

MMAX MEDIA, INC.  
Form 10-Q  
November 18, 2011

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

**FORM 10-Q**

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

For the quarterly period ended: **September 30, 2011**

Or

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

For the transition period from: \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number: 000-53574**

**MMAX Media, Inc.**

*(Exact name of registrant as specified in its charter)*

**Nevada**  
*(State or other jurisdiction  
of incorporation or organization)*

**511 N.E. 3<sup>rd</sup> Avenue, 1<sup>st</sup> Floor, Fort Lauderdale, Florida 33301**

**20-4959207**  
*(I.R.S. Employer  
Identification No.)*

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(Address of Principal Executive Office) (Zip Code)

**(800) 991-4534**

(Registrant's telephone number, including area code)

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 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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

|                         |                          |                           |                                     |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer         | <input type="checkbox"/>            |
| Non-accelerated filer   | <input type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class                                     | Shares Outstanding as of November 14, 2011 |
|-------------------------------------------|--------------------------------------------|
| Common Stock, \$0.001 Par Value Per Share | 44,646,539                                 |

**MMAX Media, Inc. and Subsidiaries**

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**PART I. FINANCIAL INFORMATION****ITEM 1.****CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**MMAX MEDIA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(A DEVELOPMENT STAGE ENTERPRISE)**

|                                                                                                                          | <b>September 30,<br/>2011<br/>(Unaudited)</b> | <b>December 31,<br/>2010</b> |
|--------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------|
| <b><u>ASSETS</u></b>                                                                                                     |                                               |                              |
| <b>CURRENT ASSETS</b>                                                                                                    |                                               |                              |
| Cash                                                                                                                     | \$ 130,554                                    | \$ 13,989                    |
| Prepaid expenses                                                                                                         | 6,600                                         | 2,082                        |
| <b>TOTAL CURRENT ASSETS</b>                                                                                              | <b>137,154</b>                                | <b>16,071</b>                |
| <b>COMPUTER EQUIPMENT AND WEBSITE COSTS, NET</b>                                                                         | <b>23,652</b>                                 | <b>25,283</b>                |
| <b>OTHER ASSETS</b>                                                                                                      |                                               |                              |
| Deposits                                                                                                                 | 4,290                                         | -                            |
| <b>TOTAL OTHER ASSETS</b>                                                                                                | <b>4,290</b>                                  | <b>-</b>                     |
| <b>TOTAL ASSETS</b>                                                                                                      | <b>\$ 165,096</b>                             | <b>\$ 41,354</b>             |
| <b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>                                                                       |                                               |                              |
| <b>CURRENT LIABILITIES</b>                                                                                               |                                               |                              |
| Accounts Payable                                                                                                         | \$ 9,356                                      | \$ 3,000                     |
| Accrued expenses                                                                                                         | 29,066                                        | -                            |
| Deferred revenue                                                                                                         | 124                                           | 4,960                        |
| Note Payable                                                                                                             | 2,000                                         | 15,000                       |
| <b>TOTAL CURRENT LIABILITIES</b>                                                                                         | <b>40,546</b>                                 | <b>22,960</b>                |
| <b>COMMITMENTS AND CONTINGENCIES</b>                                                                                     | <b>-</b>                                      | <b>-</b>                     |
| <b>STOCKHOLDERS' EQUITY</b>                                                                                              |                                               |                              |
| Preferred stock, \$0.001 par value, 5,000,000 shares authorized, 0 shares issued and outstanding, respectively           | -                                             | -                            |
| Common stock, \$0.001 par value, 195,000,000 shares authorized, 44,646,539 and 20,582,076 shares issued and outstanding, | 44,645                                        | 20,580                       |

respectively

|                                                   |                   |                  |
|---------------------------------------------------|-------------------|------------------|
| Additional paid in capital                        | 6,128,857         | 252,150          |
| Accumulated deficit during development stage      | (6,048,952)       | (254,336)        |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                 | <b>124,550</b>    | <b>18,394</b>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$ 165,096</b> | <b>\$ 41,354</b> |

See accompanying notes to condensed consolidated unaudited financial statements

**MMAX MEDIA INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**(UNAUDITED)**

|                                 | For the<br>Three Months<br>Ended<br>September 30,<br>2011 |           | For the<br>Three Months<br>Ended<br>September 30,<br>2010 |          | For the<br>Nine Months<br>Ended<br>September 30,<br>2011 |             | For the Period<br>from<br>January 22,<br>2010<br>(Inception) to<br>September 30,<br>2010 |           | For the Period<br>from<br>January 22,<br>2010<br>(Inception) to<br>September 30,<br>2011 |             |
|---------------------------------|-----------------------------------------------------------|-----------|-----------------------------------------------------------|----------|----------------------------------------------------------|-------------|------------------------------------------------------------------------------------------|-----------|------------------------------------------------------------------------------------------|-------------|
| <b>Revenue</b>                  |                                                           |           |                                                           |          |                                                          |             |                                                                                          |           |                                                                                          |             |
| Service                         |                                                           |           |                                                           |          |                                                          |             |                                                                                          |           |                                                                                          |             |
| Revenue, net                    | \$                                                        | 7,285     | \$                                                        | 13,176   | \$                                                       | 25,928      | \$                                                                                       | 17,731    | \$                                                                                       | 54,901      |
| <b>OPERATING<br/>EXPENSES</b>   |                                                           |           |                                                           |          |                                                          |             |                                                                                          |           |                                                                                          |             |
| Professional fees               |                                                           | 7,106     |                                                           | 775      |                                                          | 94,646      |                                                                                          | 1,780     |                                                                                          | 96,426      |
| Web development and hosting     |                                                           | 17,435    |                                                           | 1,473    |                                                          | 55,546      |                                                                                          | 9,487     |                                                                                          | 76,168      |
| Marketing                       |                                                           | 5,135     |                                                           | 1,028    |                                                          | 8,157       |                                                                                          | 3,022     |                                                                                          | 9,167       |
| Payroll and payroll taxes       |                                                           | 119,409   |                                                           | 28,628   |                                                          | 213,171     |                                                                                          | 80,767    |                                                                                          | 312,044     |
| Consulting                      |                                                           | 529,462   |                                                           | 1,530    |                                                          | 584,673     |                                                                                          | 2,568     |                                                                                          | 696,346     |
| Travel and entertainment        |                                                           | 9,135     |                                                           | 9,786    |                                                          | 22,156      |                                                                                          | 18,581    |                                                                                          | 48,343      |
| Impairment of goodwill          |                                                           | -         |                                                           | -        |                                                          | 4,706,558   |                                                                                          | -         |                                                                                          | 4,706,558   |
| General and administrative      |                                                           | 50,817    |                                                           | 10,606   |                                                          | 84,336      |                                                                                          | 17,593    |                                                                                          | 107,500     |
| Total Operating Expenses        |                                                           | 738,499   |                                                           | 53,826   |                                                          | 5,769,243   |                                                                                          | 133,798   |                                                                                          | 6,052,552   |
| <b>NET LOSS FROM OPERATIONS</b> |                                                           | (731,214) |                                                           | (40,650) |                                                          | (5,743,315) |                                                                                          | (116,067) |                                                                                          | (5,997,651) |
| <b>OTHER EXPENSES</b>           |                                                           |           |                                                           |          |                                                          |             |                                                                                          |           |                                                                                          |             |
| Liquidated damages              |                                                           | -         |                                                           | -        |                                                          | 16,575      |                                                                                          | -         |                                                                                          | 16,575      |
| Interest expense                |                                                           | -         |                                                           | -        |                                                          | 34,726      |                                                                                          | -         |                                                                                          | 34,726      |
| Total other expenses            |                                                           | -         |                                                           | -        |                                                          | 51,301      |                                                                                          | -         |                                                                                          | 51,301      |
|                                 |                                                           | (731,214) |                                                           | (40,650) |                                                          | (5,794,616) |                                                                                          | (116,067) |                                                                                          | (6,048,952) |

Net loss before  
provision for  
income taxes

Provision for  
Income Taxes

|                 |    |           |    |          |    |             |    |           |    |             |
|-----------------|----|-----------|----|----------|----|-------------|----|-----------|----|-------------|
| <b>NET LOSS</b> | \$ | (731,214) | \$ | (40,650) | \$ | (5,794,616) | \$ | (116,067) | \$ | (6,048,952) |
|-----------------|----|-----------|----|----------|----|-------------|----|-----------|----|-------------|

