Beta Music Group, Inc.
Form 10-Q/A
June 26, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

Form 10-Q A-1

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

For the quarterly period ended March 31, 2014
or

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________________ to __________________

Commission file number: 333-113296

Beta Music Group, Inc.
(Name of registrant as specified in its charter)

Florida	26-0582871
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7100 Biscayne Blvd. Miami, FL	33138
(Address of principal executive offices)	(Zip Code)

(212) 249-4900
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

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 [ ] No [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	[ ]	Small 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]

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock as of the latest practicable date: 66,307,505 shares of Common Stock, $.01 par value as of May 20, 2014.

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FORWARD-LOOKING STATEMENTS

This Form 10-QA-1 quarterly report contains "forward-looking statements" within the meaning of applicable securities laws relating to Beta Music Group, Inc. ("Beta", "Beta Music" "we", "our", or the "Company") which represent our curr expectations or beliefs including, but not limited to, statements concerning our operations, performance, and financial condition. These statements by their nature involve substantial risks and uncertainties, credit losses, dependence on management and key personnel, variability of quarterly results, and our ability to continue growth. Statements in this annual report about the Company's future expectations, beliefs, goals, plans or prospects constitute forward-looking statements. You should also see our risk factors as set forth in this Form 10-Q A-1 and Form 10-K and all amendments thereto.. For this purpose, any statements contained in this Form 10-Q A-1 that are not statements of historical fact are forward-looking statements. Without limiting the generality of the foregoing, words such as "may", anticipate", "intend", "could", "estimate", or "continue" or the negative or other comparable terminology are intended t identify forward- looking statements. Other matters such as our growth strategy and competition are beyond our control. Should one or more of these risks or uncertainties materialize or should the underlying assumptions prove incorrect, actual outcomes and results could differ materially from those indicated in the forward-looking statements.

Any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict all of such factors, nor can we assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

We are under no duty to update such forward-looking statements.

EXPLANATORY NOTE

This Amendment No. 1 is being filed to amend and restate the information provided within Management's Discussion and Analysis of Financial Conditions and Results of Operations and our Risk Factors.

This Amendment No. 1 does not affect the original financial statements or footnotes as originally filed.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as a result of this Amendment No. 1, the certifications pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, filed and furnished respectively, as exhibits to the original filing, have been amended and refiled as of the date of this Amendment No. 1 and are included as Exhibits 31.2, 31.2, 32.1 and 32.2 hereto.

This Amendment No. 1 should be read in conjunction with the original filing of our Quarterly Report and our Annual Report filed on Form 10-k for the year ended December 31, 2013 and all amendments thereto.

PART I. – FINANCIAL INFORMATION

Item 1. Financial Statements.

BETA MUSIC GROUP, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

	March 31, 2014	December 31, 2013
Assets		
Current Assets:		
Cash	$ 20,225	$ 1,174
Accounts Receivable	--	18,000
Inventory	44,279	36,041
Total Current Assets	64,504	55,215
Other Assets:		
Inventory - noncurrent	24,715	32,953
Fixed Assets	3,000	3,000
Total Assets	$ 92,219	$ 91,168
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable	$ 44,116	$ 48,044
Salary payable	89,200	69,200
Deferred Revenue	37,500	--
Notes payable, net of discount of $4,441 and $9,771, respectively	21,559	16,229
Convertible notes payable, net of discount of $90,642 and $129,489, respectively	64,604	25,757
Derivative liability	4,764,346	1,270,492
Total Liabilities	5,021,325	1,429,722
Stockholders' (Deficit)		
Series A Super Voting Preferred Stock, $.01 par value, 5,100,000 authorized and 5,100,000 issued and outstanding as of March 31, 2014 and December 31, 2013	51,000	51,000
Blank Check Preferred Stock, $.01 par value, 4,900,000 authorized and 0 issued and outstanding as of March 31, 2014 and December 31, 2013	-	-
Common stock, $.01 par value, 290,000,000 authorized and 65,357,505 and 65,057,505 issued and outstanding as of March 31, 2014 and December 31, 2013, respectively	653,575	650,575
Additional paid in capital	(64,014)	(121,014)
Accumulated deficit	(5,569,667)	(1,919,115)
Total Stockholders' Deficit	(4,929,106)	(1,338,554)
Total Liabilities and Stockholders' Deficit	$ 92,219	$ 91,168

The accompanying notes are an integral part of these unaudited consolidated financial statements

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BETA MUSIC GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended March 31, 2014	March 31, 2013
Revenue	$ 2,500	$ -
General administrative expenses	115,021	96,800
Net loss from operations	(112,521)	(96,800)
Other expenses:		
Interest expense	44,177	-
Loss on derivative liability	3,493,854	-
Net Loss	$ (3,650,552)	$ (96,800)
Basic and Diluted Loss per Common Share	$ (0.06)	$ (2.69)
Basic and Diluted Weighted Average Common Shares Outstanding	65,110,838	36,000

The accompanying notes are an integral part of these unaudited consolidated financial statements

BETA MUSIC GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three months ended March 31, 2014	Three months ended March 31, 2013
Operating Activities:		
Net loss	$ (3,650,552)	$ (96,800)
Adjustments to reconcile net loss to net cash used by operating activities:		
Amortization of debt discount	44,177	—
Stock base compensation	60,000	—
Loss on derivative liabilities	3,493,854	—
Accounts receivable	18,000	—
Accounts payable	(3,928)	51,800
Salary payable	20,000	45,000
Deferred revenue	37,500	—
Net Cash Used by Operating Activities	19,051	—
Net Increase (Decrease) in Cash	19,051	—
Cash at Beginning of Period	1,174	—
Cash at End of Period	$ 20,225	$ —
Supplemental Disclosures:		
Cash paid for income taxes	$ —	$ —
Cash paid for interest	$ —	$ —

The accompanying notes are an integral part of these unaudited consolidated financial statements

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BETA MUSIC GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014
(Unaudited)

NOTE 1: BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States for interim financial statements and do not include all the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. The information furnished reflects all adjustments, consisting only of normal recurring items which are, in the opinion of management, necessary in order to make the financial statements not misleading. The financial statements as of December 31, 2013 have been audited by an independent registered public accounting firm. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company's 10K for the calendar year ended December 31, 2013.

Non-Employee Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with the provision of ASC 505, "Equity Based Payments to Non-Employees" ("ASC 505"). ASC 505 which requires that such equity instruments are recorded at their fair value on the measurement date. The measurement of stock-based compensation is subject to periodic adjustment as the underlying equity instruments vest.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities in accordance with the requirements of FASB ASC 820, "Fair Value Measurements and Disclosures". ASC 820 clarifies the definition of fair value, prescribes methods for measuring fair value, and establishes a fair value hierarchy to classify the inputs used in measuring fair value as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date and includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

The following table sets forth by level within the fair value hierarchy the Company's financial assets and liabilities that were accounted for at fair value as of March 31, 2014, and December 31, 2013:

Recurring Fair Value Measures	Level 1	Level 2	Level 3	Total
March 31, 2014				
Derivative liability	-	-	$ 4,764,346	$ 4,764,346
December 31, 2013				
Derivative liability	-	-	$ 1,270,492	$ 1,270,492

NOTE 2: GOING CONCERN CONSIDERATION

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates, among other things, the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has negative working capital and incurred cumulative net losses since its inception and requires capital for its contemplated operation and marketing activities to take place. The Company's ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Future issuances of the Company's equity or debt securities will be required in order for the Company to continue to finance its operations and continue as a going concern. The Company's present revenues are insufficient to meet operating expenses. The consolidated financial statements do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

NOTE 3: SALARY PAYABLE DUE

On January 5, 2013, USAVE entered into an executive agreement its Chief Executive Officer, Jim Ennis. The agreement is for an initial term of 5 years, and provides for monthly compensation in the amount of $15,000. The executive shall receive bonus each year and shall be paid based on the performance of the Company each year ending December 31. The Bonus will be a minimum of 25% but not exceed 75% of Annual Salary. As of March 31, 2014 and December 31, 2013, the Chief Executive Officer is due a total of $89,200, and $69,200, respectively, which is comprised of accrued salary expense that is unpaid and deferred based on the working capital conditions of the Company.

