

CMG HOLDINGS, INC.
Form 10-Q
November 23, 2009

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarter year ended September 30, 2008

Commission file number 000-51770

CMG HOLDINGS, INC.
(Exact name of registrant as specified in its
charter)

Nevada
(State or other jurisdiction of
incorporation or organization)

87-0733770
(I.R.S. Employer
Identification No.)

5601 Biscayne Boulevard
Miami, Florida, USA
(Address of principal executive
offices)

33137
(Zip Code)

Registrant's telephone number including area code (305) 751-1667

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 No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or small reporting company. See the definition of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of November 23, 2009, there were 42,400,000 common stock of the registrant issued and outstanding.

1

CMG HOLDINGS, INC.

FORM 10-Q

TABLE OF CONTENTS

Item #	Description	Page Numbers
	<u>PART I</u>	<u>3</u>
<u>ITEM 1</u>	<u>FINANCIAL STATEMENTS</u>	<u>3</u>
<u>ITEM 2</u>	<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>10</u>
<u>ITEM 3</u>	<u>QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>11</u>
<u>ITEM 4</u>	<u>CONTROLS AND PROCEDURES</u>	<u>12</u>
	<u>PART II</u>	
<u>ITEM 1</u>	<u>LEGAL PROCEEDINGS</u>	<u>13</u>
<u>ITEM 1A</u>	<u>RISK FACTORS</u>	<u>13</u>
<u>ITEM 2</u>	<u>UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS</u>	<u>13</u>
<u>ITEM 3</u>	<u>DEFAULTS UPON SENIOR SECURITIES</u>	<u>13</u>
<u>ITEM 4</u>	<u>SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS</u>	<u>13</u>
<u>ITEM 5</u>	<u>OTHER INFORMATION</u>	<u>13</u>
<u>ITEM 6</u>	<u>EXHIBITS</u>	<u>14</u>
	<u>SIGNATURES</u>	<u>15</u>
<u>EXHIBIT 10.1</u>	<u>CMG CHANNEL SALES AGREEMENT</u>	
<u>EXHIBIT 10.2</u>	<u>CMG FINDERS AGREEMENT</u>	
<u>EXHIBIT 31.1</u>	<u>SECTION 302 CERTIFICATION OF CHIEF EXECUTIVE OFFICER</u>	
<u>EXHIBIT 31.2</u>	<u>SECTION 302 CERTIFICATION OF CHIEF FINANCIAL OFFICER</u>	
<u>EXHIBIT 32.1</u>	<u>SECTION 906 CERTIFICATION OF CHIEF EXECUTIVE OFFICER</u>	
<u>EXHIBIT 32.2</u>	<u>SECTION 906 CERTIFICATION OF CHIEF FINANCIAL OFFICER</u>	

Table of Content

PART I

ITEM 1 FINANCIAL STATEMENTS

CMG HOLDINGS, INC.
UNAUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2009 AND 2008

CONTENTS

Consolidated Balance Sheets as of September 30, 2009 and December 31, 2008 (Unaudited)	4
Consolidated Statements of Operations for three months and nine months ended September 30, 2009 and 2008 (Unaudited)	5
Consolidated Statements of Cash Flows for nine months ended September 30, 2009 and 2008 (Unaudited)	6
Notes to Consolidated Financial Statements (Unaudited)	7

Table of Content

CMG HOLDINGS, INC
CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash	\$ 125,159	\$ 13,934
Accounts receivable	620,303	1,050
Prepaid an other	10,366	--
Total current assets	755,828	14,984
Software licenses, net accumulated depreciation of \$4,333 and \$-, respectively	47,667	--
Intangible assets, net accumulated amortization of \$149,167 and \$-, respectively	745,831	--
Leasehold Improvements, net accumulated amortization of \$59,328 and \$-, respectively	711,942	--
Deposits	300,000	300,000
TOTAL ASSETS	\$ 2,561,268	\$ 314,984
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Client payable	\$ 137,817	\$ 8,000
Accounts payable	701,477	29,320
Accrued liabilities	663,661	415,359
Short Term Debt, net of unamortized discount \$16,208 and \$-, respectively	233,792	--
Line of credit	163,994	108,231
Advance from related party	25,000	--
Total current liabilities	1,925,741	560,910