

HARRELL DUNSTON PROPERTIES, INC.  
DISCLOSURE STATEMENT  
RULE 15c2-11  
UNDER THE SECURITIES AND EXCHANGE ACT OF 1934

1. THE EXACT NAME OF THE ISSUER AND ITS PREDECESSOR (IF ANY):

The exact name of the issuer is Harrell Dunston Properties, Inc.

2. THE ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

2048 Hwy. 125  
Hobgood, N. C. 27843  
Telephone: (252) 661-7408 Primary, (252) 798-2661 Secondary  
Website: [www.Harrelldunston.com](http://www.Harrelldunston.com)

3. THE STATE OF INCORPORATION:

The issuer is incorporated in North Carolina

4. THE EXACT TITLE AND CLASS OF THE SECURITIES:

The issuer's securities are Common Stock

5. THE PAR OR STATED VALUE OF THE SECURITIES:

There is no par or stated value given for the Common Shares

6. THE NUMBER OF SHARES OR TOTAL AMOUNT OF SECURITIES OUTSTANDING AS OF THE ISSUER'S MOST RECENT FISCAL YEAR:

There were 2,794,152 shares of Common Stock outstanding at Dec. 31, 2014

7. THE NAME AND ADDRESS OF THE FIRM THAT FACILITATES STOCK PURCHASES AND SALES:

Attn: Melvin J. Harrell - President  
Harrell Dunston Properties, Inc.  
2048 Hwy. 125  
Hobgood, N.C. 27843  
Telephone: (252) 661-7408 Primary, (252) 798-2661 Secondary  
Email: [Mjeffryharrell@gmail.com](mailto:Mjeffryharrell@gmail.com)

8. THE NAME AND ADDRESS OF THE STOCK TRANSFER AGENT:

Colonial Stock Transfer Co., Inc.  
66 S Exchange Pl,  
Salt Lake City, UT 8411

9. THE NATURE OF THE ISSUER'S BUSINESS:

Harrell Dunston Properties, Inc. is a small company which operates within 3 areas of business activity which complement each other. First, there is the day-to-day construction work which the company performs for its customers. Second, there is the property-owning and rental home operations of the company. Thirdly, the company invests its discretionary funds derived from the other two operations into Standard and Poor's 500-type Common Stocks for long-term growth.

10. THE NATURE OF PRODUCTS OR SERVICES OFFERED:

The company performs both new construction and repair construction on incinerators and other projects for a customer based in North Carolina. On occasion, the work requires travel to South Carolina, Georgia or Virginia.

The company's rents its residential property at Lake Royale for \$ 850 per month and owns an additional "double lot" which it is holding for future development as a rental property and price appreciation.

The company holds positions in over 50 Common Stocks with a market value of approximately \$ 67,500 to \$ 70,000 with a margin loan of usually \$ 31,000 to \$ 35,000 against the positions. Most positions are valued between \$ 500 and \$ 1,000 each. The largest positions are Royal Bank of Canada, Bank of America and Berkshire Hathaway B shares. The industries of insurance, oil and gas, pharmaceuticals, and manufacturing are generally represented by 5-6 companies per area of business. The category of financial services ( banking and investment banking ) is the area of largest concentration of our holdings.

11. THE NATURE AND EXTENT OF THE ISSUER'S FACILITIES:

The company owns a 1,664 sq. ft. 4 bedroom 2 bath all-brick house at 655 Shawnee Drive, Lake Royale near Bunn, N. C. ( Franklin County ). The lot size is approximately 1 acre located on a main drive ( road ) nearly one block from the dam of the lake. It's on a hill and highly unlikely to be subject to flooding at any future time. We received the certificate of occupancy in May of 2008 and it became a rental property in October or so in 2010. The company first received \$ 800 per month in rent for over 2 years and 6 months. For the past 21 months the company has received \$ 850 per month. The company has valued the property at \$ 175,000 to \$ 205,000 since May 2008 - the range given due to the 2008 recession.

The company owns a "double-lot" at 3338-3339 Sacred Fire Road at Lake Royale. It is being held for either future development as a rental property or for price appreciation.

The company's office is located at 2048 Hwy. 125 and it pays only a nominal amount for the co-use of one office room.