Net loss per  
share - basic and  
diluted

|    |        |    |        |    |        |    |        |
|----|--------|----|--------|----|--------|----|--------|
| \$ | (0.02) | \$ | (0.00) | \$ | (0.17) | \$ | (0.01) |
|----|--------|----|--------|----|--------|----|--------|

Weighted  
average number  
of shares  
outstanding  
during the period  
- basic and  
diluted

|            |            |            |            |
|------------|------------|------------|------------|
| 43,245,232 | 19,436,879 | 34,487,551 | 18,071,203 |
|------------|------------|------------|------------|

See accompanying notes to condensed consolidated unaudited financial statements

**MMAX MEDIA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(A DEVELOPMENT STAGE ENTERPRISE)**  
**(UNAUDITED)**

|                                                                             | <b>For the<br/>Nine Months<br/>Ended<br/>September 30,<br/>2011</b> | <b>For the<br/>Period From<br/>January 22,<br/>2010<br/>(Inception) to<br/>September 30,<br/>2010</b> | <b>For the<br/>Period From<br/>January 22,<br/>2010<br/>(Inception) to<br/>September 30,<br/>2011</b> |
|-----------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                |                                                                     |                                                                                                       |                                                                                                       |
| Net loss                                                                    | \$ (5,794,616)                                                      | \$ (116,067)                                                                                          | \$ (6,048,952)                                                                                        |
| Adjustments to reconcile net loss to net cash used in operating activities: |                                                                     |                                                                                                       |                                                                                                       |
| In-kind contribution                                                        | -                                                                   | 8,244                                                                                                 | 119,730                                                                                               |
| Depreciation                                                                | 6,786                                                               | 329                                                                                                   | 8,947                                                                                                 |
| Impairment of license                                                       | 1,454                                                               |                                                                                                       | 1,454                                                                                                 |
| Impairment of goodwill                                                      | 4,705,104                                                           |                                                                                                       | 4,705,104                                                                                             |
| Warrants issued for services                                                | 511,913                                                             | -                                                                                                     | 511,913                                                                                               |
| Common stock issued for services                                            | 95,000                                                              | -                                                                                                     | 95,000                                                                                                |
| Financing cost to note holders for interest                                 | 31,250                                                              | -                                                                                                     | 31,250                                                                                                |
| Beneficial conversion                                                       | 3,000                                                               | -                                                                                                     | 3,000                                                                                                 |
| Changes in operating assets and liabilities:                                |                                                                     |                                                                                                       |                                                                                                       |
| Decrease / (increase) in prepaid expenses                                   | (18)                                                                | -                                                                                                     | (2,100)                                                                                               |
| Increase in accounts payable                                                | 22,848                                                              | -                                                                                                     | 25,848                                                                                                |
| Increase in liquidated damages                                              | 16,575                                                              | -                                                                                                     | 16,575                                                                                                |
| (Decrease) / increase in deferred revenue                                   | (4,836)                                                             | -                                                                                                     | 124                                                                                                   |
| Net Cash Used In Operating Activities                                       | (405,540)                                                           | (107,494)                                                                                             | (532,107)                                                                                             |
| <b>CASH FLOWS USED IN INVESTING ACTIVITIES:</b>                             |                                                                     |                                                                                                       |                                                                                                       |
| Deposits                                                                    | (4,290)                                                             | -                                                                                                     | (4,290)                                                                                               |
| Purchase of computer equipment and website                                  | (5,155)                                                             | (4,958)                                                                                               | (32,599)                                                                                              |
| Cash acquired in acquisition                                                | 4,088                                                               | -                                                                                                     | 4,088                                                                                                 |
| Net Cash Used In Investing Activities                                       | (5,357)                                                             | (4,958)                                                                                               | (32,801)                                                                                              |

**CASH FLOWS FROM FINANCING  
ACTIVITIES:**

|                                                          |                |               |                |
|----------------------------------------------------------|----------------|---------------|----------------|
| Notes payable                                            | 30,000         | -             | 45,000         |
| Repayment of notes payable                               | (30,000)       | -             | (30,000)       |
| Sale of common stock                                     | 527,462        | 142,962       | 680,462        |
| Net Cash Provided By Financing<br>Activities             | 527,462        | 142,962       | 695,462        |
| <br>NET INCREASE IN CASH                                 | <br>116,565    | <br>30,510    | <br>130,554    |
| <br>CASH AND CASH EQUIVALENTS<br>AT BEGINNING OF PERIOD  | <br>13,989     | <br>-         | <br>-          |
| <br>CASH AND CASH EQUIVALENTS<br>AT END OF PERIOD        | <br>\$ 130,554 | <br>\$ 30,510 | <br>\$ 130,554 |
| <br>Cash paid for income taxes                           | <br>\$ -       | <br>\$ -      | <br>-          |
| Cash paid for interest expense                           | \$ -           | \$ -          | -              |
| Impairment of goodwill acquired and<br>license agreement | \$ 4,706,558   | \$ -          | \$ 4,706,558   |
| Common stock issued for payment of<br>liquated damages   | \$ 16,575      | \$ -          | \$ 16,575      |
| Common stock issued for prepaid<br>expenses              | \$ 4,500       | \$ -          | \$ 4,500       |

On March 16, 2011, the Company issued 144,000 shares of common stock in exchange for a note payable of \$15,000 with a beneficial conversion feature valued at \$3,000.

On March 16, 2011, the Company issued 12,403,374 common shares and 638,602 preferred shares for the acquisition of MMAX Media, Inc. The shares were valued at the closing stock price of \$0.25 per share for total merger consideration of \$4,696,072.

See accompanying notes to condensed consolidated unaudited financial statements

**MMAX MEDIA, INC AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**( A DEVELOPMENT STAGE ENTERPRISE)**  
**(UNAUDITED)**

|                                                 | Preferred Stock |              | Common Stock |           |                                  | Accumulated<br>Deficit<br>During | Total                   |
|-------------------------------------------------|-----------------|--------------|--------------|-----------|----------------------------------|----------------------------------|-------------------------|
|                                                 | Shares          | Par<br>Value | Shares       | Par Value | Additional<br>Paid-in<br>Capital | Development<br>Stage             | Stockholders'<br>Equity |
| Balance<br>January 22,<br>2010<br>(Inception)   | -               | \$ -         | -            | \$ -      | - \$                             | - \$                             | -                       |
| Issuance of<br>stock for cash<br>(founders)     | -               | -            | 14,370,816   | 14,370    | (14,332)                         | -                                | 38                      |
| Issuance of<br>stock for cash                   | -               | -            | 5,420,333    | 5,420     | 147,580                          | -                                | 153,000                 |
| Issuance of<br>stock for<br>services            | -               | -            | 790,927      | 790       | 109,845                          | -                                | 110,635                 |
| In contribution<br>of services                  | -               | -            | -            | -         | 9,057                            | -                                | 9,057                   |
| Net Loss                                        | -               | -            | -            | -         | -                                | (254,336)                        | (254,336)               |
| Balance,<br>December 31,<br>2010                | -               | -            | 20,582,076   | 20,580    | 252,150                          | (254,336)                        | 18,394                  |
| Stock issued<br>for services                    | -               | -            | 427,319      | 427       | 86,573                           | -                                | 87,000                  |
| Issuance of<br>stock for<br>Purchase of<br>MMAX | 638,602         | 638          | 12,403,374   | 12,403    | 4,683,031                        | -                                | 4,696,072               |

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Media, Inc.

