FIRST EQUITY PROPERTIES INC
Form 10-K
March 29, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2018

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
Commission File Number 000-11777

First Equity Properties, Inc.

(Exact name of registrant as specified in its charter)

Nevada **(State or other jurisdiction of Incorporation or organization)**	**95-6799846** **(IRS Employer Identification Number)**
1603 LBJ Freeway, Suite 800 **Dallas, Texas**	**75234** **(Zip Code)**

(Address of principal executive offices)
Registrant's Telephone Number, including area code (469) 522-4200

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of each exchange on which registered
None	

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, $0.01 par value.**

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

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

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 x No ¨**

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 (§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 x No ¨**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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 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 ¨ No x**

The aggregate market value of the shares of voting and non-voting common equity held by non-affiliates of the Registrant, computed by reference to the price at which the common equity was last sold, or the average bid and ask price of such common equity as of June 30, 2018 (the last business day of the Registrant’s most recently completed second fiscal quarter) is not determinable since no trading market existed on that date or presently exists for the shares of Common Stock. 264,807 shares were held as of June 30, 2018 by persons believed to be non-affiliates of the Registrant.

As of March 28, 2019, there were 1,057,628 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

INDEX TO

ANNUAL REPORT ON FORM 10-K

PART I

Forward-Looking Statements

This report of First Equity Properties, Inc. may contain forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These include statements regarding any future financial results, operating results, business strategies, projected costs and capital expenditures, products, competitive positions, and plans and objectives of management for the future operations. Forward-looking statements may be identified by the words such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “e “predict”, “intend” and “continue” or the negative of these terms and include the assumptions that underlie such statements. Actual results could differ materially from those expressed or implied in these forward-looking statements as a result of various risks and uncertainties and other factors that might cause such differences, some of which could be material, including but not limited to economic and other market conditions, financing risks (such as the inability to obtain debt or equity financing on favorable terms), the level and volatility of interest rates, as well as other risks identified in this report, including those set forth in the section entitled Part I, Item 1A. “Risk Factors.” All forward-looking statements in this report are based on information available to management as of the date hereof, and management assumes no obligation to update any such statements. The information in this report should be read in conjunction with the financial statements and notes thereto included in this report.

ITEM 1. *BUSINESS*

As used herein, the terms (“FEPI”, “we”, “us”, “our”, or “the Company”) refer to First Equity Properties, Inc. a Nevada corporation organized on December 19, 1996. FEPI is the successor-in-interest to WESPAC Investors Trust III, a California real estate investment trust (“WESPAC”) originally established August 22, 1983. The Company’s fiscal year ends December 31 of each year.

Prior to January 1, 1997, the Company’s business consisted of the management and operation of three motel properties in the Spokane, Washington area. During the fiscal years ended December 31, 1998 and 1999, the Company, through its subsidiaries, engaged in property management, and real estate brokerage services. Between October 1999 and May 2004, the Company and its subsidiaries conducted no substantial business, but remained available to engage in property management and real estate brokerage activities.

Effective May 1, 2004, the Company sold all of the issued and outstanding common stock of a subsidiary company known as Carmel Realty, Inc., a Texas corporation (“Carmel”) and a 99% limited partnership interest in Carmel Realty Services, Ltd., a Texas limited partnership (“CRSL”) for an aggregate sale price of $2,072,540 (a basis equivalent to ten times capitalization of the management fees collected by Carmel and CRSL during 2003) to Regis. Regis paid cash of $250,000 to the Company and delivered a promissory note dated May 1, 2004 in the stated principal amount of $1,822,540 payable to the order of the Company on demand or, if no demand is made prior thereto, on December 31, 2011, with interest payable monthly as it accrues. This loan has been extended to December 31, 2019. Such promissory note is secured by a pledge of the common stock of Carmel and the partnership interest of CRSL sold.

Beginning in 1999 the principal source of revenue for the Company was interest income on notes receivable due from affiliated and/or related parties.

Management of the Company is exploring alternatives, seeking to establish or acquire new business operations for the Company. Management cannot predict or give any assurance that any new business enterprise will be acquired by the Company at any time in the near future.

ITEM 1A. ***RISK FACTORS***

An investment in equity securities of the Company involves a high degree of risk as there is no active trading market for our securities and liquidity is not assured. You should carefully consider the following information keeping in mind that the matters described below are not the only potential risks that may affect the Company. Additional risks, which we do not presently consider material or of which we are not currently aware, may also have an adverse impact upon us.

Our governing documents contain anti-takeover provisions that make it difficult for a third party to seek to acquire control of the Company.

Certain provisions of the Articles of Incorporation, Bylaws and Nevada law could, together or separately, discourage, delay or prevent a third party from acquiring the Company, even if doing so might benefit stockholders. The provisions may also affect the price investors might be able to receive for their shares of the Company's common stock. Examples of these provisions are:

- The right of our Board of Directors to issue preferred stock with rights and privileges, which are senior to the common stock, without prior stockholder approval.
- Certain limitations upon the stockholders to make, adopt, alter, amend, change, or repeal the Bylaws of the Corporation except by a vote of 66 2/3% of the holders of record of shares outstanding.
- So-called business combination "control" requirements when the combination involves the Company and a person that beneficially owns 20% or more of the outstanding common stock, except under certain circumstances.