NOTE 3: STOCKHOLDERS EQUITY

On March 15, 2014, The Company issued 300,000 shares of common stock for consulting services for full value of $60,000. The shares were valued at the market price on the respective date of issuance.

NOTE 4: NOTES PAYABLE

At December 31, 2013 the Company had notes payable from third parties with a balance of $16,229 net of discount of $9,771. During the three months ended March 31, 2014, $5,330 was recorded as amortization expense. The notes payable had a balance of $21,559 net of discount of $4,441 at March 31, 2014.

NOTE 5: CONVERTIBLE NOTES

	Principal	Less: Unamortized Discount	Net Carrying Value
On October 31, 2013, principal amount of $109,500 and accrued interest of $11,272, a total of $120,772, was assigned by the original debt holder to another unrelated party. See Note 6. The convertible note accrues at 10% interest, is payable within 12 months, and contains a conversion feature which allows the principal balance to be converted into common stock of the Company. The conversion price is equal to 50% of the average of the lowest three trading prices among the 10 day trading period immediately prior to conversion date. During the year ended December 31, 2013, the Company issued a total of 2,457,325 shares of common stock in connection with the conversion of $98,293 of the outstanding $120,772 principal amount. After the conversion, the remaining debt balance is $22,479. The Company accounted for the variable conversion feature as a discount of $120,772 to the convertible note. As of March 31, 2014, the unamortized discount is $13,195.	$22,479	$(13,195)	$9,284
On October 31, 2013, principal amount of $30,000 and accrued interest of $2,767, a total of $32,767, was assigned by the original debt holder to another unrelated party. See Note 6. Upon assignment, the Company issued to the new debt holder a convertible note. The convertible note accrues at 10% interest, is payable within 12 months, and contains a conversion feature which allows the principal balance to be converted into	32,767	(19,114)	13,653

common stock of the Company. The conversion price is equal to 50% of the average of the lowest three trading prices among the 10 day trading period immediately prior to conversion date. There is no conversion as of March 31, 2014. The Company accounted for the variable conversion feature as a discount of $32,767 to the convertible note. As of March 31, 2014, the unamortized discount is $19,114.			
On October 23, 2013, EVG Media issued a promissory note of $25,000 and a convertible note of $75,000 to finance a private purchase of 13,711,676 shares of the Company common stock. See Note 6 for discussion of the $25,000 promissory note. The $75,000 convertible note accrues at 12% interest, is payable within 12 months, and contains a conversion feature which allows the principal balance to be converted into common stock of the Company. The conversion price is equal to 50% of the average of the lowest three trading prices among the 10 day trading period immediately prior to conversion date. There is no conversion as of March 31, 2014.The Company accounted for the variable conversion feature as a discount of $75,000 to the convertible note. As of March 31, 2014, the unamortized discount is $43,750.	75,000	(43,750)	31,250
On November 5, 2013, the Company issued a convertible note for principal amount of $25,000. See Note 6. The Company received $15,750 in cash, and the remaining $9,250 is accounted for as debt discount. The note accrues at 12% interest, is payable within 12 months, and contains a conversion feature which allows the principal balance to be converted into common stock of the Company. The conversion price is equal to 50% of the average of the lowest three trading prices among the 10 day trading period immediately prior to conversion date. There is no conversion as of March 31, 2014. The Company accounted for the variable conversion feature as a discount of $15,750 to the convertible note. As of March 31, 2014, the unamortized discount is $14,583.	25,000	(14,583)	10,417
Balance at March 31, 2014	$155,246	$(90,462)	$64,604

A total of 4,800,000 warrants were issue along with the convertible debt as mentioned above. The warrant has an exercise price equal to 50% of the average of the lowest three trading prices among the 10-day trading period immediately prior to conversion date and will expire on October 31, 2018. The following table summarizes information about outstanding warrants at March 31, 2014:

	Number Outstanding	Weighted Average Exercise Price	Remaining Contractual Life in Years	Intrinsic Value
Warrants outstanding as of December 31, 2013	4,800,000	$ 0.10	4.84	$ 480,000
Warrants Forfeited				
Warrants outstanding as of March 31, 2014	4,800,000	$ 0.10	4.59	$ 3,120,000

The Company analyzed the conversion option of all the convertible debts. As discussed in Note 6, the Company considered derivative accounting under ASC 815-15 “Derivatives and Hedging” and determined that the embedded conversion feature should be classified as a liability due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options. The embedded conversion feature was measured at fair value at the date of inception and at the end of each reporting period or termination of the instrument with the change in fair value recorded to earnings.

NOTE 6: DERIVATIVE LIABILITIES

Convertible Notes

On October 31, 2013, convertible notes of $120,772 and $32,767 were issued. On October 23, 2013, a convertible note of $75,000 was issued. On November 5, 2013, a convertible note of $25,000 was issued. As discussed in Note 5, the Company analyzed the conversion option of all the notes and Company considered derivative accounting under ASC 815-15 “Derivatives and Hedging” and determined that the embedded conversion feature should be classified as a liability due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options. The embedded conversion feature was measured at fair value at the date of inception and at the end of each reporting period or termination of the instrument with the change in fair value recorded to earnings. The fair value of the instruments was determined by using Black-Scholes option-pricing model, assuming maximum value.

The fair value of the conversion feature related to the “$120,722 convertible note” on issuance date was $241,544, including a debt discount of $120,772 and a loss on derivative liabilities of $120,772. On November 12, 2013, upon conversion of 98,293 of the $120,772 outstanding note, the derivative liability was revalued to be $543,474, out of which $442,319 was re-classified to additional paid in capital and $301,930 was recognized as loss on derivative liabilities. On December 31, 2013, the derivative liability was revalued to be $44,958, and a gain of $56,197 was recognized in earnings. On March 31, 2014, the derivative liability was revalued to be $168,593, and a loss of $123,635 was recognized in earnings.

The fair value of the conversion feature related to the “$32,767 convertible note” on issuance date was $65,534, including a debt discount of $32,767, and a loss on derivative liabilities of $32,767. On December 31, 2013, the fair value didn’t change, resulting in no gain or loss. On March 31, 2014, the derivative liability was revalued to be $245,753, and a loss of $180,219 was recognized in earnings.

The fair value of the conversion feature related to the “75,000 convertible note” on issuance date was $187,500, including a debt discount of $75,000 and a loss on derivative liabilities of $112,500. On December 31, 2013, the derivative liability was revalued to be $150,000, and a gain of $37,500 was recognized in earnings. On March 31, 2014, the derivative liability was revalued to be $562,500, and a loss of $412,500 was recognized in earnings.

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The fair value of the conversion feature related to the “25,000 convertible note” on issuance date was $112,500, including a debt discount of $15,750 and a loss on derivative liabilities of $96,750. On December 31, 2013, the derivative liability was revalued to be $50,000, and a gain of $62,500 was recognized in earnings. On March 31, 2014, the derivative liability was revalued to be $187,500, and a loss of $137,500 was recognized in earnings.

Warrants

On October 31, 2013, warrants to purchase 4,800,000 shares of the Company common stock were issued along with the convertible notes. As a result of the issuance of convertible debt, the conversion option of all other convertible instruments became tainted. Under ASC 815-15“Derivatives and Hedging”, all other tainted share settleable instruments must be reclassified from equity to liability. The conversion feature was measured at fair value at the date it became tainted and at the end of each reporting period or termination of the instrument with the change in fair value recorded to earnings. The fair value of the instruments was determined by using Black-Scholes option-pricing model, assuming maximum value.

The fair value of the warrants on issuance date was $384,000, resulting in a loss on derivative liability of $384,000. On December 31, 2013, the derivative liability was revalued to be $960,000, resulting in a loss of $576,000 to be recognized in earnings. On March 31, 2014, the derivative liability was revalued to be $3,600,000, resulting in a loss of $2,640,000 to be recognized in earnings.

The following table summarizes the derivative liabilities included in the balance sheet:

Balance at December 31, 2013	$ 1,270,492
Change in fair value of derivative liability	3,493,854
Balance at March 31, 2014	$ 4,764,346

NOTE 7: SUBSEQUENT EVENTS

On April 21, 2014, The Company issued 950,000 shares of common stock for consulting services.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation.

Business Description

USave Acquisitions, Inc., a Florida Corporation was formed on December 4, 2012 The Company is headquartered in Miami, Florida.