Issuance of  
stock for cash,  
net of  
expenses  
\$8,788

|   |   |           |       |         |   |         |
|---|---|-----------|-------|---------|---|---------|
| - | - | 4,290,000 | 4,290 | 523,172 | - | 527,462 |
|---|---|-----------|-------|---------|---|---------|

Issuance for  
loan  
conversion

|   |   |         |     |        |   |        |
|---|---|---------|-----|--------|---|--------|
| - | - | 394,000 | 394 | 48,856 | - | 49,250 |
|---|---|---------|-----|--------|---|--------|

Issuance of  
stock for legal  
services

|   |   |         |     |        |   |        |
|---|---|---------|-----|--------|---|--------|
| - | - | 100,000 | 100 | 12,400 | - | 12,500 |
|---|---|---------|-----|--------|---|--------|

Issuance of  
stock for  
liquidated  
damages

|  |  |        |    |        |   |        |
|--|--|--------|----|--------|---|--------|
|  |  | 63,750 | 64 | 16,511 | - | 16,575 |
|--|--|--------|----|--------|---|--------|

Warrants and  
Options issued  
for services

|   |   |   |   |         |   |         |
|---|---|---|---|---------|---|---------|
| - | - | - | - | 511,913 | - | 511,913 |
|---|---|---|---|---------|---|---------|

Conversion of  
preferred stock  
to common  
stock

|           |       |           |       |         |   |   |
|-----------|-------|-----------|-------|---------|---|---|
| (638,602) | (638) | 6,386,020 | 6,387 | (5,749) | - | - |
|-----------|-------|-----------|-------|---------|---|---|

Net Loss for  
the nine  
months ended  
September 30,  
2011

|   |   |   |   |   |             |             |
|---|---|---|---|---|-------------|-------------|
| - | - | - | - | - | (5,794,616) | (5,794,616) |
|---|---|---|---|---|-------------|-------------|

Balance,  
September 30,  
2011

|   |    |   |            |    |        |    |           |    |             |    |         |
|---|----|---|------------|----|--------|----|-----------|----|-------------|----|---------|
| - | \$ | - | 44,646,539 | \$ | 44,645 | \$ | 6,128,857 | \$ | (6,048,952) | \$ | 124,550 |
|---|----|---|------------|----|--------|----|-----------|----|-------------|----|---------|

See accompanying notes to condensed consolidated unaudited financial statements



**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

**NOTE 1 ORGANIZATION, NATURE OF BUSINESS AND GOING CONCERN**

**(A)**

***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion however, that all material adjustments (consisting of normal recurring adjustments) have been made, which are necessary for a fair consolidated financial statements presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

**(B)**

***Organization***

On March 16, 2011 (the "Closing Date") MMAX Media, Inc. ("MMAX") completed its agreement and plan of merger (the "Merger Agreement") to acquire Hyperlocal Marketing, LLC, a Florida limited liability company ("Hyperlocal"), pursuant to which Hyperlocal merged with and into HLM Paymeon, Inc., a Florida corporation and wholly owned subsidiary of MMAX. Under the terms of the Merger Agreement, the Hyperlocal members received 20,789,395 shares of MMAX common stock, which equal approximately 50.1% of the total shares of MMAX issued and outstanding following the merger on a fully diluted basis. In accordance with ASC Topic 360-10-45-15, the transaction is accounted for as a reverse acquisition and Hyperlocal is considered the accounting acquirer and the acquiree is MMAX since the members of Hyperlocal obtained voting and management control of MMAX.

Hyperlocal Marketing, LLC was originally organized in the State of Florida on January 22, 2010. The Company has focused its efforts on organizational activities, raising capital, software development and evaluating operational opportunities.

Hyperlocal is a development stage company that owns and operates products aimed at the location-based marketing industry. Hyperlocal develops and markets products that provide merchants and consumers with mobile marketing services and offers, including but not limited to, mobile coupons, mobile business cards, mobile websites, use of SMS short codes and contest management. Hyperlocal has nominal revenues since its inception. Hyperlocal has also developed "PayMeOn", a product designed to offer its customers income potential through the purchase and referral of coupon-style deals through its mobile and web interfaces.

MMAX Media, Inc. and its wholly owned subsidiaries are herein referred to as the Company .

(C)

***Principles of Consolidation***

The accompanying unaudited condensed consolidated financial statements include the accounts of MMAX Media, Inc. from the acquisition date of March 16, 2011 to September 30, 2011 and its wholly owned subsidiaries, Hyperlocal Marketing, LLC. and HLM Paymeon, Inc. from January 22, 2010 (inception) through September 30, 2011. All intercompany accounts have been eliminated in the consolidation.

(D)

***Going Concern***

Since inception, the Company has incurred net operating losses and used cash in operations. As of September 30, 2011, the Company had an accumulated deficit of \$6,048,952 and used cash in operations of \$533,496 from inception. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of the Company's products which included the general and administrative expenses associated with its organization and product development and the impairment of goodwill and licenses in the amount of \$4,705,104 and \$1,454, respectively.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to reflect the possible future effect on the recoverability and classification of assets or the amounts and classifications of liabilities that may result from the outcome of these uncertainties. Management believes that the actions presently being taken to obtain additional funding and implement its strategic plan provides the opportunity for the Company to continue as a going concern.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(A)**

***Cash and Cash Equivalents***

The Company considers investments that have original maturities of three months or less when purchased to be cash equivalents.

**(B)**

***Use of Estimates in Financial Statements***

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates during the period covered by these financial statements include the valuation of website costs, goodwill, stock based compensation and any beneficial conversion features on convertible debt.

**(C)**

***Fair value measurements and Fair value of Financial Instruments***

The Company adopted ASC Topic 820, Fair Value Measurements. ASC Topic 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-Inputs are unadjusted quoted prices in active markets for identical assets or liabilities available at the measurement date.

Level 2-Inputs are unadjusted quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, inputs other than quoted prices that are

observable, and inputs derived from or corroborated by observable market data.

Level 3-Inputs are unobservable inputs which reflect the reporting entity's own assumptions on what assumptions the market participants would use in pricing the asset or liability based on the best available information.

The Company did not identify any assets or liabilities that are required to be presented on the balance sheets at fair value in accordance with ASC Topic 820.

Due to the short-term nature of all financial assets and liabilities, their carrying value approximates their fair value as of the balance sheet date.

**(D)**

***Computer Equipment and Website Costs***

Computer Equipment and Website Costs are capitalized at cost, net of accumulated depreciation. Depreciation is calculated by using the straight-line method over the estimated useful lives of the assets, which is three years for all categories. Repairs and maintenance are charged to expense as incurred. Expenditures for betterments and renewals are capitalized. The cost of computer equipment and the related accumulated depreciation are removed from the accounts upon retirement or disposal with any resulting gain or loss being recorded in operations.

Software maintenance costs are charged to expense as incurred. Expenditures for enhanced functionality are capitalized.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

The Company has adopted the provisions of ASC 350-50-15, Accounting for Web Site Development Costs. Costs incurred in the planning stage of a website are expensed as research and development while costs incurred in the development stage are capitalized and amortized over the life of the asset, estimated to be three years.

**(E)**

***Impairment of Long-Lived Assets***

The Company evaluates its long-lived assets for impairment whenever events or a change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset.

**(F)**

***Income Taxes***

The Company accounts for income taxes under FASB Codification Topic 740-10-25 ( ASC 740-10-25 ). Under ASC 740-10-25, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under ASC 740-10-25, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

**(G)**

***Revenue Recognition***

The Company recognizes revenue on arrangements in accordance with FASB ASC No. 605, Revenue Recognition . In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes revenue from the sale of keywords over the period the keywords are purchased for exclusive use, usually one year.

The Company recognizes revenue from setup fees in accordance with Topic 13, which requires the fees to be deferred and amortized over the term of the agreements. Revenue from the sale of bulk text messages sales are recognized at

the time messages are delivered. Revenue from monthly membership fees are recorded during the month the membership is earned.

**(H)**

***Segments***

The Company operates in one segment and therefore segment information is not presented.

**(I)**

***Loss Per Share***

The basic loss per share is calculated by dividing the Company's net loss available to common shareholders by the weighted average number of common shares during the year. The diluted loss per share is calculated by dividing the Company's net loss available to common shareholders by the diluted weighted average number of shares outstanding during the period. The diluted weighted average number of shares outstanding is the basic weighted number of shares adjusted for any potentially dilutive debt or equity. As of September 30, 2011 there are no preferred shares outstanding. The Company has 11,200,000 shares issuable upon the exercise of warrants that were not included in the computation of dilutive loss per share because their inclusion is anti-dilutive. There are no dilutive securities outstanding as of September 30, 2010.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

**NOTE 3 RECENT ACCOUNTING PRONOUNCEMENTS**

ASU No. 2011-03; Reconsideration of Effective Control for Repurchase Agreements. In April 2011, the FASB issued ASU No. 2011-03. The amendments in this ASU remove from the assessment of effective control the criterion relating to the transferor's ability to repurchase or redeem financial assets on substantially the agreed terms, even in the event of default by the transferee. The amendments in this ASU also eliminate the requirement to demonstrate that the transferor possesses adequate collateral to fund substantially all the cost of purchasing replacement financial assets.