In addition, while two entities are currently the owner of approximately 75% of the issued and outstanding common stock, the likelihood of any offer to acquire a significant position in the Company's common stock is remote.

There is no established independent trading market for the shares of common stock of the Company.

No trading market presently exists for the shares of common stock and its value is therefore not determinable. Holders of our common stock do not have a vested right to redeem their shares, and therefore may not be able to liquidate their investment in the event of an emergency or otherwise. There simply is no active trading market for the shares of common stock, and accordingly, the transferability of such shares is limited at best.

The Company is managed by the Board of Directors.

Management has established the operating policies and procedures of the Company, which may be modified or waived by the Board of Directors without stockholder approval. The ultimate effect of any such changes may adversely affect future operations. The Company's business is conducted so as not to become a regulated investment company under the Investment Company Act, which exempt entities that are "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interest in real estate".

The Company's primary source of income is from affiliated entities.

Our primary source of income is from related party entities. If any of these entities were to become insolvent or unable to pay their obligations, it could have a material adverse effect on our financial statements.

ITEM 1B. ***UNRESOLVED STAFF COMMENTS***

Not applicable.

ITEM 2. ***PROPERTIES***

The Company's principal office is located at 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234 in approximately 4,288 square feet of commercial office space. The space is suitable and adequate for the purposes for which it is utilized.

ITEM 3. ***LEGAL PROCEEDINGS***

None.

ITEM 4. ***MINE SAFETY DISCLOSURES***

Not applicable.

PART II

ITEM 5. ***MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES***

Pursuant to the requirements of NRS 78.2055, on June 7, 2004, the members of the Board of Directors of the Company proposed and recommended to the stockholders a reverse-split on a 1-for-10 basis of the shares of Common Stock, par value $0.01 per share without any adjustment to the par value per share and without any reduction in the authorized number of shares of Common Stock at the same par value. The recommendation was submitted to the holder of approximately 75% of the outstanding Common Stock, Nevada Sea Investments, Inc. ("Nevada Sea"), which executed a written consent dated June 8, 2004, pursuant to NRS 78.320 adopting and approving the 1-for-10 reverse stock-split of the shares of Common Stock without any change in the par value and without any reduction in the authorized number of shares of Common Stock of the Company pursuant to the Articles of Incorporation. The 1-for-10 reverse stock split was ultimately effective July 12, 2004, following the distribution of an Information Statement on Schedule 14C to the other stockholders of the Company, and following the filing of an amendment to the Certificate of Incorporation of the Company with the Secretary of State of Nevada. The CUSIP Number for the post-split shares is 320097-20-7.

Under the approved action, based upon the 10,570,944 old shares outstanding on the effective date of July 12, 2004, the 1-for-10 reverse stock-split decreased the number of outstanding shares by approximately 90% which, after giving effect to an upward adjustment or "rounding up" for any fractional shares, added 534 shares to result in 1,057,628 post-split shares outstanding. The 1-for-10 reverse stock-split did not adversely affect any stockholder's proportionate equity interest in the Company, subject to the provisions for elimination of fractional shares by rounding up to the next whole share which slightly increased the proportionate holdings of all stockholders other than Nevada Sea. Each post-split share continues to be entitled to one vote, as was the case with each outstanding old share.

In connection with the implementation of a 1-for-10 reverse stock-split, no certificate or script representing any fractional share interest was issued, but a holder of the old shares received in lieu of any fraction of a post-split share to which the holder would otherwise have been entitled a single, whole post-split share on a "rounding up" basis without regard to any price. The result of this "rounding up" process increased slightly the holdings of those stockholders who held a number of old shares which were not evenly divisible by ten, resulting in an increase of 534 shares.

FEPI's old shares of Common Stock, while available for trading in the over-the-counter market, to the knowledge of Management, have not had any material trading activity since their initial issuance in 1997. The old shares were issued pursuant to the terms of the Modified Plan in the bankruptcy proceeding styled *In Re: WESPAC Investors Trust III*, Case No. 94-00228-K-11 in the United States Bankruptcy Court for the Eastern District of Washington. The CUSIP Number of the old shares was 320097-10-8. The shares of beneficial interest of WESPAC Investors Trust III traded through the first quarter of 1988, and at one time, were quoted on the National Association of Securities Dealers Automatic Quotation System ("NASDAQ"). Since the cessation of trading on NASDAQ, there has been no established, independent trading market for the shares of beneficial interest of WESPAC or the old shares of Common Stock of FEPI as the successor, or the new shares of Common Stock of the Company after giving effect to the 1-for-10 reverse stock split

No cash dividends have been declared or paid during the period from January 1, 1994 to the present on either the shares of Beneficial Interest of the Trust or the old shares of Common Stock of FEPI as the successor or the new shares of Common Stock after giving effect to the 1-for-10 reverse stock split.

As of December 31, 2018, the 1,057,628 post-split shares of Common Stock of FEPI issued and outstanding were held by approximately 1,800 holders of record.

During the three years ended December 31, 2018, FEPI did not issue or sell any securities, nor did FEPI purchase any of its equity securities. The Board of Directors has not authorized any stock repurchase program.

ITEM 6. ***SELECTED FINANCIAL DATA***

The selected historical financial data presented below for the five fiscal years ended December 31, 2018, are derived from the audited financial statements.