USave Acquisitions, Inc. is an emerging growth digital media company. In December 2013 USave acquired fromViewpon Holdings the exclusive worldwide licensing rights to operate and sell services and products available on Viewpon’s digital media platform. The digital media platform will enable Usave to develop and design digital and interactive videos, applications, social media products, new media and internet television and social networks for sports, health, fitness and entertainment enthusiasts. In addition, USAVE will sell digital coupons and digital media videos which Usave acquired from Viewpon.

We will implement a multimarket revenue strategy that incorporates digital media videos, mobile applications, social media and internet television to engage consumers to purchase products and services for small businesses. Our strategy is to offer digital media videos as a cost effective method for small businesses to connect to their clients in an efficient way to by placing the interests of their consumers first. We will also provide consulting, social networking and strategic planning for clients.

USAVE’ss digital media platform will include mobile apps, interactive videos, online websites, mobile marketing and social media. USAVE strategy to drive revenues is by producing digital videos for small and large businesses across various sectors including retail, health, wellness, consulting and other specific communities. Our digital media videos will serve small business sectors including boutiques and salons, restaurants, doctors, dentists, accountants, hotels, travel services as well as auto mechanics, plumbers and many more small businesses. Small businesses and large businesses will use our digital media platform to create interactive advertising videos so engage with current and potential consumers at the critical moment when they are deciding where to spend their money. Our business revolves around three key constituencies: producing digital media advertising, contributors who submit digital streaming reviews of the small businesses products and services and consumers who watch digital reviews of the local businesses that they describe. USAVE will invest in these small business communities to build customer loyalty and increase brand awareness by delivering digital videos of interest and enhanced interactive content of small business products and services that enrich and improve their client’s lifestyle.

USAVE is a marketing and media company that will provide digital media marketing, social and mobile marketing, strategic media planning and other specialty communications services. The Company will provide customers with digital, mobile, social and video content productions to promote small businesses to their clients by providing digital coupons as interactive experiences between clients and the small business community. The Company has entered into a licensing agreement with Viewpon Holdings to market and sell products and services developed by Viewpon’s digital marketing platform. The licensing agreement grants to USAVE the exclusive rights to utilize this platform to implement its business strategy. References throughout this business disclosure to “our digital media platform” refers to the digital media platform developed by Viewpon which we are licensed to use.

We currently have an inventory of video discount coupons which we purchased from Viewpon. Viewpon currently has approximately 18,000 registered users. We have been selectively contacting these users and offering them the opportunity to purchase these coupons.

In addition to the sale of the video coupons, we provide creative solutions to the advertising and marketing challenges encountered by small businesses. Our mission is to assist small businesses grow their operations by increasing their customers. We are a strategic marketing partner, creating online promotions that deliver results to reach a range of targeted audiences and provide strategic planning to our clients across the sectors of social media and marketing services

The licensing agreement with Viewpon provides USAVE with access to Viewpon's digital media technology platform that includes interactive coupon & multi-format publishing technologies and multiple new scalable revenue streams & innovative technologies designed specifically for internet couponing applications. USave creates value for its clients that are comprised of consumers and businesses via digital value offers, retailers who create offers enabled with our technology and finally consumers who redeem offers, consume advertisements and products that generate revenue for our operation. The digital media platform provides digital video commercials and interactive broadcasting as the method of video presentations, distribution, and monetization.

The Company's website is located at www.betamusicgroupinc.com

To date, our revenues have been generated through consulting services offered to small business owners. Our digital media platform will enable us to develop digital media marketing programs by producing digital videos for small and large businesses across various sectors including retail, health, wellness, consulting and other specific communities. Our digital media videos will serve small business sectors including boutiques and salons, restaurants, doctors, dentists, accountants, hotels, travel services as well as auto mechanics, plumbers and other sectors within the small business community. Contracts with our clients to produce the digital media videos are negotiated individually and terms of the engagement with our clients and the basis in which we earn fees and commissions will vary significantly. Contracts with small business client are multifaceted arrangements that may include an upfront fee, an incentive compensation provision and may also include vendor credits. Clients may arrange for our services to be provided via local, regional across various business sectors.

Subsequent Events:

Management has determined that the most expedient way to achieve these goals is for the Company to purchase Viewpon Holdings. In furtherance thereof, the Company signed a Letter of Intent with Viewpon which provides in part for Beta to acquire 100% of the issued and outstanding shares of common stock of Viewpon in consideration for the issuance of 1,200,000 shares of Beta common stock. Closing will be subject to execution of a definitive share exchange agreement and satisfaction of certain conditions precedent including but not limited to the absence of pending or threatened litigation, satisfactory review of the Company's financial condition and results of operations, the execution of a non-compete agreement with the principal shareholders.

Comparison of Operating Results for the Three Months ended March 31, 2014 and 2013.

Revenues

We recognized revenue of $2,500 during the month ended March 31, 2014 and compared to $0 revenues for period ended March 31, 2013. The increase in revenue is primarily due to the consulting services for our subsidiary EVG Media, Inc. operations.

Operating Update

General and administrative expenses for the month ended March 31, 2014 and March 31, 2013 totaled $115,021 and $96,800 respectively.

Our Net Losses for the years ended for the month ended March 31, 2014 and March 31, 2013 totaled $3,650,552 and $96,800.

The increase in net losses is primarily due to the net non-operating loss of $3,493,854 related to derivative liabilities, and $60,000 stock base compensation for third-party consulting services.

Liquidity and Capital Resources

Assets and Liabilities

At March 31, 2014, we had cash totaling $20,225, inventory assets of $68,994, fixed assets of $3,000 which represented our assets. At December 31, 2013 we had cash totaling $1,174, accounts receivable of $18,000, inventory assets of $68,994, fixed assets of $3,000 which represented our assets.

Our total assets were $92,219 at March 31, 2014. Our total assets were $91,168 at December 31, 2013.

Our liabilities at March 31, 2014 totaled $5,021,325 of which $86,163 is attributable to notes payable, $44,116 is accounts payable, $89,200 is salary payable, $37,500 is deferred income, and $4,764,346 is derivative liability. At December 31, 2013 totaled $1,429,722 of which $41,986 is attributable to notes payable, $48,044 is accounts payable, $69,200 is salary payable and $1,270,492 is derivative liability

We had a working capital deficit at March 31, 2014 of $4,929,106 compared to working capital deficit at December 31, 2013 of $1,338,554.

The change in our working capital deficit is primarily due to the increase in derivative liability, the increase in notes payables due to amortization of debt discount, and increase in deferred revenues regarding initial expansion of digital media business of our operations. We do not have sufficient revenues and operating profits to satisfy our ongoing liabilities. Unless we secure equity or debt financing, of which there can be no assurance, or identify an acquisition candidate, we will not be able to continue any operations.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934 , as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer to allow for timely decisions regarding required disclosure. Our management carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) and determined that our disclosure controls and procedures were not effective as of the end of the period covered by this Quarterly Report on Form 10-Q. The evaluation considered the procedures designed to ensure that the information required to be disclosed by us in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and communicated to our management as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the period covered by this Quarterly Report on Form 10-Q, there were no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(d) and 13d-15(d) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations of Disclosure Controls and Internal Controls over Financial Reporting

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

PART II. – OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

Investing in the Company's common stock involves a high degree of risk. In addition to the other information set forth in this report, you should carefully consider the factors discussed below when considering an investment in the Company's common stock. If any of the events contemplated by the following discussion of risks should occur, its business, results of operations and financial condition could suffer significantly. An investment in our Company is highly speculative in nature and involves an extremely high degree of risk. As a result, you could lose some or all of your investment in the Company's common stock. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair its business.

