

MMAX MEDIA, INC.
Form 10-Q/A
January 25, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q/A

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. 3rd Avenue, 1st 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
Common Stock, \$0.001 Par Value Per Share

Shares Outstanding as of November 14, 2011
44,646,539

Explanatory Paragraph

MMAX Media, Inc. (the Company) is filing this Amendment No. 1 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2011 primarily to revise the previous accounting treatment and recognize the Company's merger transaction completed on March 16, 2011 with Hyperlocal, LLC as a recapitalization, rather than an acquisition. As a result of the revised accounting treatment for the merger, no goodwill or intangible assets were recorded in conjunction with the recapitalization.

As a result of these restatements to our financial statements for the three months and nine months ended September 30, 2011, we are filing this Amendment No. 1 to our Form 10-Q for the period ending September 30, 2011 to reflect the changes to our financial statements necessitated by these restatements. Additional information on the effect of the correction in our financial statements as a result of this restatement is contained in Note 5- Restatement appearing elsewhere in the report. The items in this Form 10-Q/A (Amendment No. 1) which are amended and restated as a result of the foregoing are:

Part I. Financial Information

Item 1. Financial Statements, including consolidated balance sheets consolidated statement of operations, consolidated statement of stockholders' equity, consolidated statement of cash flows and Notes to Consolidated Condensed Financial Statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations, and

Item 4. Controls and Procedures

This form 10-Q/A also contains currently dated certifications as Exhibits 31.1, 31.2, 32.1 and 32.2. The remaining Items in this Form 10-Q/A (Amendment No. 1) consist of all other Items originally contained in our Form 10-Q for the period ended September 30, 2011. This filing supersedes in its entirety our original Form 10-Q for the period ended September 30, 2011.

MMAX Media, Inc. and Subsidiaries

TABLE OF CONTENTS

**Page
Number**

PART I. FINANCIAL INFORMATION

Item 1.

Condensed Consolidated Financial Statements

1

Item 2.

Managements Discussion and Analysis of Financial Condition and Results of Operations

16

Item 3.

Quantitative and Qualitative Disclosures About Market Risk

20

Item 4.

Controls and Procedures

20

PART II. OTHER INFORMATION

Item 1.

Legal Proceedings.

22

Item 1A.

Risk Factors

22

Item 2.

Unregistered Sales of Equity Securities and Use of Proceeds

22

Item 3.

Defaults Upon Senior Securities

23

Item 4.

(Removed And Reserved)

23

Item 5.

Other Information

23

Item 6.

Exhibits

24

PART I. FINANCIAL INFORMATION

ITEM 1.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2011 (RESTATED)
(UNAUDITED) AND AS OF DECEMBER 31, 2010

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND NINE MONTHS
(RESTATED) ENDED SEPTEMBER 30, 2011, THE THREE MONTHS ENDED SEPTEMBER 30, 2010, THE
PERIOD FROM JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30, 2010, AND FOR THE PERIOD FROM
JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30, 2011 (UNAUDITED) (RESTATED)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY FOR THE
PERIOD FROM JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30, 2011 (UNAUDITED) (RESTATED)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2011 (RESTATED), THE PERIOD JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30,
2010, AND FOR THE PERIOD FROM JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30,
2011 (UNAUDITED) (RESTATED)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

MMAX MEDIA, INC AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2011 (Unaudited)	December 31, 2010
	(As Restated Note 5)	
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 130,554	\$ 13,989
Prepaid expenses	6,600	2,082
TOTAL CURRENT ASSETS	137,154	16,071
COMPUTER EQUIPMENT AND WEBSITE COSTS, NET	23,652	25,283
OTHER ASSETS		
Deposits	4,290	-
TOTAL OTHER ASSETS	4,290	-
TOTAL ASSETS	\$ 165,096	\$ 41,354
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 9,356	\$ 3,000
Accrued expenses	29,066	-
Deferred revenue	124	4,960
Note Payable	2,000	15,000
TOTAL CURRENT LIABILITIES	40,546	22,960
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS EQUITY		
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	1,423,753	252,150
Accumulated deficit during development stage	(1,343,848)	(254,336)
TOTAL STOCKHOLDERS' EQUITY	124,550	18,394
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 165,096	\$ 41,354

See accompanying notes to condensed consolidated unaudited financial statements

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

	For the Three Months Ended September 30, 2011	For the Three Months Ended September 30, 2010	For the Nine Months Ended September 30, 2011 (As Restated Note 5)	For the Period from January 22, 2010 (Inception) to September 30, 2010	For the Period from January 22, 2010 (Inception) to September 30, 2011 (As Restated Note 5)
Revenue					
Service Revenue, net	\$ 7,285	\$ 13,176	\$ 25,928	\$ 17,731	\$ 54,901
OPERATING EXPENSES					
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 intangible assets	-	-	1,454	-	1,454
General and administrative	50,817	10,606	84,336	17,593	107,500
Total Operating Expenses	738,499	53,826	1,064,139	133,798	1,347,448
NET LOSS FROM OPERATIONS	(731,214)	(40,650)	(1,038,211)	(116,067)	(1,292,547)
OTHER EXPENSES					
Liquidated damages	-	-	16,575	-	16,575
Interest expense	-	-	34,726	-	34,726
Total other expenses	-	-	51,301	-	51,301

