management agreements with the portfolio companies. As a result of operating as a BDC and then converting to an operating company, a number of its previous relationships are now required to be categorized as related party transactions, which are described as follows:

While operating as a BDC the Company had management contracts and made loans to its 60% owned subsidiary USN. These transactions are eliminated in consolidation with USN.

Hank Durschlag, the Company's CEO, is a former director and CEO of Efftec International, Inc. to whom the Company has made a loan and owns 361,333 shares of Efftec common stock at June 30, 2010. The Company recognized interest income of $4,700 and $4,687during the nine months ended June 30, 2010 and 2009, respectively. The accrued interest receivable balance was $2,104 and $2,730 at June 30, 2010 and September 30, 2009, respectively. The Company's investment in the 28,000 shares of common stock of Efftec had been determined to have an other than temporary decline in value at December 31, 2009, accordingly, the investment was impaired by $13,280 to its trading price on that date. On June 1, 2010 the Company acquired 333,333 common shares in exchange for $30,000 of its note. The 361,333 shares had an unrecognized holding gain of $33,866 at June 30, 2010, which is included in accumulated other comprehensive income (loss).

The Company had received non-interest bearing advances from affiliates which were all converted to convertible notes payable in February 2010. MLM Concepts is owned 50% by Michael D. Pruitt, former CEO and director of the Company. Chef-on-the-Go is owned by a shareholder of the Company. Joel Holt owns Progressive Capital and is a shareholder of the Company and owns 70% of ALT Energy, Inc.

Ross Silvey is a director of the Company and is also CEO and a director of North American Energy Resources, Inc. ("NAEY"). Director fees were accrued for Mr. Silvey in the amount of $3,000 in 2009. Mr. Silvey ceased his direct involvement on the audit committee when the Company ceased operation as a BDC in January 2009. Mr. Silvey is owed $2,500 at June 30, 2010 and September 30, 2009.

G. David Gordon is corporate counsel and billed legal fees of $25,119 in 2009 and none in 2010. Mr. Gordon was owed $2,162 and $55,354 at June 30, 2010 and September 30, 2009, respectively. Mr. Gordon owns 25% of ALT Energy, Inc. and his wife owns 25% of Zatso, LLC. On March 1, 2010, $32,492 of the balance owed Mr. Gordon was exchanged for a convertible note payable to Avenel Financial Group.

Hank Durschlag, the Company's CEO, had accrued $9,000 and $10,860 for his services as CEO during 2010 and 2009, respectively. Mr. Durschlag was owed $18,000 and $9,000 for services at June 30, 2010 and September 30, 2009, respectively.

On July 11, 2008, the Company issued 500,000 shares of its common stock to acquire 5% of ALT Energy, Inc., a private oil and gas company with gas reserves in Oklahoma. The investment was valued at $24,500 based on the trading price of the Company's common stock at that time. As a result of a decline in gas prices, ALT's reserves were fully impaired during the quarter ended June 30, 2009. Accordingly, the Company fully impaired its investment at that time. ALT is owned 25% by Mr. Gordon and 70% by Joel Holt, who is also a stockholder of the Company.

On July 31, 2008, the Company converted its loan with NAEY in the amount of $35,530, including accrued interest, into 153,000 shares of NAEY common stock. On April 10, 2009, the Company issued a note payable to Avenel Financial Group in the amount of $100,000 to acquire an additional 149,936 shares of NAEY. Avenel Financial is owned by Michael D. Pruitt and is an owner of over 5% of the Company's common stock. The note has a balance of $100,000 with accrued interest of $7,331 and $2,844 at June 30, 2010 and September 30, 2009, respectively. The 302,936 shares of NAEY were valued at $10,603 and $166,615 at June 30, 2010 and September 30, 2009, respectively.

BJB Services, Inc., accountants for the Company, and Jim Reskin, SEC counsel for the Company, acted as co-compliance officers for the Company from April 5, 2007 until January 20, 2009, which was the period during which the Company was a BDC.

The note receivable from Efftec International, Inc. was amended on February 15, 2010 and includes interest at 12%; is due on October 15, 2010; and is convertible into common stock at $0.09 per share.