The guidance in this ASU is effective for the first interim or annual period beginning on or after December 15, 2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted. The Company will adopt the methodologies prescribed by this ASU by the date required, and does not anticipate that the ASU will have a material effect on its financial position or results of operations.

ASU No. 2011-04; Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. In May 2011, the FASB issued ASU No. 2011-04. The amendments in this ASU generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This ASU results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRSs. The amendments in this ASU are to be applied prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted.

The Company will adopt the methodologies prescribed by this ASU by the date required, and does not anticipate that the ASU will have a material effect on its financial position or results of operations.

ASU No. 2011-05; Amendments to Topic 220, Comprehensive Income. In June 2011, the FASB issued ASU No. 2011-05. Under the amendments in this ASU, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

The amendments in this ASU should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted,

because compliance with the amendments is already permitted. The amendments do not require any transition disclosures. Due to the recent of this pronouncement, the Company is evaluating its timing of adoption of ASU 2011-05, but will adopt the ASU retrospectively by the due date.

**NOTE 4 LICENSES**

On February 1, 2010, the Company entered into a distribution license agreement valued at \$4,363. Accumulated amortization for the distribution license was \$2,909 as of June 30, 2011. The unamortized amount of \$1,454 was impaired and expensed during the quarter ended June 30, 2011.

**MMAX MEDIA, INC. AND SUBSIDIARIES****(A DEVELOPMENT STAGE ENTERPRISE)****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****AS OF SEPTEMBER 30, 2011 (UNAUDITED)****NOTE 5 ACQUISITION**

On March 16, 2011 (the Closing Date ) MMAX Media, Inc. completed its agreement and plan of merger (the Merger Agreement ) to acquire Hyperlocal Marketing, LLC, a Florida limited liability company ( Hyperlocal ), pursuant to which Hyperlocal merged with and into HLM Paymeon, Inc., a Florida corporation and wholly owned subsidiary of MMAX. Under the terms of the Merger Agreement, the Hyperlocal members received 20,789,395 shares of MMAX common stock. In accordance with ASC Topic 360-10-45-15, the transaction is accounted for as a reverse acquisition and Hyperlocal is considered the accounting acquirer and the acquiree is MMAX since the members of Hyperlocal obtained voting and management control of MMAX. Hyperlocal is deemed to have issued 638,602 preferred shares and 12,403,374 common shares pursuant to the reverse merger (See note 9).

The purchase price was allocated first to record identifiable assets acquired and liabilities assumed at fair value and the remainder to goodwill as follows:

|                                          |    |           |
|------------------------------------------|----|-----------|
| Cash                                     | \$ | 4,088     |
| License                                  |    | 1,453     |
| Total assets acquired                    |    | 5,541     |
| Accounts payable and accrued liabilities |    | (14,573)  |
| Total liabilities assumed                |    | (14,573)  |
| Goodwill                                 |    | 4,705,104 |
| Total purchase price                     | \$ | 4,696,072 |

At June 30, 2011 the Company determined there was no future economic value for the goodwill and license acquired and fully impaired the assets in the amount of \$4,705,104 and \$1,454, respectively.

The amounts of MMAX's revenue and net loss included in the unaudited Company's consolidated statement of operations for the nine months ended September 30, 2011, and the unaudited supplemental pro forma revenue and net loss of the combined entity give effect to the acquisition had it occurred January 1, 2010 are as follows:

|                                                                                             |          | (Unaudited) |                   |
|---------------------------------------------------------------------------------------------|----------|-------------|-------------------|
|                                                                                             | Revenues |             | Net Income (Loss) |
| Supplemental consolidated proforma information for the nine months ended September 30, 2011 | \$       | 25,928      | \$ (6,018,972)    |
|                                                                                             | \$       | 28,973      | \$ (2,183,046)    |

Supplemental consolidated pro forma information for the  
year ended December 31, 2010

In preparing the unaudited pro forma information, various assumptions were made, and the Company does not purport this information to be indicative of what would have occurred had acquisition been made as of January 1, 2010, nor is it indicative of the results of future combined operations.

**NOTE 6 LIQUIDATED DAMAGES**

Pursuant to the Company's private placement completed during the six months ended June 30, 2011 in the gross amount of \$276,250, as of June 30, 2011 purchasers under the private placement (the "Holders") are entitled to liquidated damages if a registration statement covering the resale of the 2,210,000 shares of common stock sold under the private placement (the "Registrable Securities") is not filed within 60 days of the termination date of the private placement and declared effective within 180 days of the termination date. The Company shall make pro rata payments to each Holder, in an amount equal to 1.0% of the aggregate amount invested by such Holder (based upon the number of Registrable Securities then owned by such Holder) for each 30-day period or pro rata for any portion

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

thereof following the date by which such Registration Statement should have been filed or effective (the "Blackout Period"). Such payments shall constitute the Holder's exclusive monetary remedy for such events, but shall not affect the right of the Holder to seek injunctive relief. The amounts payable as liquidated damages shall be paid monthly within ten (10) business days of the last day of each month following the commencement of the Blackout Period until the termination of the Blackout Period. Such payments shall be made to each holder at the sole option of the Company in either cash or shares of Common Stock. Furthermore, the damages payable to each holder shall not exceed 6% of the aggregate amount invested by such Holder. At September 30, 2011 the Company has not filed the required registration statement and issued a total of 63,750 shares of common stock value at \$16,575 (\$.26 per share) as payment for liquidated damages.

**NOTE 7 NOTES PAYABLE**

In December and September 2010, the Company issued unsecured, non-interest bearing, due on demand notes for \$8,000 and \$16,000, respectively. During the quarter ended December 31, 2010 the Company repaid \$22,000. As of September 30, 2011, the outstanding principal balance of the notes was \$2,000.

On December 5, 2010 the Company borrowed \$15,000 pursuant to a note payable. The note bears interest at a rate of 10% per annum and is payable upon demand by the holder after March 10, 2011. As additional consideration the holder is entitled to receive 100,000 shares of common stock in a newly formed entity if the Company completed the merger by March 10, 2011. If the Company completed the merger after March 10, 2011 the holder is entitled to 150,000 shares of common stock in the newly formed entity. If the Company did not complete the merger, the holder is not entitled to any shares of common stock. The Company completed the Merger on March 16, 2011 and issued 150,000 shares of common stock valued at a recent cash offering price of \$18,750 (\$.125 per share) as additional consideration. The Company repaid the note on March 23, 2011. On January 21, 2011, the Company borrowed \$15,000 pursuant to a convertible note payable. The note bears interest at a rate of 10% per annum and is payable July 20, 2011. If the Company completes the merger prior to July 20, 2011 the note and accrued interest automatically converts into 144,000 shares of common stock in the newly formed entity. If the Company has not completed the merger by July 20, 2011 the note and accrued interest is due the holder. On March 16, 2011 the Company completed the merger and issued 144,000 shares of common stock value at a recent cash offering price of \$18,000 (\$.125 per share) for principal of \$15,000. On March 16, 2011, when the loan became convertible and was repaid, the Company recorded a beneficial conversion expense of \$3,000 in interest expense and paid accrued interest of \$99.

On February 3, 2011, the Company borrowed \$15,000 pursuant to a note payable. The note bears interest at a rate of 10% per annum and is payable upon demand by the holder after March 10, 2011. As additional consideration the holder is entitled to receive 100,000 shares of common stock in the newly formed entity if the Company completed the merger by March 10, 2011. If the Company completed the merger after March 10, 2011 the holder is entitled to 150,000 shares of common stock in the newly formed entity. The Company completed the Merger on March 16, 2011 and issued 100,000 shares of common stock valued at a recent cash offering price of \$12,500 (\$.125 per share) as additional consideration. The Company repaid the note on March 23, 2011.