Risks Related to Our Business and Industry

Our business is subject to numerous risks and uncertainties, including those highlighted in the section titled “Risk Factors” immediately following this prospectus summary. Some of these risks are:

- We have a short operating history in a continuously evolving market sector. This makes it very difficult to evaluate our future business prospects and may increase the risk that we will not be successful;
- We a have a short operating history and may never be able to effectuate our business plan or achieve sufficient revenues or profitability; at this stage of our business, even with our good faith efforts, potential investors have a high probability of losing their entire investment.
- We are subject to all of the risks inherent in a development stage company. In particular, potential investors should be aware that we have not proven that we can raise sufficient capital in the public and/or private markets; have access to a line of credit in the institutional lending marketplace for the expansion of our business; respond effectively to competitive pressures; or recruit and build a management team to accomplish our business plan.
- We have incurred significant operating losses in the past and current year to date and we may not be able to generate sufficient revenue to achieve or maintain profitability, particularly given our ongoing sales and marketing expenses. Any revenue growth or revenue growth rate will likely not be sustainable, and a failure to maintain an adequate revenue growth rate will adversely affect our results of operations and business;
- If we fail to generate and maintain sufficient high quality content from our users, we will be unable to provide consumers with the information they are looking for, which could negatively impact our traffic and revenue;
- We rely on traffic to our website from search engines like Bing, Google and Yahoo!. Some of these search engines offer products and services that compete directly with our solutions. If our digital media network and our website fails to rank prominently in unpaid search results, the traffic to our digital media network and our website could decline and our business would be adversely affected;
- Our business depends on a strong brand, and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our base of users and small business clients, or our ability to increase the frequency with which they use our solutions;
- If our technology filters helpful content or fails to filter unhelpful content, consumers and businesses alike may stop or reduce their use of our platform and products, and our business could suffer;
- If we fail to maintain and expand our base of small business clients, our revenue and our business will be harmed. If we fail to expand effectively into new markets, our revenue and our business will be harmed;
- If we are not successful in developing solutions that generate revenue from future mobile application or if those solutions are not widely adopted, our results of operations and our business could be adversely affected;
- Negative publicity about our company, including allegations of improper business practices or sales tactics or of manipulation of digital reviews, or complaints regarding our filtering technology could diminish confidence in and use of our solutions, which would adversely affect our results of operations and business;
- Our user traffic could be adversely affected if consumers perceive the utility of our platform to be limited to finding businesses in the restaurant and shopping categories; and
- The class structure of our common stock has the effect of concentrating voting control with those stockholders who held our stock, including our founders, directors, executive officers and employees and their affiliates, and limiting the ability to influence corporate matters.

There is substantial doubt about our ability to continue as a going concern

As of March 31, 2014 we had not yet achieved profitable operations, have incurred losses since our inception. We expect to incur further losses in the development of our business, all of which casts substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management's plan to address our ability to continue as a going concern includes: (1) obtaining debt or equity funding from private placement or institutional sources; (2) obtaining loans from financial institutions, where possible, or (3) participating in joint venture transactions with third parties. Although we believe that we will be able to obtain the necessary funding to allow us to remain a going concern through the methods described above, there can be no assurances that such methods will prove successful. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Risks Related to Our Business and Industry

We have a short operating history in an evolving market sector. This makes it very difficult to evaluate our future business prospects and may increase the risk that we will not be successful.

We have a short operating history in an evolving market sector that may not develop as forecasted or expected, if at all. This short operating history makes it difficult to assess our short term or long term future prospects. You should consider our business and prospects in light of the risks and difficulties we may encounter in this rapidly evolving industry. These risks and difficulties include our ability to, among other things:

- Increase the number of users of our digital media network, our mobile application and our website, the number of digital reviews and other content on our platform and our revenue;
- Continue to earn and preserve a reputation for providing meaningful and reliable digital videos for small businesses;
- Effective to monetize our mobile app as usage continues to migrate toward mobile devices;
- Manage, measure and demonstrate the effectiveness of our digital media network, attract and retain new advertising clients, many of small businesses which may only have limited or no online digital media or advertising experience;
- Successful enough to compete with existing and future providers of other forms of traditional and online advertising;
- Successful enough to compete with other companies that are currently in, or may in the future enter, the business of Providing information regarding local businesses;
- Successful to expand our business in new and existing markets, develop and deploy new products;
- Successful to avoid disruptions in our service;
- Develop scalable, high-performance digital media technology infrastructure that can efficiently and reliably handle increased usage globally, as well as the deployment of new features and products;
- Ability to hire, integrate and retain talented sales and other personnel;
- Effectively manage rapid growth in our sales force, personnel and operations; and effectively partner with other companies.

If the demand for information regarding local businesses does not develop as we expect, or if we fail to address the needs of this demand, our business will be harmed. We may not be able to successfully address these risks and difficulties or others, including those described elsewhere in these risk factors. Failure to adequately address these risks and difficulties could harm our business and cause our operating results to suffer.

We have incurred significant operating losses in the past, and we may not be able to generate sufficient revenue to achieve or maintain profitability, particularly given our significant ongoing sales and marketing expenses. Our recent growth rate will likely not be sustainable, and a failure to maintain an adequate growth rate will adversely affect our results of operations and business.

Since our inception, we have incurred significant operating losses, and, as of March 31, 2014, we had an accumulated deficit of approximately $5,569,667. Although we forecast that our potential revenue growth rate may decline in the future as a result of a variety of factors, including the maturation of our business and the gradual decline in the number of major markets. You should not rely on the revenue run rate of any prior quarterly or annual period as an indication of our future performance. We also expect our costs to increase in future periods as we continue to expend substantial financial resources on:

- Sales and marketing and product and feature development;
- Our technology infrastructure;
- Strategic opportunities, including commercial relationships and acquisitions; and
- General administration, including legal and accounting expenses related to being a public company.

These investments may not result in increased revenue or growth in our business. If we are unable to maintain adequate revenue growth and to manage our expenses, we may continue to incur significant losses in the future and may not be able to achieve or maintain profitability.

The Company currently has generated limited revenue and will need to raise additional capital to operate its business.

To date, the Company has generated limited revenues. Since our inception, we have incurred significant operating losses, and, as of March 31, 2014, we had an accumulated deficit of approximately $5,569,667. Although we forecast that our revenue growth rate may decline in the future as a result of a variety of factors, including the maturation of our business and the gradual decline in the number of major markets. You should not rely on the revenue run rate of any prior quarterly or annual period as an indication of our future performance. However, changes may occur that would exhaust its available capital before it is successful in its efforts to raise capital to operate its business. The Company will be required to seek additional sources of financing, which may not be available on favorable terms, if at all. If the Company does not succeed in raising additional funds in a timely manner and on acceptable terms. Any additional sources of financing will likely involve the issuance of additional equity securities, which will have a dilutive effect on the Company's stockholders.

We a have a short operating history and may never be able to effectuate our business plan or achieve sufficient revenues or profitability; at this stage of our business, even with our good faith efforts, potential investors have a high probability of losing their entire investment;

We are subject to all of the risks inherent in a development stage company. In particular, potential investors should be aware that we have not proven that we can raise sufficient capital in the public and/or private markets; have access to a line of credit in the institutional lending marketplace for the expansion of our business; respond effectively to competitive pressures; or recruit and build a management team to accomplish our business plan.

We rely on traffic to our website from search engines like Bing, Google and Yahoo!. Some of these firms offer products and services that compete directly with our solutions. If our digital media network and our website fail to rank prominently in unpaid search results, the traffic to our digital media network and our website could decline and our business would be adversely affected;

Our success depends in part on our ability to attract users through unpaid Internet search results on search engines like Bing, Google and Yahoo! and Bing. The number of users we attract to our digital media network and our website from search engines is due to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking designs, methodology and its algorithms, which could result in our digital media network website to not be successful enough to generate traffic to our digital media network website. We may not know how to be in a position to influence the results of traffic to our website. Search engine companies may revise their rankings to promote their competing services or products of our competitors. Our website may experience fluctuations in search result rankings and we anticipate fluctuations in the future. Any reduction in the number of users linked and using our website could adversely impact our business and results of operations. Given the large volume of traffic to our website and the importance of the placement and display of results of a user's search, similar actions in the future could have a substantial negative effect on our business and results of operations.

If we fail to generate and maintain sufficient high quality content from our users, we will be unable to provide consumers with the information they are looking for, which could negatively impact our traffic and revenue.