	Year Ended December 31,				
	2018	2017	2016	2015	2014
STATEMENT OF OPERATIONS DATA:					
Revenues	$-	$-	$-	$-	$-
General and administrative	137,107	127,415	121,946	113,142	112,619
Other income	—	—	—	—	—
Income from continuing operations	(137,107)	(127,415)	(121,946)	(113,142)	(112,619)
Gain on sale	—	—	—	—	—
Interest income	159,661	205,445	206,007	208,012	218,524
Interest expense	(67,112)	(81,638)	(81,861)	(83,300)	(109,491)
Income (loss) before taxes	(44,558)	(3,608)	2,200	11,570	(3,586)
Income tax benefit (expense)	—	—	—	—	—
Net income (loss) applicable to common shareholders	$(44,558)	$(3,608)	$2,200	$11,570	$(3,586)
Weighted average earnings per share:					
Income from continuing operations	$(0.04)	$—	$—	$0.01	$—
Loss from discontinued operations	—	—	—	—	—
Net income loss applicable to common shareholders	$(0.04)	$—	$—	$0.01	$—
Weighted average shares outstanding	1,057,628	1,057,628	1,057,628	1,057,628	1,057,628
BALANCE SHEET DATA:					
Total Assets	$1,793,475	$2,107,143	$2,107,129	$2,107,096	$2,174,528
Total Liabilities	$951,925	$1,221,035	$1,217,413	$1,219,580	$1,298,582
Stockholders' Equity	$841,550	$886,108	$889,716	$887,516	$875,946

ITEM 7. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.***

The following discussion is not an all-inclusive discussion of our operations. The information provided relates to significant items, which Management believes is relevant to an assessment and understanding of the Company's results of operations and financial condition. The discussion should be read in conjunction with the financial statements presented and the notes to the financial statements as included in this Form 10K.

Results of Operations

FEPI's sole source of income is from the interest received on related party receivables and its operating expenses are professional and administrative fees.

Results of operations for the year ended December 31, 2018 as compared to the same period ended 2017.

The Company recognized net loss of ($44,558) in 2018 compared to net loss of ($3,608) in 2017. The increase in net loss is primarily due to the decrease in interest income – related parties due to the principal pay down on the notes receivables.

Results of operations for the year ended December 31, 2017 as compared to the same period ended 2016.

The Company recognized net loss of ($3,608) in 2017 compared to net income of $2,200 in 2016. The change from net income to net loss was primarily due to an increase in administrative fees – related party.

A substantial asset concentration relates to notes receivables from related party entities which is the primary source of income consisting of interest on such receivables. Any adverse conditions affecting the financial condition of any of these entities, specifically their ability to service the debt obligation owed, could have a severe adverse impact upon the financial statements of the Company. However, as the entities are "related parties" to the Company, management of the Company is generally aware of the related parties' financial condition. The entities are currently not in default on their obligations and management does not consider it necessary at this time to provide other financial information for such entities. However, management of the Company is aware of the circumstances and any conditions that might impact the ability of such "related parties" to meet their respective obligations. Management of the Company considers the collectability of such obligations to not be a question at this time.

Financial Condition, Capital Resources and Liquidity

General

Our primary source of liquidity is from proceeds from accrued interest on notes receivables from related party entities. At December 31, 2018, we had total assets of $1,793,475. Our overall liabilities have decreased as compared to prior year. We feel that our cash from operations is sufficient to provide for our current cash flow needs.

Cash flow analysis

The following summary discussion of our cash flows are based on the Statements of Cash Flows as presented in this Form 10-K and is not meant to be an all-inclusive discussion of the changes in our cash flows.

2018 as compared to 2017 – The overall cash flow increased as compared to the year ended 2017. The Company received payment of principal and interest on notes receivable and paid principal and interest on notes payable during 2018.

2017 as compared to 2016 – The overall cash flow remained static as compared to the year ended 2016. The Company received payment of interest on notes receivable and paid interest on notes payable during 2017.

Contractual obligations

We do not have any further contractual obligations and commitments in regards to payments of operating leases.

Environmental Matters

Under various federal, state and local environmental laws, ordinances and regulations, the Company may be potentially liable for removal or remediation costs, as well as certain other potential costs, relating to hazardous or toxic substances (including governmental fines and injuries to persons and property) where any property-level manager in the employee of a subsidiary of the Company may have arranged for the removal, disposal or treatment of hazardous or toxic substances. Management is not aware of any environmental liability relating to the above matters that would have a material adverse effect on the Company's business, assets, or results of operations.

Inflation

The effects of inflation on the Company’s operations are not quantifiable. To the extent that inflation affects interest rates, the Company’s earnings from any short-term investments and the cost of new financings as well as the cost of variable rate financing will be affected.

ITEM 7A. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

The Company is exposed to market risk from changes in interest rates, which may adversely affect its financial position, results of operations and cash flows. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposures through its regular operating activities. The Company does not use financial instruments for trading or other speculative purposes and is not a party to any leveraged financial instruments.

Based upon the Company’s market risk sensitive instruments (including variable rate debt) outstanding at December 31, 2018, the Company has determined that there was no material market risk exposure to the Company’s financial position, results of operations or cash flows as of such date.

ITEM 8. ***FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA***

The Financial Statements, together with an index thereto, are attached hereto following the signature page to this report.

ITEM 9. ***CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE***

Not applicable.