**NOTE 8 COMMITMENTS AND CONTINGENCIES**

During January 2011, the Company entered into a two year software development and marketing agreement with a software developer. The agreement requires the developer to develop an application to use the Company's product in an iPhone application. The agreement requires the application to reach one of the following milestones; 200,000 downloads or 10,000 gift certificate purchases within 60 days of the application becoming available. The developer is entitled to 3% of the gross sales of the gift certificates and the issuance of 207,319 shares of common stock of the Company upon meeting the milestone. In January 2011, the Company amended the agreement to remove the milestones and issued the developer 207,319 shares of common stock valued at a recent cash offering cost of \$29,000 (\$0.14 per share). As of September 30, 2011 there were no amounts owed.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling \$250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of \$50,000 in total. During the three months ended September 30, 2011 the Company recorded a salary expense of \$ 33,963 including the prorated portions of the minimum annual bonus of \$2,524. Accrued compensation at September 30, 2011 was \$6,868.

**NOTE 9 STOCKHOLDERS EQUITY**

The Company is authorized to issue up to 195,000,000 shares of common stock, par value \$0.001, and up to 5,000,000 shares of convertible preferred stock, par value \$0.001.

Each share of the convertible preferred stock can be exchanged for ten (10) shares of common stock of the Company.

During January 2010, the Company issued 14,370,816 shares to founders for services. The shares were valued at the fair value on the date of grant of \$38 (\$.000003 per share).

During March 2010, the Company issued 5,134,375 shares for cash of \$133,000 (\$.026 per share).

During June 2010, the Company issued 285,958 shares for cash of \$20,000 (\$.07 per share).

During 2010, the Company issued 790,927 shares for services with a fair value on the date of grant of \$110,635 (\$.14 per share).

During 2010, a related party shareholder contributed \$9,057 of salary back to the Company. The amount was recorded as an in-kind contribution by the shareholder.

During January 2011, the Company issued 207,319 shares of common stock for software development with a fair value of \$29,000, based on a recent cash offering price (\$.139 per share).

On March 16, 2011 (the Closing Date ) the Company was deemed to have issued 638,602 convertible preferred shares and 12,403,374 common shares for the acquisition of 100% of MMAX Media, Inc. ( MMAX ) pursuant to a reverse acquisition. The shares were valued at the closing stock price on the date of acquisition which equaled a fair value of \$4,696,072 (See note 5).

On the Closing Date March 16, 2011, the Company completed a private placement (the Private Placement ) and sold an aggregate of 2,000,000 shares of restricted shares of Common Stock to 10 accredited investors for gross proceeds of \$250,000 (\$.125 per share) and paid direct offering costs of \$8,788.

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From the period March 17, 2011 to September 30, 2011 the Company sold an additional 2,290,000 shares of common stock for gross proceeds of \$286,250 (\$.125 per share).

During the nine months ended September 30, 2011, the Company issued 100,000 shares of common stock for legal services with a fair value of \$12,500 based on a recent cash offering price (\$.125 per share).

During the nine months ended September 30, 2011, the Company issued 144,000 shares of common stock for the conversion of a note payable of \$15,000. In addition the Company recorded a beneficial conversion expense of \$3,000 based on a recent cash offering price (\$.125 per share).

During the nine months ended September 30, 2011, the Company issued 250,000 shares of common stock for financing costs on notes payable of \$31,250 based on a recent cash offering price (\$.125 per share) (see note 7).

On May 11, 2011, 176,335 shares of convertible preferred stock were converted into 1,763,350 shares of common stock.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF SEPTEMBER 30, 2011 (UNAUDITED)**

On June 30, 2011, 184,534 shares of convertible preferred stock were converted into 1,845,340 shares of common stock.

On July 1, 2011 the Company issued 20,000 shares of common stock for services with a fair value of \$6,000 (\$.30 per share).

On July 12, 2011, 193,576 shares of convertible preferred stock were converted into 1,935,760 shares of common stock.

On August 11, 2011, 84,157 shares of convertible preferred stock were converted into 841,570 shares of common stock.

On September 9, 2011 the Company issued 200,000 shares of common stock for services with a fair value of \$52,000 (\$.26 per share).

On September 30, 2011 the Company has issued a total of 63,750 shares of common stock value at \$16,575 (\$.26 per share) as payment for liquidated damages.

**Options and Warrants**

The following tables summarize all warrant grants to consultants for the nine months ended September 30, 2011, and the related changes during these periods are presented below.

|                                                                         | <b>Number of<br/>Options and<br/>Warrants</b> | <b>Weighted Average<br/>Exercise Price</b> |
|-------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|
| <b>Stock Options and Warrants</b>                                       |                                               |                                            |
| Balance at December 31, 2010                                            |                                               |                                            |
| Granted                                                                 | 11,200,000                                    | \$0.22                                     |
| Exercised                                                               |                                               |                                            |
| Expired                                                                 |                                               |                                            |
| Balance at September 30, 2011                                           | 11,200,000                                    | \$0.22                                     |
| Warrants Exercisable at September 30, 2011                              | 3,100,000                                     | \$0.19                                     |
| Weighted Average Fair Value of Options and Warrants Granted During 2011 |                                               | \$0.22                                     |

Of the total options and warrants granted, 3,100,000 are fully vested, exercisable and non forfeitable.

The following table summarizes information about options and warrants for the Company as of September 30, 2011:

| Range of<br>Exercise<br>Price | 2011 Options and Warrants Outstanding |             |          | Options and Warrants Exercisable |          |
|-------------------------------|---------------------------------------|-------------|----------|----------------------------------|----------|
|                               | Number                                | Weighted    | Weighted | Number                           | Weighted |
|                               | Outstanding                           | Average     | Average  | Exercisable                      | Average  |
|                               | at                                    |             |          | at                               |          |
|                               | September 30,                         | Remaining   | Exercise | September 30                     | Exercise |
|                               | 2011                                  | Contractual | Price    | 2011                             | Price    |
| \$ .16 to \$.26               | 11,200,000                            | 3.70        | \$0.22   | 3,100,000                        | \$0.19   |

On March 24, 2011, the Company granted 500,000 three year warrants having an exercise price of \$0.25 per share to a consultant for services. The warrants vest immediately. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 72%, risk free interest rate of .72%, and expected life of 2 years. For the three and nine months ended September 30, 2011 the Company expensed \$0 and \$12,322, respectively their fair value.

**MMAX MEDIA, INC. AND SUBSIDIARIES**

**(A DEVELOPMENT STAGE ENTERPRISE)**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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On July 7, 2011, the Company granted options to purchase 200,000 shares of its common stock having an exercise price of \$0.26 per share to a consultant. Options to purchase 100,000 shares are exercisable upon the date of grant and the remaining options to purchase 100,000 shares are exercisable six months from the date of grant. The options expire on July 7, 2012. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 173%, risk free interest rate of .17%, and expected life of 1 year. For the three and nine months ended September 30, 2011 the Company expensed \$23,895 and \$23,895, respectively their fair value.

On July 7, 2011, the Company granted options to purchase 100,000 shares of its common stock to a consultant at an exercise price of \$0.26 per share. The options vest immediately. The options expire on July 7, 2013. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 173%, risk free interest rate of .17%, and expected life of 1 year. For the three and nine months ended September 30, 2011 the Company expensed \$15,930 and \$15,930, respectively their fair value.

On July 7, 2011, the Company granted options to purchase 100,000 shares of its common stock to an employee at an exercise price of \$0.26 per share. The options vest immediately. The options expire on July 7, 2013. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 173%, risk free interest rate of .17%, and expected life of 1 year. For the three and nine months ended September 30, 2011 the Company expensed \$15,930 and \$15,930 respectively their fair value.

On September 8, 2011, the Company granted options to purchase 2,000,000 shares of its common stock to consultants at an exercise price of \$0.16 per share. The options vest immediately. The options expire on September 8, 2015. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 182%, risk free interest rate of .12%, and expected life of 1 year. For the three and nine months ended September 30, 2011 the Company expensed \$304,672 and \$304,672, respectively their fair value.