Our success depends on our ability to engage small businesses to hire us to produce digital media videos and provide consumers with the digital information consumers seek, which in turn depends on the quantity of the content provided by our users. For example, we may be unable to provide consumers with the information they seek if our users do not contribute content that is helpful and reliable, or if they remove content they previously submitted. Similarly, we may be unable to provide consumers with the information they seek if our small business clients are unwilling to contribute content because of concerns or clients that may be sued by the businesses they digitally review. Such instances may have occurred in the past and may occur again in the future. In addition, we may not be able to provide client with the digital information they seek if our platform is not up-to-date. We do not phase out dated reviews and consumers may view older reviews as less relevant, helpful or reliable. If our digital media platform does not provide current information about small businesses or consumers perceive digital reviews on our digital media platform as less relevant, our brand and our business could be harmed. If we are unable to provide consumers with accurate information or if they find equivalent content on competitive services, they may stop or reduce using our platform. Traffic to our website and on our mobile app may decline for any reason. If our clients traffic declines, our small business clients may stop or reduce the amount of digital advertising on our platform and our business could be harmed.

If our digital media technology fails to filter unhelpful content, consumers and businesses alike may stop using of our digital media platform and our business could suffer.

The digital media platform has been designed to filter content that we we believe may be offensive, biased, unreliable or otherwise not helpful. However we cannot guarantee that our efforts will be effective or adequate. In addition, some consumers and businesses may express concern that our technology inappropriately filters legitimate reviews, which may cause them to stop or reduce their use of our platform or our advertising solutions. If our digital media technology filter proves ineffective, our reputation and brand may be harmed, users may stop using our products, our business and our operations could be adversely affected.

Our business depends on a strong brand, and any failure to maintain, protect and enhance our brand would damage our ability to retain or expand our base of users and small business clients, or our ability to increase the frequency with which they use our solutions.

We have developed a brand that we believe contributes to the success of our business. Maintaining, protecting and enhancing the “USAVE” brand is critical to expanding our small business clients, our users and small business clients and increasing the frequency with which they use our digital media platform. We depend largely on our ability to maintain of small businesses and clients in our digital media platform, our website and mobile app, which we may not do successfully. If we do not successfully maintain a strong brand, our business could be harmed.

Negative publicity could adversely affect our reputation and brand.

Negative publicity about our company, including our digital media technology, our sales practices, personnel or customer service, could negatively impact confidence in our products. Our digital media brand, our website and mobile app and our business may suffer if negative publicity about our company persists or if users otherwise perceive that content on our website and mobile app is manipulated or biased. In addition, our website and mobile app serve as a platform for expression by our users, and third parties or the public at large may attribute the political or other sentiments expressed by users on our platform to us, which could harm our reputation.

If we fail to expand our base of small business clients and consumer clients, our revenue and our business will be harmed.

Our business depends on our ability to maintain and expand our small business client base. We must convince small businesses of the benefits of our digital media platform and must also convince existing and prospective small business clients that our digital media platform works to benefit the performance of small businesses. Many of these small businesses are accustomed to using traditional advertising, such as newspapers, television and yellow pages. Failure to maintain and expand the small business client's base could harm our business.

Small businesses may not have long-term obligations to purchase our digital media platform. We rely heavily on advertising budget spending by small businesses, which historically experience high failure rates and have limited advertising budgets. As a result, we may experience losses in our digital media platform in the ordinary course of business resulting from several factors, including loss to competitors, lower priced competitors, and the result that our advertising solutions are ineffective, declining advertising budgets, businesses closures and bankruptcies. We must continually add new small business clients to replace other small business clients who choose not to renew their with our firm or may go out of business, or otherwise fail to fulfill their advertising contracts with us which may not grow our business.

Our small businesses client's decisions to renew depend on the level of satisfaction with our digital media platform and ability to continue their operations and spending levels. The digital reviews that small businesses receive from our consumers may also affect small business owners advertising decisions. Favorable digital reviews could be perceived as increase the small businesses need to advertise, and unfavorable digital reviews could discourage small businesses from advertising to an audience they perceive as forming a negative opinion of the digital media platform. If our small business clients increase rates of non-renewal or if we experience significant attrition or if we are unable to attract new small businesses, our client base will decrease and our business, financial condition and results of operations would be harmed.

If we fail to expand effectively into new markets, our revenues and our business will be harmed.

We intend to expand our operations into new markets. We may incur losses or otherwise fail to enter new markets successfully. Our expansion into new markets places us in competitive environments with which we are unfamiliar and involves various risks, including the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years, or at all. In attempting to establish a presence in new markets, we expect, as we have in the past, to incur significant expenses and face various other challenges, such as expanding our sales force and community management personnel to cover those new markets. Our current and any future expansion plans will require significant resources and management attention.

Many people use smartphones, tablets and other mobile devices to access information about local small businesses. If we are not successful in developing solutions that generate revenue from our mobile application, or those solutions are not widely adopted, our results of operations and business could be adversely affected.

The number of people who access information about local businesses through mobile devices, including smartphones, tablets and computers, has increased dramatically in the past few years and is expected to increase. Because we do not currently deliver advertising on our mobile app, we have not materially monetized our mobile app to date. As a result, we may not be able to generate meaningful revenue from our mobile app for the foreseeable future. If consumers use our mobile app at the expense of our website, our small businesses may stop or reduce advertising on our website, and they may be unable to advertise on our mobile app unless we develop effective mobile advertising solutions that are compelling to them. Similarly, we may be unable to attract new small business clients unless we develop effective mobile advertising solutions. At the same time, it is important that any mobile advertising solutions that we develop do not adversely affect our users' experience, even if they might result in increased short-term monetization. We have limited experience with mobile advertising and may engage an external firm to develop our apps. If we fail to develop effective advertising solutions, if our solutions alienate our user base, or if our solutions are not widely adopted or are insufficiently profitable, our business may suffer.

Additionally, as new mobile devices and platforms are released, it is difficult to predict the problems we may encounter in developing products for these alternative devices and platforms, and we may need to devote significant resources to the creation, support, and maintenance of such products. In addition, if we experience difficulties in the future in integrating our mobile app into mobile devices or if problems arise with our relationships with providers of mobile operating systems or mobile application download stores, such as those of Apple or Google, if our applications receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order of our products in the Apple AppStore, or if we face increased costs to distribute our mobile app, our future growth and our results of operations could suffer.

We expect to face increased competition in the market.

The market for information regarding local businesses and advertising is intensely competitive and rapidly changing. With the emergence of new technologies and market entrants, competition is likely to intensify in the future. Our competitors include, among others; offline media companies and service providers; newspaper, television, and other media companies, Internet search engines, such as Google, Yahoo! and Bing; and various other online service providers. Our competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, substantially greater market share, large existing user bases and substantially greater financial, technical and other resources. These companies may use these advantages to offer products similar to ours at a lower price, develop different products to compete with our current solutions and respond more quickly and effectively than we do to new or changing opportunities, technologies, standards or client requirements. In particular, major Internet companies, such as Google, Facebook, Yahoo! and Microsoft may be more successful than us in developing and marketing online advertising offerings directly to local businesses and many of our small business clients and potential clients may choose to purchase online advertising services from these competitors and may reduce their purchases of our products. In addition, many of our current and potential competitors have established marketing relationships with and access to larger client bases. As the market for local online advertising increases, new competitors, business models and solutions are likely to emerge. We also compete with these companies for the attention of contributors and consumers, and may experience decreases in both if our competitors offer more compelling environments. For all of these reasons, we may be unable to maintain or grow the number of people who use our website and mobile app and the number of businesses that use our advertising solutions and we may face pressure to reduce the price of our advertising solutions, in which case our business, results of operations and financial condition will be harmed.

Our business strategy depends upon digital media videos of small businesses to create a digital coupon. The digital coupon inventory is an inventory that we do not control, own or have a significant market share. The failure to develop, grow and maintain significant inventory or quality of the digital coupons available on our websites may adversely affect our perceived value by consumers and therefore small businesses retailers.

Our success depends on our ability to provide s small businesses with digital videos and attract consumers with the digital coupons they seek. Our revenues may come from arrangements in which we are paid by small businesses develop digital videos to promote their digital coupons. We may not control the sales and the inventory of digital coupon content upon which our business model is depending on. The large number of our digital coupons will be submitted by small businesses, our efforts to ensure the quality of those digital coupons will be critical to our success. Users and clients may submit complaints that our digital coupons are invalid or expired when using the coupons at the small businesses. If these processes for clients submitting digital coupons are ineffective, or if the digital reviews of the users after using the coupons is unable to be effectively targeted via mobile marketing, the digital coupons most appealing to our users may be unable meet the needs of clients and the small businesses may be negatively impacted and the our operating results may be adversely affected.