ITEM 9A. ***CONTROLS AND PROCEDURES***

A review and evaluation was performed by management under the supervision and with the participation of the Principal Executive Officer and Chief Financial Officer of the effectiveness of the Company's disclosure controls and procedures, as required by Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of December 31, 2018. Based upon that most recent evaluation, which was completed as of the end of the period covered by this Form 10-K, the Principal Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at December 31, 2018 to ensure that information required to be disclosed in reports that the Company files submits under the Securities Exchange Act is recorded, processed, summarized and reported within the time period specified by the Securities and Exchange Commission ("SEC") rules and forms. As a result of this evaluation, there were no significant changes in the Company's internal control over financial reporting during the period ended December 31, 2018 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Exchange Act Rules 13a-15(f). The Company's internal control over financial reporting is a process designed under the supervision of the Company's principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or because the degree of compliance with policies or procedures may deteriorate.

Under the supervision and with the participation of our management, including our Chief Financial and Accounting Officer, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2018. The assessment was based on criteria established in the framework *Internal Control – Integrated Framework,* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2018.

Changes in Internal Control Over Financial Reporting

There has been no change in the Registrant's internal control over financial reporting during the year ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

ITEM 9B. ***OTHER INFORMATION***

Not applicable.

PART III

ITEM 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

Directors and Executive Officers

The business affairs of the Company are managed by or under the direction of the Board of Directors. The Board of Directors is responsible for the general investment policies of the Company and for such general supervision of the business of the Company conducted by its officers, agents, employees, advisors or independent contractors as may be necessary to ensure that such business conforms to policies adopted by the Board of Directors. Pursuant to Article III, Section 3.1, of the Bylaws of the Company, there shall not be less than three (3) nor more than fifteen (15) directors of the Company. The number of directors shall be determined from time to time by resolution of the directors, and the last count of that number of directors was at three (3) at the time of creation of the Company. The initial three directors were the three members of the Board of Trustees of the Trust. The term of office of each director is one year and until the election and qualification of his or her successor. Directors may succeed themselves in office and are to be elected at an annual meeting of stockholders or appointed by the Company’s incumbent Board of Directors.

During 2018, the composition of the Board of Directors changed but remained at two in number. Effective April 30, 2018, Steven A. Shelley, a Director, Vice President and Secretary of the Company since December 29, 2010, resigned as a Director and an officer. On May 31, 2018, the remaining member of the Board of Directors appointed Cecelia Maynard, a Director, Vice President and Secretary of the Company. Effective October 31, 2018, Daniel J. Moos, a Director, President and Treasurer of the Company since April 19, 2011, resigned as a Director and officer of the Company. On November 1, 2018, the remaining member of the Board of Directors appointed R. Neil Crouch II, a Director, President and Treasurer of the Company. Neither Mr. Shelley nor Mr. Moos had any disagreements with the Company on any matter relating to the Company’s operations, policies or practices.

The two current directors of the Company (both of whom are also executive officers) are listed below, together with their ages, all positions and offices with the Company, their principal occupation, business experience and directorship with other companies during the last five years or more. A vacancy currently exists on the Board of Directors.

The names, ages and positions of the directors as of December 31, 2018 are set forth below.

Name	**Age**	**Position with the Company**
R. Neil Crouch II	66	Director, President and Treasurer
Cecelia K. Maynard	67	Director, Vice President and Secretary

R. Neil Crouch II, 66

Director, President and Treasurer of the Company since November 1, 2018.

Mr. Crouch has been employed since May 2006 as Vice President and Chief Financial Officer of Balkan Energy Company, a Dallas, Texas based entity involved in the energy industry in Bulgaria, Ghana and Nigeria. From August 1, 2006 to March 24, 2009, he served as a director and from February 23, 2007 to March 24, 2009, as Chairman of the Board of Income Opportunity Realty Investors, Inc., a Nevada corporation, which has its common stock listed and traded on the NYSE American under the symbol “IOR.”

Cecelia K. Maynard, 67

Director, Vice President and Secretary of the Company since May 31, 2018.

Ms. Maynard was employed by Pillar Income Asset Management, Inc. (“Pillar”) from January 2011 through December 31, 2018. Pillar is a Nevada corporation which provides management services to other entities.

Meetings and Committees of Directors; Code of Ethics for Senior Financial Officers

The Company’s Board of Directors held no formal meetings in 2018 but acted by written consent. The Board of Directors has no standing audit, nominating or compensation committee.

The Board of Directors adopted, on February 23, 2004, a Code of Ethics policy for Senior Financial Officers that applies to the principal executive officer, president, principal financial officer, chief financial officer, principal accounting officer and controller. FEPI does not have a website, but a copy of such document may be obtained by written request to the Secretary of FEPI. Those requests should be sent to Secretary, First Equity Properties, Inc., 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234.

Stockholders may also send communications to Board members by either sending a communication to the Board or a particular Board member, in care of the Secretary of First Equity Properties, Inc., 1603 LBJ Freeway, Suite 800, Dallas, Texas 75234.

Compliance With Section 16(a) of the 1934 Act.

Under the securities laws of the United States, the Company's directors, executive officers and any person holding more than 10% of the Company's shares of common stock are required to report their ownership of the Company's shares and any changes in ownership to the Commission. Specific due dates for these reports have been established, and the Company is required to report any failure to file by the date. All the filing requirements were satisfied by the Company's directors, executive officers and 10% holders during 2018. In making these statements, the Company has relied on the written representations of its directors, executive officers and 10% holders and copies of the reports that they filed with the Commission, both with respect to the Trust, as a predecessor to the Company, and the Company.