On September 8, 2011, the Company granted options to purchase 8,000,000 shares of its common stock to consultants at an exercise price of \$0.23 per share. The options vest over various terms for each consultant ranging from 2-3 years. The options expire on September 8, 2015. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 182%, risk free interest rates of .19% to .33% based on expected life, and expected lives of 2 or 3 years. For the three and nine months ended September 30, 2011 the Company expensed \$84,511 and \$84,511, respectively their fair value.

On September 9, 2011, the Company issued options to purchase 300,000 shares of its common stock to a consultant at an exercise price of \$0.18 per share. The options vest immediately. The options expire on September 9, 2012. The Options were valued using the Black-Scholes Option Pricing Model with the following assumptions: dividend yield of 0%, annual volatility of 182%, risk free interest rate of .12%, and expected life of 1 year. For the three and nine months ended September 30, 2011 the Company expensed \$54,653 and \$54,653, respectively their fair value.

**NOTE 10 RELATED PARTIES**

During 2010, a related party shareholder and officer contributed \$9,057 of salary to the Company. The amount was recorded as an in-kind contribution.

On August 15, 2011, the Company entered into an employment agreement with its Chief Executive Officer. The agreement is for a period of one year and automatically extends for one day each day until either party notifies the other not to further extend the employment period, provides for an annual base salary totaling \$250,000 and annual bonuses based on pre-tax operating income, as defined, for an annual minimum of \$50,000 in total. During the three months ended September 30, 2011 the Company recorded a salary expense of \$ 33,963 including the prorate portions of the minimum annual bonus of \$2,524. Accrued compensation at September 30, 2011 was \$6,868.

**NOTE 11 CONCENTRATIONS**

For the nine months ended September 30, 2011 and the period from January 22, 2010 inception to September 30, 2011 one customer accounted for 42% and 20% of total sales, respectively.

## ITEM 2.

### MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are based on our management's beliefs, assumptions and expectations and on information currently available to our management. Generally, you can identify forward-looking statements by terms such as may, will, should, could, would, expects, plans, anticipates, believes, estimates, projects, predicts, expressions intended to identify forward-looking statements, which generally are not historical in nature. All statements that address operating or financial performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements, including without limitation our expectations with respect to product sales, future financings, or the commercial success of our products. We may not actually achieve the plans, projections or expectations disclosed in forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Our management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on forward-looking statements because they speak only as of the date when made. We do not assume any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by federal securities laws and the rules of the Securities and Exchange Commission (the SEC). We may not actually achieve the plans, projections or expectations disclosed in our forward-looking statements, and actual results, developments or events could differ materially from those disclosed in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including without limitation those described from time to time in our future reports filed with the SEC.

The following discussion and analysis of our financial condition and results of operations should be read together with our unaudited interim consolidated condensed financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q.

#### *Company Overview*

MMAX Media, Inc. (the Company or MMAX), a development stage enterprise, was formed on May 30, 2006 as Nevada Processing Solutions. On March 16, 2011 (the Closing Date) MMAX completed its agreement and plan of merger (the Merger Agreement) to acquire Hyperlocal Marketing, LLC, a Florida limited liability company (Hyperlocal), pursuant to which Hyperlocal merged with and into HLM Paymeon, Inc., a Florida corporation and wholly owned subsidiary of MMAX. Pursuant to the terms of the Merger Agreement, Tommy Habeeb resigned as our chief executive officer and director and Edward Cespedes was appointed to serve as our chief executive officer and director. Under the terms of the Merger Agreement, the Hyperlocal members received 20,789,395 shares of MMAX common stock, which equal approximately 50.1% of the total shares of MMAX issued and outstanding following the merger on a fully diluted basis. Prior to the Merger Agreement, from February 2010 through early 2011 the Company had attempted to commercialize certain mixed martial arts television programming and related intellectual property rights and to promote live mixed martial arts combat events. In accordance with ASC Topic 360-10-45-15, Hyperlocal is considered the accounting acquirer and MMAX is considered the accounting acquiree.

#### *Hyperlocal Business Overview*

As a result of the merger, we principally engage in the operations of Hyperlocal, a development stage company that owns and operates products aimed at the location-based marketing industry. Hyperlocal develops and markets products that provide merchants and consumers with mobile marketing services and offers, including but not limited to, mobile coupons, mobile business cards, mobile websites, use of SMS short codes and contest management. Hyperlocal was organized in January 2010. Hyperlocal has nominal revenues since its inception.

Since inception, Hyperlocal has incurred net operating losses. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of the Hyperlocal products which included the general and administrative expenses associated with its organization and product development. We

expect operating losses to continue, mainly due to the anticipated expenses associated with the marketing of the Hyperlocal products.

Hyperlocal supports multiple text messaging services such as WAP, MMS and XHTML, runs on a commercial grade mobile marketing platform used by the National Football League, Major League Baseball and others and operates with all major mobile carriers, including AT&T, Sprint, T-Mobile and Verizon. The fully-integrated interface allows for web-based monitoring of customers. It provides access to real-time statistics for each customer's account, including incoming and outgoing messages, number of keywords, credits, account status and more.

Hyperlocal has also developed PayMeOn, a product designed to offer its customers' social income™ potential through the purchase and referral of "coupon-style" deals through its mobile and web interfaces. The PayMeOn product will pay customers that refer "coupon-style" deals a "payout" amount for successful referrals (referrals that result in a purchase).

Payout amounts come from our monetary share of the deals we offer. We believe that we will be able to offer competitive payout amounts because of our low overhead and because we believe that the cash incentive will result in higher sharing rates among our customers. PayMeOn intends to derive its net income from the difference of what it charges consumers for a particular deal and what it owes merchants as their share of a particular deal. The difference is PayMeOn's net revenue. PayMeOn establishes a payout amount for each of the deals it offers from its share of the net revenue. PayMeOn users earn their social income from the payout amount established by PayMeOn.

Our operations are currently conducted principally through our wholly-owned subsidiary, HLM PayMeOn, Inc.

### ***Critical Accounting Policies and Estimates***

#### **Revenue Recognition**

The Company will recognize revenue on arrangements in accordance with FASB ASC No. 605, Revenue Recognition. In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

The Company recognizes revenue from the sale of keywords over the period the keywords are purchased for exclusive use, usually one year.

The Company recognizes revenue from setup fees in accordance with Topic 13, which requires the fees to be deferred and amortized over the term of the agreements. Revenue from the sale of bulk text messages sales are recognized at the time messages are delivered. Revenue from monthly membership fees are recorded during the month the membership is earned.

#### **Impairment of Long-Lived Assets**

The Company evaluates its long-lived assets for impairment whenever events or a change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset.

### ***Results of Operations***

Hyperlocal was formed and commenced operations on January 22, 2010, as a development stage company. Accordingly, year over year comparisons and analysis are not meaningful for the nine month period ending September 30, 2010, as compared to the nine month period ending September 30, 2011. Revenues for the three months ended September 30, 2011, totaled \$7,285 and were principally derived from sales of the Company's Hyperlocal mobile text marketing packages to small businesses and from incremental text purchases from subscribers to the mobile text marketing packages. A small amount of sales were derived from our PayMeOn business, which is still in its development stage. Revenues for the three months ended September 30, 2010, were \$13,176 and substantially all revenues were derived from Hyperlocal mobile text marketing packages.

Operating expenses for the three months ended September 30, 2011 totaled \$738,499. Operating expenses were largely made up of a \$529,462 non cash expense primarily related to the issuance of warrants issued to certain consultants and service providers in consideration of marketing, business and general consulting services. Operating expenses for the three months ended September 30, 2010, totaled \$53,826, the majority of which was related to payroll and payroll taxes (\$28,628), travel and entertainment (\$9,786) and general and administrative expenses (\$10,606). A summary of the operating expenses for the three months ended September 30, 2011, is included below:

- professional fees of \$7,106 primarily related to legal and accounting expenses associated with the operations of our business and SEC reporting;
- web development and hosting in the amount of \$17,435 primarily related to the development and hosting of the Company's PayMeOn infrastructure;
- payroll and payroll taxes of \$119,409;
- consulting fees of \$529,462 primarily relating to the issuance of warrants to consultants as discussed above;
- travel and entertainment in the amount of \$9,135;
- general and administrative expenses of \$50,817; and
- Marketing expenses of \$5,135.