Small businesses may have a variety of media channels to promote their services and products. If these small businesses choose to promote their coupons platform through other media firms or not to promote coupons or discounts at all, or if our competitors accept lower commissions than we are to promote the small businesses digital coupons, our ability to obtain an inventory may be delayed and our financial, business revenues and operating results may be adversely affected. Similarly, if small businesses do not aggressively contribute digital coupons to our websites, contribute digital coupons that are not marketable or reliable, the digital coupon inventory content may decrease or become less valuable to small businesses and clients. If our company is not able to maintain sufficient digital coupon content inventory in our marketplace, clients and small businesses may perceive our marketplace as less relevant, traffic to our websites and use of our mobile marketing platform will decline and, as a result, our business, financial condition and operating results will be adversely affected.

Traffic to our website and mobile application may decline and our business may suffer if other companies copy information from our platform and publish or aggregate it with other information for their own benefit.

Other companies may copy information from our platform, through website scraping or other means, and publish or aggregate it with other information for their own benefit. We may not be able to detect such third-party conduct in a timely manner and, even if we could, we may not be able to prevent it. In addition, we may be required to expend significant financial or other resources to successfully enforce our rights.

The impact of worldwide economic conditions, including the resulting effect on advertising spending by local businesses, may adversely affect our business, operating results and financial condition.

Our performance is subject to worldwide economic conditions and their impact on levels of advertising spends by small and medium-sized businesses, which may be disproportionately affected by economic downturns. An economic slowdown may materially deteriorate our existing and potential small business clients and they may no longer consider investment in our digital media solutions a necessity, or may elect to reduce advertising budgets. Historically, economic downturns have resulted in overall reductions in advertising spending. In particular, online marketing solutions may be viewed by some of our existing and potential small business clients as a lower priority and could cause small business clients to reduce the amounts they spend, terminate their use of our digital media platform or default on their payment obligations to us. In addition, economic conditions may adversely impact levels of consumer spending, which could adversely impact the numbers of consumers visiting our digital media network, our website and mobile app. Consumer purchases of discretionary items generally decline during recessionary periods and other periods in which disposable income is adversely affected. If spending at small businesses declines, businesses may be less likely to use our digital media platform, which could have a material adverse effect on our financial condition and results of operations.

We may face potential liability and expense for legal claims based on the content on our platform.

We may face potential liability and expense for legal claims relating to the information that we publish on our website and mobile app, including claims for defamation, libel, negligence and copyright or trademark infringement, among others. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be compelled to remove content or may be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims. If we elect or are compelled to remove valuable content from our website or mobile app, our platform may become less useful to consumers and our traffic may decline, which could have a negative impact on our business and financial performance.

Our business could suffer if the jurisdictions in which we operate change the way in which they regulate the Internet, including regulations relating to user-generated content and privacy.

Our business, including our ability to operate could be adversely affected if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent with our current business practices and that requires changes to these practices or the design of our platform, products or features. If legislation is passed that limits the immunities afforded to websites that publish user-generated content, we may be compelled to remove content from our platform that we would otherwise publish, restrict the types of businesses that our users can review or further verify the identity of our users, among other changes. Legislation could be passed that limits our ability to use or store information about our users. The Federal Trade Commission ("FTC") already expects companies like ours to comply with guidelines issued under the Federal Trade Commission Act that govern the collection, use and storage of consumer information, establishing principles relating to notice, consent, access and data integrity and security. Our practices are designed to comply with these guidelines as described in our published privacy policy. We may use and store such information primarily to personalize the experience on our platform, provide customer support and display relevant advertising. However, if our belief proves incorrect, or if these guidelines, laws or regulations or their interpretation change or new legislation or regulations are enacted, we may be compelled to provide additional disclosures to our users, obtain additional consents from our users before collecting or using their information or implement new safeguards to help our users manage our use of their information, among other changes. Legislative changes could increase our administrative costs and make it more difficult for consumers to use our platform, resulting in less traffic and revenue. Similarly, changes like these could make it more difficult for us to provide effective advertising tools to businesses on our platform, resulting in fewer small business clients and less revenue. In any of the cases above, our business could suffer .

If we fail to manage our growth effectively, our brand, results of operations and business could be harmed.

We may experience growth in our headcount and operations, which places substantial demands on management and our operational infrastructure to match expenses to revenues. We intend to make substantial investments in our technology, sales and marketing and community management organizations. As we continue to operate, we must effectively integrate, develop and motivate new employees while maintaining the beneficial aspects of our company culture. If we do not manage the growth of our operations effectively, the quality of our platform and efficiency of our operations could suffer, which could harm our brand, results of operations and business.

We may not timely and effectively scale and adapt our existing digital media platform technology and network infrastructure to ensure that our platform is accessible.

It is important to our success that small businesses and clients be able to access our platform at all times. We may experience service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to a number of users accessing our platform simultaneously, and denial of service or fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and as our solutions become more complex and our user traffic increases. If our platform is unavailable when users access it or does not load as quickly expected, client users may seek other services and may not return to our platform as often in the future, or at all. This would negatively impact our ability to attract users and small business clients and increase the frequency with which they use our website and mobile app. We expect to continue to make significant investments to maintain and improve the availability of our platform and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, upgrade our systems and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be harmed. Our recovery program transitions our platform and data to a backup center in the event of a catastrophe, but we have not yet tested this in full, and the transition procedure may take several days or more to complete. During this time, our platform may be unavailable in whole or in part to our users.

We are, and may in the future be, subject to disputes and assertions by third parties that we violate their rights. These disputes may be costly to defend and could harm our business and operating results.

We may face from time to time in the future, allegations that we have violated the rights of third parties, including patent, trademark, copyright and other intellectual property rights. Even if the claims are without merit, the costs associated with defending these types of claims may be substantial, both in terms of time, money, and management distraction. In particular, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain features, purchase licenses or modify our products and features while we develop non-infringing substitutes or may result in significant settlement costs. We do not own any patents, and, therefore, may be unable to deter competitors or others from pursuing patent or other intellectual property infringement claims against us. The results of litigation and claims to which we may be subject cannot be predicted with certainty. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, results or operations and reputation.

Some of our digital media platform solutions contain open source software, which may pose particular risks to our software and solutions.

We use open source software in our solutions and will use open source software in the future. From time to time, we may face claims from third parties claiming ownership of, or demanding release of, the open source software and/or derivative works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license or cease offering the implicated solutions unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business and operating results.

We make the consumer experience our highest priority. Our dedication to making decisions based primarily on the best interests of consumers may cause us to forgo short-term gains and digital media revenues.

We base our decisions upon the best interests of the small businesses and client consumers who use our platform. We believe that this approach will be essential to our success in increasing our user growth rate of our platform. If such decisions negatively impact our results of operations in the short term. While we believe that continued adherence to this principle will benefit The Company and its stockholders, our approach of putting our consumers first may negatively impact The Company in the short term. If we believe that a digital review violates our terms of service, such as digital reviews containing hate speech, we will not allow the digital review to remain on the platform. Certain small business clients may therefore perceive us as an impediment to their success as a result of negative reviews and ratings. This practice could result in a loss of small business clients, which in turn could harm our results of operations.

We rely on third-party service providers for many aspects of our business, and any failure to maintain these relationships could harm our business.
Viewpon has issued us an exclusive world wide license to utilize their digital media platform . We rely on this platform for almost all of our business activities including mapping functionality and software solutions. If Viewpon experiences operational or financial difficulties, our business operations will be adversely impacted. This will make it difficult for us to operate some aspects of our business, which could damage our reputation. If Viewpon were to cease operations or fail to maintain its digital media platform, we will experience significant disruption in our business operations.   As a result, we could suffer increased costs and delays in our ability to provide consumers and small business clients with digital media videos until an equivalent provider could be found. If we are unsuccessful finding high-quality partners, if we fail to negotiate cost-effective relationships with them, or ineffectively manage these relationships, it could have an adverse impact on our business and operations.

We expect a number of factors to cause our operating results to fluctuate on a short term basis, specifically to monthly, quarterly and an annual basis. This would make it very difficult to predict our future performance on a monthly, quarterly and annual basis.