ITEM 11. ***EXECUTIVE COMPENSATION***

Neither the executive officers nor directors received salaries or cash compensation from the Company for acting in such capacity during the year ended December 31, 2018.

ITEM 12. ***SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS***

The Company's voting securities consist of the shares of common stock, par value $0.01 per share. As of March 28, 2019, according to the stock transfer records of the Company and other information available to the Company, the following persons were known to be the beneficial owners of more than five percent (5%) of the outstanding shares of common stock of the Company:

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
shares of common stock,			37.48%

par value $0.01 per share	Nevada Sea Investments, Inc. 1603 LBJ Freeway, Suite 800 Dallas, Texas 75234	396,411 (2) shares	
shares of common stock, par value $0.01 per share	TPS Income, Inc. 1809 Lakecrest Court Carrollton, Texas 75006	396,410 (2) shares	37.48%

(1) Based on 1,057,628 shares of common stock outstanding on March 28, 2019.

(2) On October 24, 2018, Nevada Sea Investments, Inc. sold to TPS Income, Inc. 396,410 shares as a single block in a privately negotiated transaction for an aggregate purchase price of $332,113.05 (approximately $0.8378019 per share).

As of March 28, 2019, according to the stock transfer records of the Company and other information available to the Company, each of the directors and executive officers of the Company and all present executive officers and directors, as a group, beneficially own the following shares:

Title of Class	**Name and Address of Beneficial Owner**	**Amount and Nature of Beneficial Ownership**	**Percent of Class (a)**
shares of common stock, par value $0.01 per share	R. Neil Crouch II 1603 LBJ Freeway, Suite 850 Dallas, Texas 75234	-0-	0%
shares of common stock, par value $0.01 per share	Cecelia Maynard 1603 LBJ Freeway, Suite 850 Dallas, Texas 75234	-0-	0%
shares of common stock, par value $0.01 per share	All officers and directors as a group (2 persons)	-0-	0%

(a) Based on 1,057,628 shares of common stock outstanding on March 28, 2019.

ITEM 13. ***PRINCIPAL ACCOUNTING FEES AND SERVICES***

The following table sets forth the aggregate fees for professional services rendered to FEPI for the years 2018 and 2017 by FEPI's principal accounting firm, Swalm & Associates, P.C.:

	Swalm & Associates, P.C.	
Type of Fees	2018	2017

Audit fees	$31,085	$35,138
Audit related fees	—	—
Tax fees -preparation of corporate federal income tax returns	1,900	1,500
All other fees	—	—
Total	$32,985	$36,638

There is currently no standing Audit Committee. The Board of Directors fulfills that responsibility. As a result, there are no Audit Committee pre-approval policies and procedures in existence.

PART IV

ITEM 14. *EXHIBITS AND FINANCIAL STATEMENT SCHEDULES*

(a) Financial Statements. The following documents are filed as part of this report:

All other schedules and financial statements are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) Exhibits. The following documents are filed herewith as exhibits or incorporated by the references indicated below:

Exhibit Designation	Description of Exhibit
2.1	Plan of Reorganization (as modified) dated March 22, 1996 (incorporation by reference is made by Exhibit 2.1 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
2.2	First Amended Disclosure Statement (as modified) dated March 22, 1996 (incorporation by reference is made to Exhibit 2.2 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
2.3	Order Confirming Plan of Reorganization dated May 15, 1996 entered May 20, 1996 (incorporation by reference is made to Exhibit 2.3 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
2.4	First Modification to Plan of Reorganization (as modified) dated October 29, 1996 (incorporation by reference is made to Exhibit 2.4 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).

2.5	Ex parte Order approving modification to Plan of Reorganization (as modified) entered October 29, 1996 (incorporation by reference is made to Exhibit 2.5 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
2.6	Certificate of Substantial Consummation dated January 21, 1997 (incorporation by reference is made to Exhibit 2.6 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
2.7	Final Decree issued by the Court on February 11, 1997 (incorporation by reference is made to Exhibit 2.7 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
3.1	Articles of Incorporation of WESPAC Property Corporation as filed with and endorsed by the Secretary of State of California on December 16, 1996 (incorporation by reference is made to Exhibit 3.1 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).

Exhibit Designation	Description of Exhibit
3.2	Articles of Incorporation of First Equity Properties, Inc. filed with and approved by the Secretary of State of Nevada on December 19, 1996 (incorporation by reference is made to Exhibit 3.2 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
3.3	Bylaws of First Equity Properties, Inc. as adopted December 20, 1996 (incorporation by reference is made to Exhibit 3.3 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
3.4	Agreement and Plan of Merger of WESPAC Property Corporation and First Equity Properties, Inc. dated December 23, 1996 (incorporation by reference is made to Exhibit 3.4 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
3.5	Articles of Merger of WESPAC Property Corporation into First Equity Properties, Inc. as filed with and approved with the Secretary of State in Nevada December 24, 1996 (incorporation by reference is made to Exhibit 3.5 to Form 8-K of First Equity Properties, Inc. for event reported June 19, 1996).
3.6	Certificate of Designation of Preferences and Relative Participating or Optional of Other Special Rights and Qualifications, Limitations or Restrictions thereof of the Series A 8% Cumulative Preferred Stock (incorporation by reference is made to Exhibit 3.6 to Form 10-KSB of First Equity Properties, Inc. for the fiscal year ended December 31, 1996).
3.7	Certificate of Amendment to Articles of Incorporation as filed with the Secretary of State of Nevada on July 12, 2004 (incorporation by reference is made to Exhibit 3.3 to Current Report on Form 8-K of First Equity Properties, Inc. for event reported May 1, 2004).
14	Code of Ethics for Senior Financial Officers (incorporation by reference is made to Exhibit 14 to Form 10-K of First Equity Properties, Inc. for the fiscal year ended December 31, 2003).
31.1*	Certification of Principal Executive Officer.
31.2*	Certification of Principal Financial and Accounting Officer.
32.1*	Rule 1350 Certification by Principal Executive Officer and Principal Financial and Accounting Officer.