Revenues for the nine months ended September 30, 2011, totaled \$25,928, of which approximately \$21,878 were derived from Hyperlocal mobile text marketing packages and approximately \$4,050 were derived from PayMeOn related sales. Operating expenses for the nine months ended September 30, 2011 totaled \$5,769,243. Operating expenses were largely made up of a \$4,706,558 expense related to the impairment of goodwill and license agreements associated with the mixed martial arts television production business that was operated by the Company prior to its merger with Hyperlocal on March 16, 2011. A summary of other operating expenses is included below:

- professional fees of \$94,646 primarily related to legal and accounting expenses associated with the Merger Agreement, the operations of our business and SEC reporting;
- web development and hosting in the amount of \$55,546 primarily related to the development and hosting of the Company's PayMeOn infrastructure;
- payroll and payroll taxes of \$213,171;
- consulting fees of \$584,673 primarily relating to non cash expense relating to the issuance of warrants in consideration of consulting services to be provided by third parties, as discussed above;
- travel and entertainment in the amount of \$22,156;
- general and administrative expenses of \$84,336; and
- Marketing expenses of \$8,157.

For the period from inception (January 22, 2010) through September 30, 2011, we had revenues of \$54,901 which \$50,851 were primarily derived from the sale of the Company's Hyperlocal mobile text marketing packages and approximately \$4,050 from PayMeOn related sales. Operating expenses for the period from inception through September 30, 2011 were \$6,052,552, primarily consisting of the following:

- professional fees of \$96,426 for the reasons set forth above;
- web development and hosting in the amount of \$76,168 primarily related to the Company's Hyperlocal mobile text marketing business, and the development and hosting of the Company's PayMeOn websites and mobile application;

- payroll and payroll taxes of \$312,044;
- consulting fees of \$696,346, for the reasons set forth above;
- travel and entertainment in the amount of \$48,343;
- general and administrative expenses of \$107,500 primarily consisting of licenses, accounting and other general and administrative expenses for the Hyperlocal mobile text marketing business;
- Impairment of goodwill and license agreements of \$4,706,558, as discussed above; and
- Marketing expenses of \$9,167.

### ***Liquidity and Capital Resources***

At September 30, 2011, we had a cash balance of approximately \$130,554. At September 30, 2011 we had working capital of \$96,608 and an accumulated deficit of \$6,048,952. We require additional working capital. See Plan of Operations below.

From March 2011 through June 2011, the Company privately sold an aggregate of 2,210,000 shares of restricted shares of common stock to 11 accredited investors for gross proceeds of \$276,250. During July and August the Company received subscriptions for the purchase of an aggregate of 2,080,000 shares of its common stock from 11 subscribers at a purchase price of \$0.125 per share for gross proceeds of \$260,000. The proceeds from the private placements shall be used for the continued development of Hyperlocal and PayMeOn products and general working capital purposes. The private placements were conducted by the Company's president and CEO and no fees or commissions were paid in connection with the private placement (excluding \$8,788 in offering costs). See Note 6 and Note 9 to the unaudited financial statements.

Since inception, the Company has incurred net operating losses and used cash in operations. As of September 30, 2011, the Company had a net loss from inception of \$6,048,952. Losses have principally occurred as a result of the impairment of goodwill associated with the mixed martial arts television production business that was operated by the Company prior to the acquisition by Hyperlocal Marketing on March 16, 2011. The Company has also dedicated substantial resources required to research and development and marketing of the Company's products which included the general and administrative expenses associated with its organization and product development. The Company expects to incur continued marketing expenses in the near and medium term in pursuit of market share. Necessary marketing spending could curtail the Company's ability to generate profits in the near and medium term. We expect operating losses to continue, mainly due to the continued costs and expenses associated with development of our business and marketing of the Hyperlocal and PayMeOn products. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

### **Recent Accounting Pronouncements**

ASU No. 2011-03; Reconsideration of Effective Control for Repurchase Agreements. In April 2011, the FASB issued ASU No. 2011-03. The amendments in this ASU remove from the assessment of effective control the criterion relating to the transferor's ability to repurchase or redeem financial assets on substantially the agreed terms, even in the event of default by the transferee. The amendments in this ASU also eliminate the requirement to demonstrate that the transferor possesses adequate collateral to fund substantially all the cost of purchasing replacement financial assets.

The guidance in this ASU is effective for the first interim or annual period beginning on or after December 15, 2011. The guidance should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted. The Company will adopt the methodologies prescribed by this ASU by the date required, and does not anticipate that the ASU will have a material effect on its financial position or results of operations.

ASU No. 2011-04; Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs. In May 2011, the FASB issued ASU No. 2011-04. The amendments in this ASU generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This ASU results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRSs. The amendments in this ASU are to be applied

prospectively. For public entities, the amendments are effective during interim and annual periods beginning after December 15, 2011. Early application by public entities is not permitted.

The Company will adopt the methodologies prescribed by this ASU by the date required, and does not anticipate that the ASU will have a material effect on its financial position or results of operations.

ASU No. 2011-05; Amendments to Topic 220, Comprehensive Income. In June 2011, the FASB issued ASU No. 2011-05. Under the amendments in this ASU, an entity has the option to present the total of comprehensive income, the components of net income, and the components of other comprehensive income either in a single

continuous statement of comprehensive income or in two separate but consecutive statements. In both choices, an entity is required to present each component of net income along with total net income, each component of other comprehensive income along with a total for other comprehensive income, and a total amount for comprehensive income. This ASU eliminates the option to present the components of other comprehensive income as part of the statement of changes in stockholders' equity. The amendments in this ASU do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

The amendments in this ASU should be applied retrospectively. For public entities, the amendments are effective for fiscal years, and interim periods within those years, beginning after December 15, 2011. Early adoption is permitted, because compliance with the amendments is already permitted. The amendments do not require any transition disclosures. Due to the recency of this pronouncement, the Company is evaluating its timing of adoption of ASU 2011-05, but will adopt the ASU retrospectively by the due date.

### ***Plan of Operations***

We intend on continuing our efforts primarily towards completing development of the Company's PayMeOn products. We expect to continue marketing our Hyperlocal Marketing platform and products, but primarily as bundled or complimentary additions to our PayMeOn product. As our development efforts come to fruition, we will focus our efforts on developing sales and distribution channels for PayMeOn. We will primarily focus our sales and distribution efforts on developing partnerships with third-party sales companies and on developing partnerships with businesses that have large databases they wish to monetize in the local, group buying or deals space. We completed a substantial portion of the primary development of the PayMeOn product during the third quarter 2011. We expect to begin accelerating our sales efforts during the first quarter of 2012. Current working capital is not sufficient to maintain our current operations over the next 12 months and there is no assurance that future sales and marketing efforts will be successful enough to achieve the level of revenue sufficient to provide cash to sustain operations. To the extent such revenues and corresponding cash flows do not materialize, we will attempt to fund working capital requirements through third party financing, including a private placement of our securities. We cannot provide any assurances that required capital will be obtained or that the terms of such required capital may be acceptable to us. If we are unable to obtain adequate financing, we may reduce our operating activities until sufficient funding is secured or revenues are generated to support operating activities.

### ***Subsequent Events***

None.

## **ITEM 3.**

### **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable to smaller reporting companies.

## **ITEM 4.**

### **CONTROLS AND PROCEDURES**

## **Evaluation of Controls and Procedures**

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the Exchange Act)) that are designed to be effective in providing reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management to allow timely decisions regarding required disclosure.

The Company's management, under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial (and principal accounting) Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) of the Exchange Act) as of September 30, 2011.

During our assessment of the effectiveness of internal control over financial reporting as of September 30, 2011 management identified significant deficiencies related to (i) the U.S. GAAP expertise of our internal accounting staff, (ii) the ability of our internal accounting staff to record our transactions to which we are a party which necessitates our bringing in external consultants to supplement this function, and (iii) a lack of segregation of duties within accounting functions. Therefore, our internal controls over financial reporting were not effective as of September 30, 2011 based on the material weakness described below.

