

QUARTERLY REPORT

1st Quarter 2010
Quarter Ending March 31, 2010

CAL-BAY INTERNATIONAL, INC.

8430 West Lake Mead Boulevard, Suite 100

Las Vegas, NV 89128

Phone: 702-576-9849

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Web: www.cbhomesusa.com/index3.htm

Federal I.D. No.
26-0021800

CUSIP No.
12802P208

ISSUER'S EQUITY SECURITIES

COMMON STOCK

\$0.001 Par Value

945,000,000 Common Shares Authorized
584,246,272 Shares Issued and Outstanding

Item 1. Exact name of the issuer and the address of its principal executive offices:

Cal-Bay International, Inc., a Nevada corporation

8430 West Lake Mead Boulevard, Suite 100

Las Vegas, NV 89128

Phone: 702-576-9849

Fax: 702-442-7756

Item 2. Shares Outstanding:

Common Stock - \$001 Par Value, Issued and Outstanding 584,246,272 shares

Preferred Stock, Series A – \$001 Par Value, Issued and Outstanding 46,200,000 shares

Preferred Stock, Series B – \$001 Par Value, Issued and Outstanding -0- shares

Preferred Stock, Series C – \$001 Par Value, Issued and Outstanding 3,261,358 shares

Item 3. Interim Financial Statements:

Unaudited Consolidated Financial Statements

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CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEET
 (CONDENSED FINANCIAL STATEMENTS)

	March 31, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,324	\$ 3,639
Accounts Receivable	-	-
Investment in Foreign Currency	130	-
Escrowed Funds	-	-
Total Current Assets	\$ 1,454	\$ 3,639
PROPERTY & EQUIPMENT		
Residences for Retention	256,583	256,583
Computer and Office Equipment	-	-
Furniture and Fixtures	-	-
Vehicles	-	-
(Less) accumulated depreciation	-	-
Total Property & Equipment	\$ 256,583	\$ 256,583
OTHER ASSETS		
Deposits		
Tax & Insurance Deposit	37	38
Real Estate		
Aspen Cove Resort	125,000	125,000
Total Other Assets	\$ 125,037	\$ 125,038
Total Assets	\$ 383,074	\$ 385,260

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEET
 (CONDENSED FINANCIAL STATEMENTS)

	March 31, 2010	December 31, 2009
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable& Accrued Expenses	\$ 234,757	\$ 215,690
Accrued Liabilities	0	0
Loans from Shareholder	642,948	642,948
Loans from Others	153,544	144,525
Convertible Note	650,772	650,772
Loans from Investors	943,000	943,000
Aspen Cove Debt	1,612,650	1,612,650
Mortgages	139,794	144,792
Total Liabilities	\$ 4,377,465	\$ 4,354,377
STOCKHOLDERS' EQUITY		
Preferred stock - \$.001 par value		
Authorized - 55,000,000 shares		
Series A Preferred		
Authorized - 50,000,000 shares		
46,200,000 issued and outstanding	46,200	46,200
Series B Preferred		
Authorized - 1,000,000 shares		
Issued and outstanding - none	0	0
Series C Preferred		
Authorized - 4,000,000 shares		
3,261,358 issued and outstanding	3,261	3,261
Common stock, - \$.001 par value		
Authorized - 945,000,000 shares		
Issued and outstanding - 584,246,272 and 573,988,272	584,246	573,988
Additional paid-in capital	29,712,101	29,693,637
Stock Options	2,167,000	2,167,000
Retained (deficit)	(36,370,791)	(35,927,684)
Net Income (deficit)	(53,996)	(443,107)
Less Treasury Stock at Cost	(82,412)	(82,412)
Net Stockholders' Equity	\$ (3,994,391)	\$ (3,969,117)
Total Liabilities & Stockholders' Equity	\$ 383,074	\$ 385,260

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (CONDENSED FINANCIAL STATEMENTS)

	3 Months Ended March 31, <u>2010</u>	Year Ended December 31, <u>2009</u>
REVENUES		
Rental Income	\$ 3,448	\$ 11,461
Sales	0	0
Commission Income	0	0
TOTAL REVENUES	3,448	11,461
COST OF SALES		
Cost of Goods Sold-Sales	0	0
Real Estate Purchase	0	0
Commission Expense	0	0
COST OF SALES	0	0
GROSS PROFIT	3,448	11,461
OTHER COSTS AND EXPENSES		
General & Administrative	10,027	74,269
Professional Fees	47,418	380,300
TOTAL OTHER COSTS AND EXPENSES	57,445	454,569
OTHER INCOME (EXPENSE):		
Other Income	0	0
(Loss) on Real Estate Escrow Deposits	0	0
(Loss) on Real Estate, Furniture, Computers, Vehicles	0	0
TOTAL OTHER INCOME (EXPENSE):	0	0
NET INCOME (LOSS)	\$ <u>(53,997)</u>	\$ <u>(443,108)</u>
BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	\$ <u>(0.00)</u>	\$ <u>(0.00)</u>
BASIC & DILUTED WEIGHTED AVERAGE SHARES OF COMMON STOCK	<u>573,991,691</u>	<u>243,385,481</u>