12. THE NAME OF THE CHIEF EXECUTIVE OFFICER AND MEMBERS OF THE BOARD OF DIRECTORS:

Melvin J. Harrell - President and Chairman of the Board of Directors  
Norman Dunston - Secretary and Director  
Ramon Dunston - Director  
Philip H. Bridgers - Treasurer and Director

13. THE ISSUER'S MOST RECENT BALANCE SHEET AND PROFIT AND LOSS AND RETAINED EARNINGS STATEMENTS:

See unaudited financial statements as of December 31, 2014 at the end of this document.

14. THE ISSUER'S BALANCE SHEET AND PROFIT AND LOSS AND RETAINED EARNINGS STATEMENTS FOR THE PRECEDING FISCAL YEAR:

The financial statements that are referenced in Item 13 also contain comparative information as of December 31, 2013.

15. WHETHER THE BROKER OR DEALER OF ANY ASSOCIATED PERSON IS AFFILIATED, DIRECTLY OR INDIRECTLY WITH THE ISSUER:

No.

16. WHETHER THE QUOTATION IS BEING PUBLISHED OR SUBMITTED ON BEHALF OF ANY OTHER BROKER OR DEALER, AND, IF SO, THE NAME OF SUCH BROKER OR DEALER:

No.

17. WHETHER THE QUOTATION IS BEING SUBMITTED OR PUBLISHED DIRECTLY OR INDIRECTLY ON BEHALF OF THE ISSUER, OR ANY DIRECTOR, OFFICER OR ANY PERSON, DIRECTLY OR INDIRECTLY THE BENEFICIAL OWNER OF MORE THAN 10 PERCENT OF THE OUTSTANDING UNITS OR SHARES OF ANY EQUITY SECURITY OF THE ISSUER, AND, IF SO , THE NAME OF SUCH PERSON, AND THE BASIS FOR ANY EXEMPTION UNDER THE FEDERAL SECURITIES LAWS FOR ANY SALES OF SUCH SECURITIES ON BEHALF OF SUCH PERSON:

No.

HARRELL DUNSTON PORPERTIES, INC.  
INCOME STATEMENT FOR THE YEAR 2014

SALES REVENUE	\$	32,597.90
COST OF GOODS SOLD		6,948.50
GROSS MARGIN	\$	<u>25,649.40</u>
OPERATING EXPENSES		18,963.54
DEPRECIATION EXPENSE		5,332.00
AMORTIZATION EXPENSE		0.00
OPERATING EARNINGS	\$	<u>1,354.86</u>
INTEREST EXPENSE		2,006.72
EARNINGS BEFORE INCOME TAX	\$	<u>( 651.86 )</u>
INCOME TAX EXPENSE		94.00
NET INCOME	\$	<u>( 745.86 )</u>
EARNINGS PER SHARE	\$	( .0002 )

HARRELL DUNSTON PROPERTIES, INC.

BALANCE SHEET

As of December 31, 2014

		ASSETS
Cash	\$	7,003.49
Accounts Receivable		0.00
Inventory ( Scottrade acct., etc. )		26,932.43
Prepaid Expenses		0.00
Total Current Assets	\$	<u>33,935.92</u>
Property, Plant and Equipment		152,466.70
Accumulated Depreciation		( 35,997.56 )
Goodwill		0.00
Accumulated Amortization		0.00
Total Assets	\$	<u>150,580.06</u>
		LIABILITIES AND STOCKHOLDER'S EQUITY
Accounts Payable	\$	3,040.43
Accrued Expenses		0.00
Accrued Interest Expense		0.00
Short-Term Notes Payable		0.00
Total Current Liabilities	\$	<u>3,040.43</u>
Long-Term Notes Payable		127,852.24
Total Liabilities	\$	<u>130,892.67</u>
Stockholder's Equity:		
Capital Stock ( 2,794,162 shares )		11,288.00
Adjustment to Shareholder's Equity		( 4,323.00 )
Less Cost of Treasury Stock		( 50.00 )
Retained Earnings		12,771.00
Total Stockholder's Equity	\$	<u>19,686.00</u>
Total Liabilities and Stockholder's Equity	\$	<u>150,580.06</u>