* filed herewith

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SIGNATURES

Pursuant to the requirements Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has caused this report to be signed by the undersigned, thereunto duly authorized.

Dated: March 28, 2019 FIRST EQUITY PROPERTIES, INC.

By: /S/ R. NEIL CROUCH II
R. Neil Crouch II
Director, President & Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated:

/S/ R. NEIL CROUCH II

Director, President and Treasurer March 28, 2019

R. Neil Crouch II

/S/ CECELIA K. MAYNARD

Director, Vice President and Secretary March 28, 2019

Cecelia K. Maynard

FIRST EQUITY PROPERTIES, INC.

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All other schedules and financial statements are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of

First Equity Properties, Inc.

Dallas, Texas

Opinion on the Financial Statements

We have audited the accompanying balance sheets of First Equity Properties, Inc. as of December 31, 2018, and 2017 and the related statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2018, and the related notes collectively referred to as the "financial statements". In our opinion, the financial statements present fairly, in all material respects, the financial position of First Equity Properties, Inc. as of December 31, 2018 and 2017 and the results of operations and its cash flows for each of the three years in the period ended December 31, 2018 in conformity with U.S. generally accepted accounting principles.

Basis of Opinion

These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, 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.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Emphasis of Related Party Transactions

As described in the notes to the financial statements, First Equity Properties, Inc. has significant transactions with and balances due to and from related parties.

/s/ Swalm & Associates, P.C.

Swalm & Associates, P.C.
We have served as the Company's auditor since 2008.

Richardson, Texas

March 28, 2019

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FIRST EQUITY PROPERTIES, INC.

BALANCE SHEETS

As of December 31, 2018 and 2017

	December 31, 2018 (unaudited)	December 31, 2017
Assets		
Notes receivable and accrued interest - related parties	$1,592,418	$2,106,229
Cash and cash equivalents	201,057	914
Total assets	$1,793,475	$2,107,143
Liabilities and Shareholders' Equity		
Notes payable and accrued interest - related parties	$584,360	$836,953
Accounts payable - other	—	669
Accounts payable - related parties	367,565	383,413
Total liabilities	951,925	1,221,035
Shareholders' equity		
Common stock, $0.01 par value; 40,000,000 shares authorized; 1,057,628 issued and outstanding	10,576	10,576
Preferred stock, $0.01 par value; 4,960,000 shares authorized; none issued or outstanding	—	—
Paid in capital	1,376,682	1,376,682
Retained earnings (deficit)	(545,708)	(501,150)
Total shareholders' equity	841,550	886,108
Total liabilities and shareholders' equity	$1,793,475	$2,107,143

The accompanying notes are an integral part of these financial statements.

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FIRST EQUITY PROPERTIES, INC.

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2018, 2017, and 2016

	2018	2017	2016
Revenue			
Revenue from operations	$-	$-	$-
Total revenue	-	-	-
Operating Expenses			
Administrative fees - related parties	72,000	72,000	63,000
General and administrative	19,446	16,601	17,041
Legal and professional fees	45,661	38,814	41,905
Total operating expenses	137,107	127,415	121,946
Income (loss) before interest expense and taxes	(137,107)	(127,415)	(121,946)
Other income (expense)			
Interest income - related parties	159,661	205,445	206,007
Interest expense - related parties	(67,112)	(81,638)	(81,861)
Net income (loss) applicable to common shareholders	$(44,558)	$(3,608)	$2,200
Earnings (loss) per share	$(0.04)	$—	$—
Weighted average shares outstanding	1,057,628	1,057,628	1,057,628

The accompanying notes are an integral part of these financial statements.

FIRST EQUITY PROPERTIES, INC.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2018, 2017, and 2016

	Common Stock				
	Shares	Amount	Paid in Capital	Retained Earnings (Deficit)	Total Equity
Balances at January 1, 2016	1,057,628	$10,576	$1,376,682	$(499,742)	$887,516
Net income (loss)	—	—	—	2,200	2,200
Balances at December 31, 2016	1,057,628	10,576	1,376,682	(497,542)	889,716
Net income (loss)	—	—	—	(3,608)	(3,608)
Balances at December 31, 2017	1,057,628	10,576	1,376,682	(501,150)	886,108
Net income (loss)	—	—	—	(44,558)	(44,558)
Balances at December 31, 2018	1,057,628	10,576	1,376,682	(545,708)	841,550

The accompanying notes are an integral part of these financial statements.

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FIRST EQUITY PROPERTIES, INC.