The note payable to Avenel Financial Group includes interest at 6%; is due April 10, 2010; and is convertible into common stock at $0.20 per share.

Related party amounts included in the balance sheet may be summarized as follows:

Available-for-sale securities:

	Cost	Realized Holding Losses	Unrecognized Holding Gains (Losses)	Fair Value
June 30, 2010				
Efftec International, Inc.	$ 38,400	$ -	$ 33,866	$ 72,266
North American Energy	135,530	-	(124,927)	10,603
	$ 173,930	$ -	$ (91,061)	$ 82,869
September 30, 2009				
Efftec International, Inc.	$ 12,880	$ -	$ -	$ 12,880
North American Energy	135,530	-	31,085	166,615
	$ 148,410	$ -	$ 31,085	$ 179,495

Notes receivable:

	2010	2009
Notes and accrued interest receivable - affiliates		
Efftec International, Inc.	$ 26,020	$ 57,819
	26,020	57,819

Accounts payable - related parties:

	2010	2009
G. David Gordon & Associates, P.C. and G. David Gordon	$ 2,162	$ 55,354
Hank Durschlag	18,000	6,000
Ross Silvey	2,500	2,500
BJB Services, Inc.	-	34,000
	$ 22,662	$ 97,854

Notes payable - related parties:

	Date	Int. Rate	2010	2009
Avenel Financial Group	4/10/2009	6%	$ 100,000	$ 100,000
Amy Gordon	2/26/2010	12%	5,000	-
Chef on the Go	2/26/2010	12%	2,660	-
Progressive Capital	2/26/2010	12%	25,650	-
Avenel Financial Group	2/26/2010	12%	20,000	-
MLM Concepts, LLC	2/26/2010	12%	10,000	-
Avenel Financial Group	3/1/2010	12%	32,492	
BJB Services, Inc.	3/1/2010	12%	35,000	
			$ 230,802	$ 100,000

		2010		2009
Non-interest bearing advances from affiliates:				
Avenel Financial Group	$	-	$	20,000
MLM Concepts		-		5,000
Chef-on-the-Go		-		1,660
G. David Gordon		-		5,000
		-		31,660

Accrued interest payable:

		2010		2009
Affiliates	$	12,597	$	2,844

Transactions with related parties in the statement of operations for the nine months ended June 30, 2010 and 2009 include:

		2010		2009
Management income - Efftec International, Inc.	$	8,800	$	-

		2010		2009
Interest income - Efftec International, Inc.	$	4,700	$	4,687

		2010		2009
Related party expenses:				
Director fees - Ross Silvey	$	-	$	3,000
Legal fees - G. David Gordon & Associates, P.C.		-		32,681
CEO compensation - Hank Durschlag		9,000		13,227
	$	9,000	$	48,908

6. APPLICATION OF FASB ASC TOPIC 810

FASB ASC Topic 810, "Consolidation," amended prior guidance to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary, which became effective on October 1, 2009 for the Company. Paragraph 810-10-45-21 requires that the noncontrolling interest continue to be attributed its share of losses even if that attribution results in a deficit noncontrolling interest balance. Previously, when the noncontrolling interest reached zero, the Company discontinued allocating losses to the noncontrolling interest and recognized 100% of the loss. At October 1, 2009, the Company had recognized $126,340 in losses that would be attributed to the noncontrolling interest under the new guidance. The Company recorded the following adjustment to record the effect of the new guidance.

	Balance September 30, 2009	Adjustment	Balance October 1, 2009
Noncontrolling interest	$ -	$ (126,340)	$ (126,340)
Accumulated deficit:			
During the development stage	(97,895)	3,499	(94,396)
Other	(9,999,694)	122,841	(9,876,853)
	$ (10,097,589)	$ 126,340	$ (9,971,249)

The three and nine months ended June 30, 2009 would have included $0 and $19,482 in expense that would have been attributed to the non controlling interest if Topic 810 were in effect at that time. These amounts are included in the comparative periods in the statements of operations.