Our operating results could vary significantly monthly, quarterly and annually due to a variety of factors, many of which are outside of our control. Comparing our operating results on a period-to-period basis may not be meaningful. Other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include our ability to accurately forecast revenue and appropriately plan our expenses; attracting new small businesses and retaining existing clients, changes in search engine placement and prominence, increased competition in our business; enter new markets; worldwide economic conditions, maintaining an adequate rate of growth traffic to our website and mobile app; adjusting to changes in technology; success of our sales and marketing efforts; changes in government regulation affecting our business; interruptions in service and any related impact on our reputation; the attraction and retention of qualified employees and key personnel; ability to choose and effectively manage third-party service providers; effectiveness of our internal controls; and changes in consumer behavior with respect to our digital media technology among local businesses;

Because recognizing revenues will be determined over terms of potential agreements, significant downturns in the business may not be immediately reflected in future results of operations.

The Company forecasts any potential revenue growth may decline in the future as a result of a variety of factors, including the terms of potential client agreements, the potential financial downturns of our potential clients, the maturation of our business and the gradual decline in the number of major markets. We forecast to recognize revenue over the terms of the applicable client agreements. As a result, a significant portion of the forecasted revenue reported in any future quarter may be generated from agreements entered into during previous quarters. Consequently, a decline in new or renewed agreements in any one quarter may not significantly impact our revenue in that quarter but will negatively affect our revenue in future quarters. In addition, we may be unable to adjust our fixed costs in response to reduced revenue.

If the Company is unable to hire additional qualified personnel, its ability to grow its business may be harmed.

The Company currently relies heavily on its President and Chief Executive Officer, and its future success depends on its ability to identify, attract, hire, train, retain and motivate other highly skilled scientific, technical, marketing, managerial and financial personnel. Although the Company will seek to hire and retain qualified personnel with experience and abilities commensurate with its needs, there is no assurance that the Company will succeed despite its collective efforts.

If our security measures are compromised, or if our platform is subject to attacks that degrade or deny the ability of users to access our content, users may curtail or stop use of our platform.

Like all online services, our platform is vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, delays, or website shutdowns, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. If we experience compromises to our security that result in performance or availability problems, the complete shutdown of our website or the loss or unauthorized disclosure of confidential information, our users or small business clients may lose trust and confidence in us and decrease their use of our platform or stop using our platform entirely. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures. In addition, user and business owner accounts and profile pages could be hacked, hijacked, altered or otherwise claimed or controlled by unauthorized persons. Any or all of these issues could negatively impact our ability to attract new users or could deter current users from returning or reduce the frequency with which consumers and small business clients use our solutions, cause existing or potential small business clients to cancel their contracts or subject us to third-party lawsuits, regulatory fines or other action or liability, thereby harming our results of operations.

We store and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy. Our actual or perceived failure to comply with such obligations could harm our business.

We may receive, store and process personal information and other user data, including credit card information for certain users. There are numerous federal, state and local laws around the world regarding privacy and the storing, sharing, use, processing, disclosure and protection of personal information and other user data, the scope of which are changing, subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We generally comply with industry standards and are subject to the terms of our privacy policies and privacy-related obligations to third parties (including, in certain instances, voluntary third-party certification bodies such as TRUSTe). It is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to users or other third parties, or our privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other user data, may result in governmental enforcement actions, litigation or negative publicity and could cause our users and small business clients to lose trust in us, which could have an adverse effect on our business. Additionally, if third parties, with whom we work, such as small business clients, vendors or developers, violate applicable laws or our policies, such violations may also put our users' information at risk and could have an adverse effect on our business.

Our business is subject to a variety of U.S. laws, many of which are unsettled and still developing and which could subject us to claims or otherwise harm our business.

We are subject to a variety of laws in the United States, including laws regarding data retention, privacy, distribution of user-generated content and consumer protection that are frequently evolving and developing. The scope and interpretation of the laws that are or may be applicable to us are often uncertain and may be conflicting, particularly outside the United States. Laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted, or the content provided by users. In addition, regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning data protection and other matters that may be applicable to our business. It is also likely that if our business grows and evolves and our solutions are used in a greater number of countries, we may become subject to laws and regulations in additional jurisdictions. It is difficult to predict how existing laws will be applied to our business and the new laws to which we may become subject. If we are not able to comply with these laws or regulations or if we become liable under these laws or regulations, we could be directly harmed, and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain products or features, which would negatively affect our business. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm our reputation or otherwise impact the growth of our business. Any costs incurred to prevent or mitigate this potential liability could also harm our business and operating results.

Domestic laws may be interpreted and enforced in ways that impose new obligations on us with respect to our digital media platform, which may harm our business and results of operations.

Our digital media platform and its products may be deemed digital coupon gift certificates, store gift cards, general-use prepaid cards or other vouchers, or “gift cards”, subject to, among other laws, the federal Credit Card Accountability Responsibility and Disclosure Act of 2009 (“Credit CARD Act of 2009”) and similar federal, state laws. Many of these laws include specific disclosure requirements and prohibitions or limitations on the use of expiration dates and the imposition of certain fees. For example, the Credit CARD Act of 2009 requires that gift cards expire no earlier than five years after their issue. The Company’s digital coupons are comprised of two components: (i) the purchase value, which is the amount paid by the purchaser and which does not expire, and (ii) the promotional value, which is the remaining value for which can be redeemed during a limited period, which typically ends one year after the date of purchase. If, contrary to our belief, the Credit CARD Act of 2009 and similar state laws were held to apply to the promotional value component of digital coupons, consumers would be entitled to redeem the promotional value component for up to five years after their issue, and we could face liability for redemption periods that are less than five years. Various companies that provide deal products similar to ours are currently defendants in purported class action lawsuits that have been filed in federal and state court claiming that their deal products are subject to the Credit CARD Act of 2009 and various state laws governing gift cards and that the defendants have violated these laws as a result of expiration dates and other restrictions they have placed on their deals. Similar lawsuits have been filed in other locations in which we plan to sell our digital coupons, such as the Canadian province of Ontario, alleging similar violations of provincial legislation governing gift cards. The application of various other laws and regulations to our products, and particularly our digital coupons, is uncertain. These include laws and regulations pertaining to unclaimed and abandoned property, partial redemption, refunds, revenue-sharing restrictions on certain trade groups and professions, sales and other local taxes and the sale of alcoholic beverages. For example, although it is the responsibility of merchants to redeem or refund unexpired digital coupons that they offer through our platform, the law might be interpreted to require that we redeem or refund them. Because merchants alone, and not USAVE, are in a position to track the redemption of Digital Coupons, we may not be able to comply with such a requirement without substantial and potentially costly changes to our infrastructure and business practices. In addition, we may become, or be determined to be, subject to federal, state or laws regulating money transmitters or aimed at preventing money laundering or terrorist financing, including the Bank Secrecy Act, the USA PATRIOT Act and other similar future laws or regulations. If we become subject to claims or are required to alter our business practices as a result of current or future laws and regulations, our revenue could decrease, our costs could increase and our business could otherwise be harmed. In addition, the costs and expenses associated with defending any actions related to such additional laws and regulations and any payments of related penalties, fines, judgments or settlements could harm our business.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new features and products or enhance our existing services, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing we secure in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business may be harmed.

We may acquire other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results.

Our success will depend, in part, on our ability to expand our product offerings and grow our business in response to changing technologies, user and advertiser demands and competitive pressures. In some circumstances, we may determine to do so through the acquisition of complementary businesses or technologies rather than through internal development. We do not have experience acquiring other businesses and technologies. The pursuit of potential acquisitions may divert the attention of management and cause us to incur expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. Furthermore, even if we successfully acquire additional businesses or technologies, we may not be able to integrate the acquired personnel, operations and technologies successfully or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business or technology. In addition, we may unknowingly inherit liabilities from future acquisitions that arise after the acquisition and are not adequately covered by indemnities. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations. If an acquired business or technology fails to meet our expectations, our business, results of operations and financial condition may suffer.

Our business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man-made problems such as computer viruses or terrorism.

Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break-ins and similar events. We may not have sufficient protection or recovery plans in certain circumstances and as we rely heavily on our servers, computer and communications systems to conduct our business, disruptions could negatively impact our ability to run our business and could have an adverse effect on our business, operating results and financial condition.

Risks Related to this Offering and Ownership of Our Common Stock

The Company's stock price may be volatile.