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018, 2017, and 2016

	2018	2017	2016
Cash Flows from Operating Activities			
Net Income (Loss)	$(44,558)	$(3,608)	$2,200
Adjustments to reconcile net income applicable to common shareholders to net cash provided by (used in) operating activities:			
(Increase) decrease in			
Interest receivable - related parties	12,632	—	—
Accounts receivable - related parties	—	—	—
Increase (decrease) in			
Accounts payable - other	(669)	(4,063)	4,063
Accounts payable - related parties	(15,848)	7,685	(6,230)
Interest payable - related parties	(20,577)	—	—
Net cash provided by (used for) operating activities	(69,020)	14	33
Cash Flows from Investing Activities			
Notes receivable - related parties	501,179	—	—
Net cash provided by (used for) investing activities	501,179	—	—
Cash Flows from Financing Activities			
Notes payable - related parties	(232,016)	—	—
Net cash provided by (used for) financing activities	(232,016)	—	—
Net increase (decrease) in cash and cash equivalents	200,143	14	33
Cash and cash equivalents at the beginning of period	914	900	867
Cash and cash equivalents at the end of period	$201,057	$914	$900
Supplemental disclosures of cash flow information:			
Cash paid for interest expense to related parties	$72,960	$81,638	$81,861

The accompanying notes are an integral part of these financial statements.

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FIRST EQUITY PROPERTIES, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

From 2010 through April 2012, the Company engaged in the business of investing in real estate and purchased land held for investment or sale.

Our current source of revenue consists of interest on notes receivables from related party entities. Any adverse conditions that could affect the financial condition of these entities, and specifically their ability to service debt obligation owed, could have a material effect on the financial statements.

Organization and Business

First Equity Properties, Inc. is a Nevada based corporation organized in December 19, 1996 and the Company is headquartered in Dallas, TX. The Company's principal line of business and source of revenue is currently investments and interest on notes receivable. FEPI is a publicly traded company; however, no trading market presently exists for the shares of common stock and its value is therefore not determinable.

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all short-term investments with original maturities of three months or less to be cash equivalents.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Company accounts for income taxes in accordance with Accounting Standards Codification, ("ASC") No. 740, "Accounting for Income Taxes". ASC 740 requires an asset and liability approach to financial accounting for income taxes. In the event differences between the financial reporting basis and the tax basis of the Company's assets and liabilities result in deferred tax assets, ASC 740 requires an evaluation of the probability of being able to realize the future benefits indicated by such assets. A valuation allowance is provided for a portion or all of the deferred tax assets when there is an uncertainty regarding the Company's ability to recognize the benefits of the assets in future years. Recognition of the benefits of deferred tax assets will require the Company to generate future taxable income. There is no assurance that the Company will generate earnings in future years. Since management could not determine the likelihood that the benefit of the deferred tax asset would be realized no deferred tax asset was recognized by the Company.

Earnings (loss) per Share

Earnings (loss) per share (EPS) are calculated in accordance with Accounting Standards Codification, (“ASC”) No. 260, Earnings per Share (ASC 260), which was adopted in 1997 for all years presented. Basic EPS is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS does not apply to the Company due to the absence of dilutive potential common shares. The adoption of ASC 260 had no effect on previously reported EPS.

FASB Accounting Standards Codification

The company presents its financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”). In June 2009, the Financial Accounting Standards Board (“FASB”) completed its accounting guidance codification project. The FASB Accounting Standards Codification (“ASC”) became effective for the Company’s financial statements issued subsequent to June 30, 2009 and is the single source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with GAAP. As of the effective date, the company will no longer refer to the authoritative guidance dictating its accounting methodologies under the previous accounting standards hierarchy. Instead, the Company will refer to the ASC Codification as the sole source of authoritative literature.

Recent Accounting Pronouncements

The company values its financial instruments as required by ASC 820, “Fair Value Measurements and Disclosures”. These provisions define fair value as the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. For notes receivable, impairment is considered to exist if it is probable that all amounts due under the terms of the note will not be collected. The note receivable review includes an evaluation of the collateral property securing such note. If impairment is found to exist, a provision for loss is recorded by a charge against earnings. We did not record any impairment charges for the years ended December 31, 2018 and 2017.

NOTE B. NOTES RECEIVABLE AND ACCRUED INTEREST – RELATED PARTIES

Receivables from related parties primarily consist of two notes of $1,164,113 and $389,154 which are payable in quarterly installments of interest only. The notes accrue interest at 10% per annum. The maturity date of these notes has been extended to December 31, 2019.

	2018	**2017**
Notes receivable – related parties		
Unsecured, due on demand, interest rate of 10%, due monthly	$1,553,267	$2,054,446
Accrued interest – related parties	39,151	51,783
Total notes and accounts receivable – related parties	$1,592,418	$2,106,229

A subsequent payment for interest of $39,151 on notes receivable was received in January 2019 which makes the notes and interest receivable balances current.