CAL-BAY INTERNATIONAL , INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (CONDENSED FINANCIAL STATEMENTS)

	<u>3 Months Ended</u> <u>March 31,</u> <u>2010</u>	<u>Year Ended</u> <u>December 31,</u> <u>2009</u>
OPERATING ACTIVITIES:		
Net income (loss)	\$ (53,996)	\$ (443,107)
Adjustments to reconcile Net Changes in operating assets & liabilities which increase (decrease) cash flow:		
Accounts Payable	19,068	214,050
Investment in Foreign Currency	(130)	-
Other Loans	<u>9,019</u>	<u>144,524</u>
Net cash provided by operating activities	<u>(26,039)</u>	<u>(84,533)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Retention Property	<u>-</u>	<u>(256,620)</u>
Net cash provided (used) from investing activities	<u>-</u>	<u>(256,620)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Retention Property	(4,998)	144,792
Stock Activity	<u>28,722</u>	<u>200,000</u>
Net cash provided (used) from financing activities	<u>23,724</u>	<u>344,792</u>
 NET INCREASE (DECREASE) IN CASH EQUIVALENTS	 (2,315)	 3,639
 CASH AND CASH EQUIVALENTS - Beginning of Period	 <u>3,639</u>	 <u>-</u>
 Cash at end of period	 <u>\$ 1,324</u>	 <u>\$ 3,639</u>

Item 4. Management's Discussion and analysis or plan of operation

Industry Need

As a real estate company headquartered in Las Vegas, NV, Cal-Bay International, Inc. has seen first hand the housing bubble, the financial meltdown, and the resulting crash of real estate over the past few years. While a complete and total recovery has yet to occur, the market will eventually recover as markets do. As vibrant and exciting hubs of growth and opportunity in the past, southwestern cities like Las Vegas and Phoenix will again see prosperous times. For right now, however, most property owners in these cities have been left in a state of negative equity (owing more than their property is worth) with limited options.

Real Estate Market

The real estate situation in the Southwestern United States is where thousands of homes are in foreclosure and tens-of-thousands of homeowners are upside-down in their mortgages. As the basis for the economic crisis that began in 2007, this financial dilemma appears to also be an opportunity. Cal-Bay is currently in the process of acquiring capital to build upon the property holdings currently owned by the company and to invest in business ventures that align with the goals of the management.

Nearly one half of one percent of single family homes go into foreclosure each month. That may not sound like much at first glance, but that means that approximately 1 in 16 homes in Las Vegas went into foreclosure during 2009. It is expected that a similar number will be foreclosed upon in 2010. Repelled by the damage that foreclosure can cause a family or an individual, many homeowners will attempt the lengthy and difficult process of short selling. Still others will try to refinance through government sponsored loan modification programs. These programs by nature, while marginally helpful, are limited in scope and effectiveness and apply only to qualified applicants.

Homeowners are looking for a better way.

Competitive Analysis

Investing in Troubled Real Estate

Many investors see an opportunity in these troubled real estate markets to purchase properties at a sizeable discount and somehow sell them in the future for a sizeable gain. This, of course, is a reasonable and possibly very lucrative objective. Right now in Las Vegas, over 50% of homes are sold for a loss, and with the large number of foreclosures, there are some great deals available.

Unfortunately, investing in real estate at this time is very risky. Damaged property, limited financing from banks, and stiff competition from other investors can make this otherwise attractive venture look foreboding. Right now in Las Vegas, 40% of all single family home sales are cash transactions, which means that many investors have already begun to buy up these discounted homes.

If an investor can manage to navigate the market, find some great deals, and purchase them at the desired price, there remains the task of repairing, managing, and eventually reselling the property, if possible, for a profit. If the investor does not represent or has not partnered with a management company, this process can be tortuous and extremely unattractive.

Investors are looking for a better way.

Market Strategy

The Merging of Investment and Home Ownership

Because homeowners who are looking to find a better deal than paying into a perpetual black hole have also begun to turn to the market to purchase a home that is not upside-down, they often encounter frustration when banks consistently refuse their offers because other investors are paying with cash. Investors can also feel that these "small-time" offers may be unnecessarily driving up the bids at these home auctions. However, there is a way that investors and homeowners (or potential homeowners) can each work together to satisfy the needs of the other

Method of Operations

Cal-Bay International has developed a system that can bring the power of cash investment into the hands of homeowners with a desire to own and take care of their home. This system also provides a sizeable return on investment for investors seeking to take advantage of the market situation while sharing the risks involved with a reputable partner.

We see a bright spot on the horizon for the housing market, and we are excited to help others find their way through the damaged confidence and into a reconstructed future.

Item 5. Legal Proceedings:

Stonewal Estates appeal in the Third Circuit Court of New Orleans

Item 6. Defaults upon senior securities:

None

Item 7. Other Information:

See Financials

Item 8. Exhibits:

None

Item 9. Certifications:

I, Shaun Bailey, certify that:

1. I have reviewed this quarterly disclosure statement of Cal-Bay International, Inc.;
2. Based on my knowledge, this disclosure statement 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 disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 31, 2010

Shaun Bailey, CEO and Chief Financial Officer