The market price of the Company's common stock is likely to be highly volatile and could fluctuate widely in price in response to various potential factors, many of which will be beyond the Company's control, including the following: competition; additions or departures of key personnel; the Company's ability to execute its business plan; operating results that fall below expectations; loss of any strategic relationship; industry developments; economic and other external factors; and period-to-period fluctuations in the Company's financial results. In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company's common stock, Furthermore, the stock markets recently have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our common stock. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

The Company does not expect to pay dividends in the foreseeable future.

The Company does not intend to declare dividends for the foreseeable future, as the Company anticipates that the Company will reinvest any future earnings in the development and growth of its business. Therefore, investors will not receive any funds unless they sell their common stock, and stockholders may be unable to sell their shares on favorable terms or sell their shares at all. The Company cannot assure you of a positive return on investment or that you will not lose the entire amount of your investment in the Company's common stock.

The Company may in the future issue additional shares of its common stock which would reduce investors' ownership interests in the Company and which may dilute its share value.

The Company's Articles of Incorporation and amendments thereto authorize the issuance of 300,000,000 shares of common stock, par value $0.01 per share. The shares shall be divided into two classes consisting of: (i) 290,000,000 shares of Common Stock, $.01 par value per share and (ii) 4,900,000 shares of Blank Check Preferred Stock with $.01 par value per share and 5,100,000 Series A Preferred Super Voting Stock with $.01 par value per share. The future issuance of all or part of its remaining authorized common stock may result in substantial dilution in the percentage of its common stock held by its then existing stockholders. The Company may value any common stock issued in the future on an arbitrary basis. The issuance of common stock for future services or acquisitions or other corporate actions may have the effect of diluting the value of the shares held by the Company's investors, and might have an adverse effect on any trading market for the Company's common stock. The Company refers you to its Articles of Incorporation, any amendments thereto, Bylaws, and the applicable provisions of the Florida General Corporations Law for a more complete description of the rights and liabilities of holders of its securities.

The Company's common stock is currently deemed to be "penny stock", which makes it more difficult for investors to sell their shares .

The Company's common stock is currently subject to the "penny stock" rules adopted under section 15(g) of the Exchange Act. The penny stock rules apply to companies whose Common Stock is not listed on the NASDAQ Stock Market or other national securities exchange and trades at less than $5.00 per share or that have tangible net worth of less than $5,000,000 ($2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If the Company remains subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for the Company's securities. If the Company's securities are subject to the penny stock rules, investors will find it more difficult to dispose of the Company's securities.

FINRA sales practice requirements may limit a stockholder's ability to buy and sell the Company's stock.

The Financial Industry Regulatory Authority ("FINRA") has adopted rules that relate to the application of the SEC's penny stock rules in trading the Company's securities and require that a broker/dealer have reasonable grounds for believing that the investment is suitable for that customer, prior to recommending the investment. Prior to recommending speculative, low priced securities to their non-institutional customers, broker/dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative, low priced securities will not be suitable for at least some customers. FINRA's requirements make it more difficult for broker/dealers to recommend that their customers buy the Company's common stock, which may have the effect of reducing the level of trading activity and liquidity of the Company's common stock. Further, many brokers charge higher transactional fees for penny stock transactions. As a result, fewer broker/dealers may be willing to make a market in the Company's common stock, reducing a shareholder's ability to resell shares of the Company's common stock.

The issuance of preferred stock could adversely affect the voting power or other rights of the holders of our common stock.

Our Articles of Incorporation authorizes the issuance of shares of preferred stock with designations, rights and preferences determined from time to time by our directors. Accordingly, our directors are empowered, without stockholder approval, to issue preferred stock with dividend, liquidation, conversion, super voting, or other rights which could adversely affect the voting power or other rights of the holders of the common stock. In the event of issuance, the preferred stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of the Company.

Anti-takeover provisions in our charter documents could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our certificate of incorporation and bylaws, as amended and restated in connection with this offering, may have the effect of delaying or preventing a change in control or changes in our management.

Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions to authorize our board of directors to issue, without further action by the stockholders, up to shares of undesignated preferred stock; require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent; specify that special meetings of our stockholders can be called only by our board of directors, the Chair of our board of directors, or our Chief Executive Officer; establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors; establish that our board of directors is divided into three classes, with directors in each class serving three-year staggered terms; prohibit cumulative voting in the election of directors; provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; require the approval of our board of directors or the holders of a supermajority of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation. These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Our future depends in part on the interests and influence of Mr. Ennis.

Jim Ennis, the Company's sole officer and director currently owns approximately 45% of the Company's issued and outstanding shares of common stock. No other shareholder owns more than 5% of the Company's issued and outstanding shares of stock. As a result, Mr. Ennis will be able to determine the outcome of matters submitted to our stockholders for approval . This concentration of ownership could affect the value of your shares of common stock by, for example, Mr. Ennis can elect to delay, defer or prevent a change in corporate control, merger, consolidation, takeover or other business combination.

If securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline.

The trading market for our common stock will, to some extent, depend on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If our financial performance fails to meet analyst estimates or one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

Future sales of our common stock in the public market could cause our share price to decline.

Sales of a number of shares of our common stock in the public market or the perception that these sales might occur could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities.

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we may be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the "Exchange Act", the Sarbanes-Oxley Act, the Dodd-Frank Act, the listing requirements of the New York Stock Exchange, NASDAQ Stock Market and OTCQB markets and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. We may need to hire more employees in the future, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed.

We also expect that being a public company and these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers. As a result of disclosure of information in this prospectus and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in increased threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and operating results could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and operating results.

As a result of being a public company, we will be obligated to develop and maintain proper and effective internal controls over financial reporting. Our analysis of our internal controls over our financial reporting may not be determined to be effective, which may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We may be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the first fiscal year beginning after the effective date of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our auditors have issued an attestation report on our management's assessment of our internal controls. We are in the emerging growth stage and there may be costly and challenging processes to compiling systems and documentations necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective. If we are unable to assert that our internal control over financial reporting is effective, or if our auditors are unable to express an opinion on the effectiveness of our internal controls, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

Complying with the laws and regulations affecting public companies will increase our costs and the demands on management and could harm our business and results of operations.

As a public company, the Company will incur significant legal, accounting and other expenses that we would not incur as a private company. In addition, the rules, regulations and requirements imposed on public companies will require our executive officer to devote a substantial amount of time to these compliance initiatives. These rules, regulations and requirements will increase our legal, accounting and financial compliance costs and will continue to make some activities more time consuming and costly. For example, these rules, regulations and requirements may make it more difficult to attract and retain qualified persons to serve on the board of directors, committees or as executive management of the Company. To comply with the requirements of being a public company, the Company may need to implement new internal controls and procedures, hire accounting or audit staff, which would require additional expenses that may negatively impact the financial statements of the Company.

Item 2. Unregistered Sales of Equity Securities.

During the quarter ended March 31, 2014, The Company issued 300,000 shares of common stock for consulting services. The shares were issued to AudioEye, Inc., an unaffiliated third party. AudioEye provided us with assistance in building out our technology platform.

With respect to the issuance of the securities identified above, we relied on the exemptive provisions of Section 4(2) of the Securities Act of 1933, as amended.

- At all times relevant the securities were offered subject to the following terms and conditions:

- The sale was made to a sophisticated or accredited investor, as defined in Rule 502 or were issued pursuant to a specific exemption;
- we gave the purchaser the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain any additional information which we possessed or could acquire without unreasonable effort or expense that is necessary to verify the accuracy of information furnished; and
- at a reasonable time prior to the sale of securities, we advised the purchaser of the limitations on resale in the manner contained in Rule 502(d)2; and

Item 3. Defaults upon senior securities.

None.

Item 4. Mine Safety Disclosure.

Not Applicable.

Item 5. Other information.

None.

Item 6. Exhibits.

Exhibit No.	Description
31.1*	Section 302 Certification of Chief Executive Officer
31.2*	Section 302 Certification of Chief Financial Officer
32.1*	Section 906 Certification of Chief Executive Officer
32.2*	Section 906 Certification of Chief Financial Officer

101**	XBRL data files of Financial Statements and Notes contained in this Quarterly Report on Form 10-Q.

* Filed herewith.

** To be submitted by amendment

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BETA MUSIC GROUP, INC.

By:	/s/ Jim Ennis Jim Ennis CEO/CFO and Director	Date: June 25, 2014