6. COMMITMENTS AND CONTINGENCIES

A vendor of the Company is claiming he is owed $40,200 for services rendered in 2008 and 2009, which amount is included in accounts payable. The attorney for the vendor has offered to accept $5,000 for full settlement of the obligation.

7. SUBSEQUENT EVENT

On July 30, 2010, the Company reached an agreement with Avenel Financial Group to rescind the transaction which originally took place on April 10, 2009 wherein the Company issued a note in the amount of $100,000 to Avenel Financial Group in exchange for 149,936 shares of North American Energy Resources, Inc. common stock. The effect of the transaction will be to reverse $7,332 in accrued interest, eliminate the $100,000 note payable, reduce available for sale securities by $5,248 and reduce accumulated other comprehensive loss by $94,752.

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

FORWARD LOOKING STATEMENTS

From time to time, the Company may publish forward-looking statements relative to such matters as anticipated financial performance, business prospects, technological developments and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements other than statements of historical fact included in this section or elsewhere in this report are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include: 1. General economic factors including, but not limited to, changes in interest rates and trends in disposable income; 2. Information and technological advances; 3. Competition; and 4. Success of marketing, advertising and promotional campaigns.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations 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 us 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 periods. On an on-going basis, we will evaluate our estimates and judgments, including those related to revenue recognition, valuation of investments, accrued expenses, financing operations, contingencies and litigation. We will base our 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. These accounting policies are described at relevant sections in this discussion and analysis and in the "Notes to Financial Statements" included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2009 and 2008.

PLAN OF OPERATION

On April 5, 2007, we filed a notification under Form N54a with the SEC indicating our election to be regulated as a BDC under the 1940 Act. On January 20, 2009, we filed a notification under Form N54C with the SEC indicating our withdrawal of our election to be regulated as a BDC under the 1940 Act.

Subsequent to the filing of the Form N-54C with the SEC, the Company has pursued a business model whereby it would acquire majority ownership stakes in Internet development companies (the "New Business Model"). In this regard, the Company would remain active in its majority owned Internet development company, Ultimate Social Network, Inc. USN has now failed in its development plan and the Company is seeking other Internet development companies to acquire.

Under the New Business Model, the Company will at all times conduct its activities in such a way that it will not be deemed an "investment company" subject to regulation under the 1940 Act. Thus, it will not hold itself out as being engaged primarily in the business of investing, reinvesting or trading in securities. In addition, the Company will conduct its business in such a manner as to ensure that it will at no time own or propose to acquire investment securities having a value exceeding 40 percent of the Company's total assets at any one time.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2010, we had a working capital deficit of $339,383 as compared to a working capital deficit of $306,870 at September 30, 2009. The primary reason for the increase is an increase in liabilities of $32,233.

Our withdrawal from being regulated and reporting as a BDC eliminates the availability of the 1-E to raise capital through sale of free trading common shares. We will need some capital in 2010 which we expect to raise through private placements of our restricted common stock and loans from related parties and sales of investments.

RESULTS OF OPERATIONS

Comparison of three months ended June 30, 2010 and 2009 –

Revenues – We had management income in the three months ended June 30, 2010 of $2,933. We received 20,000 shares of Efftec common stock valued at $8,800, based on the trading price of the Efftec common stock on the date received, for management services provided to Efftec. The agreement was for a period of six months, and the remaining balance of $2,933 was reported in the current quarter.

Costs and expenses decreased from $22,654 in the fiscal 2009 period to $8,861 in the fiscal 2010 period.

- Related party services declined from $9,929 in 2009 to $3,000 in 2010. The Company is not currently paying director fees and has reduced the CEO compensation from $2,000 per month to $1,000 per month. The 2009 period also included legal expenses which did not repeat in 2010.

- Other general and administrative expense declined from $12,725 in 2009 to $5,861 in 2010. This decline is primarily the elimination of costs associated with USN's website.

Other income (expense) for the three months ended June 30, 2010 and 2009 was as follows:

	2010	2009
Interest income - related party	$ 1,309	$ -
Interest expense - related party	(5,409)	(2,295)
Realized loss on related party investments	-	(24,500)
	$ (4,100)	$ (26,795)

The realized loss on related party investments is from the impairment of our investment in 5% of Alt Energy common stock. All gas properties held by Alt were shut-in due to low gas prices and have no current value due to continuing low gas prices.

