

CMG HOLDINGS, INC.
Form 10-Q
November 22, 2010

QUARTELY REPORT SEPTEMBER 30, 2010

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

FORM 10-Q

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

For the quarter ended September 30, 2010

Commission file number 000-51770

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

Nevada
(State or other jurisdiction of
incorporation or organization)

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

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

33137
(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

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

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

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As of November 22, 2010, there were 63,525,662 common stock of the registrant issued and 63,468,488 shares outstanding.

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32.1 EXECUTIVE OFFICER

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32.2 OFFICER

PART I

ITEM 1: CONSOLIDATED FINANCIAL STATEMENTS

CMG HOLDINGS, INC.
UNAUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2010 AND 2009

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CMG HOLDINGS, INC
CONSOLIDATED BALANCE SHEETS
(unaudited)

	September 30, 2010	December 31, 2009
ASSETS		
CURRENT ASSETS:		
Cash	\$ 151,755	\$ 32,968
Accounts receivable, net of allowance for doubtful accounts of \$105,673 and \$0, respectively	373,318	207,789
Marketable trading securities	136,750	--
Non marketable investments available for sale	658,142	--
Prepaid and other current assets	122,530	18,182
Deferred financing fees, net of accumulated amortization of \$51,509 and \$0, respectively	99,118	--
Total current assets	1,541,613	258,939
Property and equipment, net of accumulated depreciation of \$20,802 and \$0, respectively	284,872	--
Intangible assets, net accumulated amortization of \$447,499 and \$223,750 respectively	447,499	671,248
TOTAL ASSETS	\$ 2,273,984	\$ 930,187
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Client payable	\$ 11,317	\$ 11,317
Accounts payable	1,270,571	1,145,467
Accrued liabilities	182,092	360,328
Deferred revenue	95,626	19,600
Short term debt, net of unamortized discount of \$0 and \$11,010 respectively	--	113,990
Line of credit	182,064	175,746
Advances from related parties	127,438	42,500
Total current liabilities	1,869,288	1,868,948
Long-term debt, net of unamortized discount of \$95,980	1,838,222	--
Deferred revenue	637,023	--
TOTAL LIABILITIES	4,344,533	1,868,948
STOCKHOLDERS' DEFICIT		
Preferred stock:		
5,000,000 shares authorized par value \$0.001 per share; none issued outstanding	--	--
Common stock:		
150,000,000 shares authorized, par value \$0.001 per share; 42,400,000 issued 42,362,826 and 38,207,626 shares outstanding respectively	42,363	38,208
Additional paid in capital	5,786,620	5,429,522
Treasury stock, 37,174 and 4,192,374 shares held, respectively.	37	4,192

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Accumulated deficit	(7,899,569)	(6,410,683)
TOTAL STOCKHOLDERS' DEFICIT	(2,070,549)	(938,761)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$ 2,273,984	\$ 930,187

See accompanying notes to consolidated financial statements

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