HARRELL DUNSTON PROPERTIES, INC.  
INCOME STATEMENT FOR THE YEAR 2013

SALES REVENUE	\$	34,184.00
COST OF GOODS SOLD		7,110.00
GROSS MARGIN	\$	<u>27,074.00</u>
OPERATING EXPENSES		23,617.00
DEPRECIATION EXPENSE		5,314.00
AMORTIZATION EXPENSE		0.00
OPERATING EARNINGS	\$	<u>( 1,857.00 )</u>
INTEREST EXPENSE		598.00
EARNINGS BEFORE INCOME TAX	\$	<u>( 2,455.00 )</u>
INCOME TAX EXPENSE		3,260.00
NET INCOME	\$	<u>( 5,715.00 )</u>
EARNINGS PER SHARE		

HARRELL DUNSTON PROPERTIES, INC.

BALANCE SHEET

As of December 31, 2013

ASSETS	
Cash	\$ 3,812.92
Accounts Receivable	0.00
Inventory ( Scottrade acct., etc. )	25,384.43
Prepaid Expenses	0.00
Total Current Assets	\$ <u>29,197.35</u>
Property, Plant and Equipment	152,641.70
Accumulated Depreciation	( 30,655.56 )
Goodwill	0.00
Accumulated Amortization	0.00
Total Assets	\$ <u>151,173.49</u>
LIABILITIES AND STOCKHOLDER'S EQUITY	
Accounts Payable	\$ 1,114.99
Accrued Expenses	0.00
Accrued Interest Expense	0.00
Short-Term Note Payable	0.00
Total Current Liabilities	\$ <u>1,114.99</u>
Long-Term Notes Payable	128,699.52
Total Liabilities	\$ <u>129,824.51</u>
Stockholder's Equity:	
Capital Stock ( 2,793,545 shares )	11,196.00
Adjustments to Shareholder's Equity	( 3,304.00 )
Less Cost of Treasury Stock	( 50.00 )
Retained Earnings	13,517.00
Total Stockholder's Equity	\$ <u>21,348.98</u>
Total Liabilities and Stockholder's Equity	\$ <u>151,173.49</u>

HARRELL DUNSTON PROPERTIES, INC.

STATEMENT OF CASH FLOWS FOR YEAR 2014 AND YEAR 2013

	2014	2013
Net Income	( 746.00 )	( 5,715.00 )
Accounts Receivable Increase	0.00	0.00
Inventory Increase	1,548.00	8,014.43
Prepaid Expenses Increase	0.00	0.00
Depreciation Expense	5,332.00	5,314.00
Amortization Expense	0.00	0.00
Accounts Payable Increase	0.00	0.00
Accrued Expenses Increase	0.00	0.00
Income Tax Payable Increase	0.00	0.00
CASH FLOW FROM OPERATING ACTIVITIES	<u>\$ 6,134.00</u>	<u>\$ 7,613.43</u>
Purchases of Property, Plant and Equipment	0.00	0.00
Purchase of Goodwill	0.00	0.00
CASH FLOW FROM INVESTING ACTIVITIES	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Increase in Short-Term Notes Payable	0.00	0.00
Increase in Long-Term Notes Payable	0.00	0.00
Issue of Additional Capital Stock Shares	92.00	70.00
Cash Dividends Paid Shareholders	( 1,008.53 )	( 840.00 )
CASH FLOW FROM FINANCING ACTIVITIES	<u>\$ ( 916.53 )</u>	<u>\$ ( 770.00 )</u>
INCREASE IN CASH DURING YEAR	\$ 5,217.47	\$ 6,843.43

HARRELL DUNSTON PROPERTIES, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY - 2013

	Capital Stock	Retained Earnings
Beginning Balances	\$ 11,123.00	\$ 19,232.00
Net Income for Year		-5,715.00
Shares Issued during Year	70.00	
Dividends Paid during Year		- 840.00
Ending Balances	\$ <u>11,196.00</u>	\$ <u>13,517.00</u>

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY - 2014

	Capital Stock	Retained Earnings
Beginning Balances	\$ 11,196.00	\$ 13,517.00
Net Income for Year		- 746.00
Shares Issued during Year	92.00	
Dividends Paid during Year		- 1,008.53
Ending Balances	\$ <u>11,288.00</u>	\$ <u>12,771.00</u>