NOTE C. NOTES PAYABLE AND ACCRUED INTEREST – RELATED PARTIES

	2018	**2017**
Uncollateralized notes payable – related parties		
due on demand, interest rate of 10%, payable quarterly	$584,360	$816,376
Accrued interest and intercompany – related parties	0	20,577
Total notes payable – related parties	$584,360	$836,953

	Payments due by period						
	Total	**2019**	**2020**	**2021**	**2022**	**2023**	**Thereafter**
Long term debt	$584,360	$584,360	$ —	$ —	$ —	$ —	$ —
	$584,360	$584,360	$ —	$ —	$ —	$ —	$ —

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NOTE D. INCOME TAXES

Deferred income taxes reflect the tax effects of temporary timing differences between carrying amounts of assets and liabilities reflected on the financial statements and the amounts used for income tax purposes. The tax effects of temporary differences and net operating loss carry forwards that give rise to the deferred tax assets. The Company had ($6,306) in NOL carry forward from 2014 and 2017.

Recognition of the benefits of deferred tax assets will require the Company to generate future taxable income. There is no assurance that the Company will generate earnings in future years.

The following table presents the principal reasons for the differences between the Company's effective tax rate and the United States statutory income tax rate.

	2018	2017	2016
Federal income tax at statutory rate per books	$(9,357)	$(541)	$330
Change in valuation allowance	9,357	541	—
Net operating loss	—	—	(330)
Federal income tax per tax return	$—	$—	$—
Effective income tax rate	0.0 %	0.0 %	0.0 %

The Company's Forms 1120, *U.S. Corporation Income Tax Returns*, for the years ending December 31, 2018, 2017, and 2016 are subject to examination, by the IRS, generally for three years after they are filed.

NOTE E. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, accounts receivable related parties, notes receivable related parties and accounts payable related parties approximate fair value due to short-term maturities of these assets and liabilities.

NOTE F. COMMITMENTS AND CONTINGENCIES

The Company is not involved in any legal proceedings. Management is not aware of any actions that could potentially have a material adverse effect on the Company's financial position.

NOTE G. COMPREHENSIVE INCOME

Accounting Standards Codification, ("ASC") No. 220, Reporting Comprehensive Income, (ASC 220), requires that total comprehensive income be reported in the financial statements. For the years ended December 31, 2018, 2017, and 2016, the Company's comprehensive income was equal to its net income and the Company does not have income meeting the definition of other comprehensive income.

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NOTE H. QUARTERLY DATA (UNAUDITED)

The table below reflects the Company's selected quarterly information for the years ended December 31, 2018 and 2017.

	Year ended December 31, 2018			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$—	$—	$—	$—
Operating expenses	50,426	26,575	30,500	29,606
Net income from continuing operations before taxes	(50,426)	(26,575)	(30,500)	(29,606)
Interest income	42,575	38,755	39,181	39,150
Interest expense	20,130	16,894	15,359	14,729
Income tax expense	—	—	—	—
Net income applicable to common shareholders	$(27,981)	$(4,714)	$(6,678)	$(5,185)
Earnings per share				
Weighted average earnings per share applicable to common shares	$(0.03)	$—	$(0.01)	$—

	Year ended December 31, 2017			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$—	$—	$—	$—
Operating expenses	48,577	25,474	27,154	26,210
Net income from continuing operations before taxes	(48,577)	(25,474)	(27,154)	(26,210)
Interest income	50,658	51,221	51,783	51,783
Interest expense	20,130	20,354	20,577	20,577
Income tax expense	—	—	—	—
Net income applicable to common shareholders	$(18,049)	$5,393	$4,052	$4,996
Earnings per share				
Weighted average earnings per share applicable to common shares	$(0.02)	$0.01	$—	$—

NOTE I. RELATED PARTIES TRANSACTIONS

The Company has historically engaged in and may continue to engage in certain business transactions with related parties, including but not limited to asset acquisition, dispositions, interest income, interest expense and general and administrative expenses. Transactions involving related parties cannot be presumed to be carried out on an arm's length basis due to the absence of free market forces that naturally exist in business dealings between two or more unrelated entities. Related party transactions may not always be favorable to our business and may include terms, conditions and agreements that are not necessarily beneficial to or in best interest of our company.

The Company has an administrative agreement with Pillar Income Asset Management, Inc., an affiliated entity, for accounting and administrative services. The total expense of the twelve months ended December 31, 2018 was

$72,000 which is included in General and Administrative expenses of the Statements of Operations. The Company owes another related entity $367,565 as of December 31, 2018.

NOTE J. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 28, 2019, the date the financial statements were available to be issued, and has determined that there were subsequent receipts in January 2019 for interest on notes receivable.

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, R. Neil Crouch II, certify that:

1. I have reviewed this annual report on Form 10-K of First Equity Properties, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13-15(e) and 15d-15e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 28, 2019

/S/ R. NEIL CROUCH II
R. Neil Crouch II

President & Treasurer (Principal Executive Officer)

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION

I, Cecelia K. Maynard, certify that:

1. I have reviewed this annual report on Form 10-K of First Equity Properties, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13-15(e) and 15d-15e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the controls and procedures as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: March 28, 2019

/S/ CECELIA K. MAYNARD
Cecelia K. Maynard

Vice President & Secretary (Principal Financial Officer)

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,

as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of First Equity Properties, Inc. (the “Company”), on Form 10-K for the period ended December 31, 2018, as filed with Securities Exchange Commission on the date hereof (the “Report”), R. Neil Crouch II, Director, President and Treasurer of the Company, I and Cecelia K. Maynard, Vice President and Secretary of the Company, each hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: March 28, 2019

/S/ R. NEIL CROUCH II
R. Neil Crouch II

President & Treasurer

/S/ CECELIA K. MAYNARD
Cecelia K. Maynard

Vice President & Secretary