Other comprehensive income (loss) amounted to income of $22,552 in the 2010 period and income of $102,126 in the 2009 period, primarily from temporary changes in value of the Company's investment in NAEY.

Comparison of nine months ended June 30, 2010 and 2009 –

Revenues – We had management income in the nine months ended June 30, 2010 of $8,800. We received 20,000 shares of Efftec common stock valued at $8,800, based on the trading price of the Efftec common stock on the date received, for management services provided to Efftec. The agreement was for a period of six months, and the $8,800 was reported in the current nine-month period.

Costs and expenses decreased from $115,101 in the fiscal 2009 period to $29,259 in the fiscal 2010 period.

- Related party services declined from $48,908 in 2009 to $9,000 in 2010. The Company is not currently paying director fees and has reduced the CEO compensation from $2,000 per month to $1,000 per month. The 2009 period also included legal expenses which did not repeat in 2010.

- Other general and administrative expense declined from $66,193 in 2009 to $20,259 in 2010. This decline is primarily the elimination of costs associated with USN's website.

Other income (expense) for the nine months ended June 30, 2010 and 2009 was as follows:

	2010	2009
Interest income - related party	$ 4,700	$ 4,687
Interest expense - related party	(9,753)	(1,332)
Realized loss on related party investments	-	(24,500)
Other than temporary decline in available-for-sale securities	(13,280)	-
	$ (18,333)	$ (21,145)

The realized loss on related party investments is from the impairment of our investment in 5% of Alt Energy common stock. All gas properties held by Alt were shut-in due to low gas prices and have no current value due to continuing low gas prices.

The Company recognized an other than temporary decline in available-for-sale securities in the amount of $13,280 in 2010.

Other comprehensive income (loss) amounted to a loss of $122,145 in the 2010 period and a loss of $205,974 in the 2009 period, primarily from temporary declines in value of the Company's investment in NAEY.

Our Plan of Operation for the Next Twelve Months

Management's Analysis of Business

The Company has not established sources of revenue sufficient to fund the development of business, projected operating expenses and commitments for the next twelve months. The Company had a loss of $38,792 for the nine months ended June 30, 2010, and had a unrealized loss of $122,145 on available-for-sale securities for a total comprehensive loss of $160,937. Expenses have been reduced to the minimum until additional capital can be obtained.

The Company expects to raise necessary capital from the private placement of its restricted common stock, loans from shareholders and sales of investments. The Company has demonstrated an ability to raise funds as needed to fund operations and investments. However, there can be no assurance that the planned sale of common stock will provide sufficient funding to develop the Company's current business plan.

These conditions raise substantial doubt about the Company's ability to continue as a going concern.

Off Balance Sheet Arrangements

- None.

Contractual Obligations

- None.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4: CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's Chief Executive Officer and Chief Financial Officer has reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 240.13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934) as of June 30, 2010. Based on that review and evaluation, which included inquiries made to certain other employees of the Company, the CEO and CFO concluded that the Company's current disclosure controls and procedures, as designed and implemented, is not effective in ensuring that information relating to the Company required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, including insuring that such information is accumulated and communicated to the Company's management, including the CEO, as appropriate to allow timely decisions regarding required disclosure, primarily due to a lack of segregation of duties due to the Company's small size.

(b) Changes in Internal Controls

There have been no significant changes in internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation described above, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

None.

ITEM 1A: RISK FACTORS

Not applicable.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5: OTHER INFORMATION

We do not currently employ a Chief Financial Officer. Mr. M.E. Durschlag, Chief Executive Officer, also serves as Chief Financial Officer.

ITEM 6: EXHIBITS

(a) EXHIBITS

31.1 Certification pursuant to 18 U.S.C. Section 1350 Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to 18 U.S.C. Section 1350 Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DOUBLE EAGLE HOLDINGS, LTD.

August 13, 2010	By:	/s/M.E. Durschlag M.E. Durschlag, President, Chief Executive Officer and Chief Financial Officer