



DIVISION OF  
CORPORATION FINANCE

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

October 4, 2011

Via E-mail

Jim Katsanevas  
Chief Executive Officer  
Crown Auto Holdings, Inc.  
2760 South State Street  
Salt Lake City, Utah 84115

**Re: Crown Auto Holdings, Inc.  
Amendment No. 3 to Registration Statement on Form S-1  
Filed September 6, 2011  
File No. 333-171624**

Dear Mr. Katsanevas:

We have reviewed your amended filing and have the following comments. Where indicated, we think you should revise your document in response to these comments. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure.

Summary Financial Information, page 6

1. We note that the amounts presented under the heading "For the three months ended June 30, 2010" appear to be the revenues and net income for the six months ended June 30, 2011. Please revise or advise.

Description of Business, page 25

2. Your disclosure on page 32 suggests that you started an "auto auction program" during the quarter ended June 30, 2011. Please revise your business description to discuss this program.

Management's Discussion and Analysis of Financial Condition and Results of Operations, page 32

Results of Operations for the Three Months Ended June 30, 2011 and 2010

3. We note from your response to comment two in our letter dated July 20, 2011 and your revised disclosures in Management's Discussion and Analysis in the third paragraph on page 32 that during the three and six month periods ended June 30, 2011 your gross profit

margin was lower due to sales of automobiles at retail auctions. You further disclose that you expect your retail sales will be approximately 50% from retail auction sales and 50% from car lot sales for the foreseeable future. It appears that retail auction sales and retail car lot sales may not have similar economic characteristics since you have indicated that auction sales have a lower gross profit margin. It also appears that the distribution methods are different under these two distribution channels. Please tell us how you considered whether retail auction sales and retail car lot sales should be separate operating segments based on the guidance in ASC 280-10-50. If after considering this guidance, you revise your financial statements to report separate segment information for your retail auction sales and retail car lot sales, you should also revise your discussion in Management's Discussion and Analysis to discuss your results of operations on a segmental basis. Alternatively, if you continue to believe that retail auction sales and retail car lot sales of automobiles meet the criteria in ASC 280-10-50 to be reported as a single reportable segment, please explain to us how you reached this conclusion and separately disclose the revenues from retail auction sales and retail car lot sales to meet the disclosure requirements of ASC 280-10-50-40.

4. We note from your response to comment three in our letter dated July 20, 2011 that you previously recorded bad debt expense for the full year ended December 31, 2010 in the fourth quarter of that year, and you have revised your financial statements to spread the expense over the individual quarters to better reflect the timing of the losses. We note that bad debt expense for the six months ended June 30, 2011 remains substantially higher than that recorded for the six months ended June 30, 2010; however, no reasons for this change have been provided. This bad debt expense continues to appear particularly unusual when compared to annual bad debt expense for the years ended December 31, 2010 and 2009, as the bad debt expense incurred in the first quarter of fiscal 2011 is greater than the bad debt expense incurred for the entire year ended December 31, 2010 and is approximately 58% of the bad debt expense incurred for the entire year ended December 31, 2009. In addition, you disclose in the third paragraph on page 32 that during fiscal 2011 you engaged in all cash retail auction sales of automobiles which reduce your bad debt expense. Please better explain why this significant increase occurred in bad debt expense as compared to previous periods, and provide insight from management as to whether and why you expect this higher amount of bad debt expense to continue. Please refer to Item 303 of Regulation S-K and our Release No. 33-8350 available on our website at <http://www.sec.gov/rules/interp/33-8350.htm>. See also Release No. 33-6835 available on our website at <http://www.sec.gov/rules/interp/33-6835.htm>.
5. Please refer to the second sentence in the second paragraph under this heading. We note that the increase in the dollar amount of the average car sales price during the three months ended June 30, 2011 as compared to the three months ended June 30, 2010 is not mathematically accurate. Please revise or advise.

Certain Relationships and Related Transactions, page 35

6. Please update your disclosure of the total balance on the note payable as of a more recent date.

Outstanding Equity Awards at Fiscal Year-End, page 37

7. Please revise the table so that it reflects information for your most recently completed fiscal year. Currently, your disclosure indicates that the table reflects information as of December 31, 2009.

Financial Statements for Fiscal Years Ended December 31, 2010 and 2009, page F-7

Note 6 – Income Taxes, page F-18

8. We note your response to comment four in our letter dated July 20, 2011 and the related revised disclosures. In your response you state that you have provided a table in Note 6 to satisfy our request; however, the information presented does not include the reconciliation requested. As previously requested, please revise your financial statements to provide a reconciliation of the federal statutory income tax rate to your effective tax rate. This reconciliation should be provided for both the year ended December 31, 2010 and the year ended December 31, 2009. The reconciliation should begin with income tax computed at the statutory federal income tax rate on pre-tax income or loss as presented in your statement of operations and should include all material adjustments required to adjust tax at the statutory federal income tax rate to your effective tax rate. Separate disclosure showing pro forma income tax expense as if you had operated as a C Corporation should also be provided for the same periods for which you present pro forma tax information on the face of your statements of operations.

Item 15. Recent Sales of Unregistered Securities, page 40

9. We note your response to comment five in our letter dated July 20, 2011 that the correct number is \$328,451. Please revise your disclosure to reflect the correct number.

As appropriate, please amend your registration statement in response to these comments. Please provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your response to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

Jim Katsanevas  
Crown Auto Holdings, Inc.  
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You may contact Sondra Snyder, Staff Accountant, at (202) 551-3332, or Jennifer Thompson, Accounting Branch Chief, at (202) 551-3737, if you have questions regarding comments on the financial statements and related matters. Please contact Ronald E. Alper, Staff Attorney, at (202) 551-3329, Lilyanna Peyser, Staff Attorney, at (202) 551-3222, or me at (202) 551-3720 with any other questions.

Sincerely,

/s/ Lilyanna L. Peyser for

Mara Ransom  
Assistant Director

cc: Ryan Alexander, Esq.