- insufficient monitoring controls to determine the adequacy of our internal control over financial reporting and related policies and procedures;
- lack of competent financial management personnel with appropriate accounting knowledge and training;
- our financial staff does not hold a license such as Certified Public Accountant in the U.S., nor have they attended U.S. institutions or extended educational programs that would provide enough of the relevant education relating to U.S. GAAP, nor have any U.S. GAAP audit experience;
- we rely on outside consultant to prepare our financial statements; and
- insufficient controls over our period-end financial close and reporting processes.

As a result of this material weakness, our Chief Executive Officer and Chief Financial Officer concluded that our internal control over financial reporting was not effective as of September 30, 2011. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness; yet important enough to merit attention by those responsible for oversight of the company's financial reporting.

Because of its inherent limitations, however, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. In order to mitigate the foregoing material weakness, we engaged an outside accounting consultant to assist us in the preparation of our financial statements to ensure that these financial statements are prepared in conformity to U.S. GAAP. This outside accounting consultant has significant experience in the preparation of financial statements in conformity with U.S. GAAP. We believe that the engagement of this consultant will lessen the possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis, and we will continue to monitor the effectiveness of this action and make any changes that our management deems appropriate. We expect to continue to rely on this outside consulting arrangement to supplement our internal accounting staff for the foreseeable future. Until such time as we hire the proper internal accounting staff with the requisite U.S. GAAP experience, however, it is unlikely we will be able to remediate the material weakness in our internal control over financial reporting.

We believe that the foregoing steps will remediate the significant deficiencies identified above, and we will continue to monitor the effectiveness of these steps and make any changes that our management deems appropriate.

### **Changes in Internal Control over Financial Reporting**

No change in our system of internal control over financial reporting occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.



## **PART II. OTHER INFORMATION**

### **ITEM 1.**

#### **LEGAL PROCEEDINGS.**

As of the date of this report, we are not aware of any proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position.

### **ITEM 1A.**

#### **RISK FACTORS**

Not applicable to smaller reporting companies.

### **ITEM 2.**

#### **UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

On July 1, 2011, the Company issued 20,000 shares of common stock for services with a fair value of \$6,000 (\$.30 per share). The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such shares contained a legend restricting transferability absent registration or applicable exemption.

On July 12, 2011, 193,576 shares of convertible preferred stock were converted into 1,935,760 shares of common stock. The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such shares contained a legend restricting transferability absent registration or applicable exemption.

On August 11, 2011, 84,157 shares of convertible preferred stock were converted into 841,570 shares of common stock. The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such shares contained a legend restricting transferability absent registration or applicable exemption.

On July 7, 2011, the Company granted options to purchase 200,000 shares of its common stock having an exercise price of \$0.26 per share to a consultant. Options to purchase 100,000 shares are exercisable upon the date of grant and the remaining options to purchase 100,000 shares are exercisable six months from the date of grant. The options expire on July 7, 2012. The options were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such options contained a legend restricting transferability absent registration or applicable exemption.

On July 7, 2011, the Company granted options to purchase 100,000 shares of its common stock to a consultant at an exercise price of \$0.26 per share. The options vest immediately. The options expire on July 7, 2013. The options were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such options contained a legend restricting transferability absent registration or applicable exemption.

On July 7, 2011, the Company granted options to purchase 100,000 shares of its common stock to an employee at an exercise price of \$0.26 per share. The options vest immediately. The options expire on July 7, 2013. The options were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such options contained a legend restricting transferability absent registration or applicable exemption.

During July and August the Company received subscriptions for the purchase of an aggregate of 2,080,000 shares of its common stock from 11 subscribers at a purchase price of \$0.125 per share for gross proceeds of \$260,000. No fees or commissions were paid in connection with the subscriptions. The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such shares contained a legend restricting transferability absent registration or applicable exemption. The subscribers received current information about the Company and had the opportunity to ask questions about the Company.

During September the Company granted options to purchase 300,000 shares of common stock to a consultant exercisable at \$0.18 per share. The options were issued in partial consideration of marketing services. The options are exercisable for a period of 3 years. The options were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such options contained a legend restricting transferability absent registration or applicable exemption.

During September 2011 the Company granted warrants to purchase an aggregate of 10,000,000 shares of common stock to 8 consultants. The warrants are exercisable for a period of 3 years at prices ranging from \$0.16 per share to \$0.25 per share. The warrants were issued in consideration of business consulting services. The options were issued to the consultants under the exemption from registration provided by Section 4(2) of the Securities Act and such options contain a legend restricting transferability absent registration or applicable exemption. The consultants received current information about the Company and had the opportunity to ask questions about the Company.

During September 2011 the Company issued 200,000 shares of common stock and options to purchase 300,000 shares of its common stock to a service provider at an exercise price of \$0.18 per share. The options vest immediately and expire 3 years from the date of issuance. The options were issued pursuant to the terms of a marketing agreement. The options were issued to the service provider under the exemption from registration provided by Section 4(2) of the Securities Act and such options contain a legend restricting transferability absent registration or applicable exemption. The service provider received current information about the Company and had the opportunity to ask questions about the Company.

Effective September 30, 2011, the Company issued an aggregate of 63,750 shares of its common stock to 13 shareholders in satisfaction of \$16,750.26 of liquidated damages payable to the shareholders under subscription agreements entered into during the six months ended June 30, 2011 for failure of the Company to timely register shares held by such shareholders. The shares were issued under the exemption from registration provided by Section 4(2) of the Securities Act and such shares contain a legend restricting their transferability absent registration or applicable exemption. The shareholders were deemed accredited and had access to current information about the Company.

### **ITEM 3.**

#### **DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4.**

**(REMOVED AND RESERVED)**

### **ITEM 5.**

#### **OTHER INFORMATION**

None.



**ITEM 6.**

**EXHIBITS**

| <b>Exhibit<br/>Number</b> | <b>Description</b>                                                                                                                                |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 2.1                       | Merger Agreement dated February 17, 2011 (1)                                                                                                      |
| 3.1                       | Articles of Incorporation(2)                                                                                                                      |
| 3.2                       | Articles of Amendment(2)                                                                                                                          |
| 3.3                       | Articles of Designation of Preferred Stock(2)                                                                                                     |
| 3.4                       | Bylaws(2)                                                                                                                                         |
| 10.1                      | Preferred Stock Lock up Agreement dated April 1, 2009(3)                                                                                          |
| 10.2                      | Amendment to Preferred Stock Lock Up Agreement dated April 19, 2010(4)                                                                            |
| 10.3                      | Indemnification Agreement (5)                                                                                                                     |
| 10.4                      | Employment Agreement with Edward Cespedes effective August 15, 2011 (6)                                                                           |
| 16.1                      | Letter from DeJoya Griffith & Company(1)                                                                                                          |
| 31.1                      | Certification of Chief Executive Officer pursuant to Rule 13A-14(a) or Rule 15d-14(a) of the Securities Exchange Act                              |
| 31.2                      | Certification of Chief Financial Officer pursuant to Rule 13A-14(a) or Rule 15d-14(a) of the Securities Exchange Act                              |
| 32.1                      | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.2                      | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101                       | XBRL Interactive Data File*                                                                                                                       |

\* Attached as Exhibit 101 to this report are the following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) the Condensed Consolidated Statements of Cash Flows, and (iv) related notes to these financial statements tagged as blocks of text. The XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q shall not be deemed filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, and is not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of those sections.

(1)

Incorporated by reference to the Company's current report on Form 8-K filed March 21, 2011.

(2)

Incorporated by reference to the Company's registration statement on Form S-1 filed November 4, 2008 (333-155028).

(3)

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Incorporated by reference to the Company's quarterly report on Form 10-Q for the period ended March 31, 2009 filed on April 20, 2009.

(4)

Incorporated by reference to the Company's current report on Form 8-K filed April 26, 2010.

(5)

Incorporated by reference to the Company's current report on Form 8-K filed February 18, 2011.

(6)

Incorporated by reference to the Company's current report on Form 8-K filed August 15, 2011.

## **SIGNATURES**

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: November 18, 2011

### **MMAX Media, Inc.**

By: /s/ Edward Cespedes  
Edward Cespedes  
Chief Executive Officer  
Chief Financial Officer