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Net loss before provision for income taxes		(731,214)	(40,650)	(1,089,512)	(116,067)	(1,343,848)
Provision for Income Taxes		-	-	-	-	-
NET LOSS	\$	(731,214)	\$ (40,650)	\$ (1,089,512)	\$ (116,067)	\$ (1,343,848)
Net loss per share - basic and diluted	\$	(0.02)	\$ (0.00)	\$ (0.03)	\$ (0.01)	(0.05)
Weighted average number of shares outstanding during the period - basic and diluted		43,245,232	19,436,879	34,487,551	18,071,203	26,104,137

See accompanying notes to condensed consolidated unaudited financial statements

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

FOR THE PERIOD FROM JANUARY 22, 2010 (INCEPTION) TO SEPTEMBER 30, 2011

(UNAUDITED)

	Preferred Stock		Common Stock			Accumulated	Total
	Shares	Par Value	Shares	Par Value	Additional Paid-in Capital	Deficit During Development Stage	
Balance January 22, 2010 (Inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
Issuance of stock for cash (founders)	-	-	14,370,816	14,370	(14,332)	-	38
Issuance of stock for cash	-	-	5,420,333	5,420	147,580	-	153,000
Issuance of stock for services	-	-	790,927	790	109,845	-	110,635
In contribution of services	-	-	-	-	9,057	-	9,057
Net Loss	-	-	-	-	-	(254,336)	(254,336)
Balance, December 31, 2010	-	-	20,582,076	20,580	252,150	(254,336)	18,394
Stock issued for services	-	-	427,319	427	86,573	-	87,000
Issuance of stock for Purchase of MMAX Media, Inc.	638,602	638	12,403,374	12,403	(22,073)	-	(9,032)

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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 issued to consultants 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	-	-	-	-	-	(1,089,512)	(1,089,512)
Balance, September 30, 2011 (Restated)	-	\$ -	44,646,539	\$ 44,645	\$ 1,423,753	\$ (1,343,848)	\$ 124,550

See accompanying notes to condensed consolidated unaudited financial statements

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

	For the Nine Months Ended September 30, 2011 (As Restated Note 5)	For the Period From January 22, 2010 (Inception) to September 30, 2010	For the Period From January 22, 2010 (Inception) to September 30, 2011 (As Restated Note 5)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (1,089,512)	\$ (116,067)	\$ (1,343,848)
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
Warrants issued for services	511,913	-	511,913
Common stock issued for services	95,000	-	95,000
Stock based compensation to note holders for interest	34,250	-	34,250
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)
CASH FLOWS USED IN INVESTING ACTIVITIES:			
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)

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Sale of common stock	527,462	142,962	680,462
Net Cash Provided By Financing Activities	527,462	142,962	695,462
NET INCREASE IN CASH	116,565	30,510	130,554
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,989	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 130,554	\$ 30,510	\$ 130,554

Supplemental disclosure of non cash investing & financing activities

Cash paid for income taxes	\$ -	\$ -	\$ -
Cash paid for interest expense	\$ -	\$ -	\$ -
License	\$ 1,454	\$ -	\$ 1,454
Accounts payable and accrued liabilities	\$ 14,573	\$ -	\$ 14,573

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.

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 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 and the transaction has been accounted as a reverse merger.

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 June 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 \$1,343,848 and used cash in operations of \$532,107 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 licenses in the amount \$1,454.

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.

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

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, 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.

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.

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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, 2011.

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 RESTATEMENT

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. On January 6, 2012 the Company determined that the merger with Hyperlocal Marketing, LLC should be treated as a reverse merger and not as an acquisition. The Company has restated its financial statements to reflect this basis of accounting.

Changes to Condensed Consolidated Balance Sheet	September 30, 2011		
	As Previously Reported	Adjustment	As Restated
Additional Paid In Capital	\$ 6,128,857	\$ (4,705,104)	\$ 1,423,753
Deficit Accumulated during the development stage	\$ (6,048,952)	\$ 4,705,104	\$ (1,343,848)

Changes to Condensed Consolidated Statement of Operations	September 30, 2011		
	As Previously Reported	Adjustment	As Restated
Impairment of Intangible Assets	\$ 4,706,558	\$ (4,705,104)	\$ 1,454
Net Loss	\$ (5,794,616)	\$ 4,705,104	\$ (1,089,512)
Net loss per share basic and diluted	\$ (0.17)	\$ 0.14	\$ (0.03)

For the Period From January 22, 2010

**(Inception) to
September 30, 2011****Changes to Condensed Consolidated**

Statement of Operations	As Previously Reported	Adjustment	As Restated
Impairment of Intangible Assets	\$ 4,706,558	\$ 4,705,104	\$ 1,454
Net Loss	\$ (6,048,952)	\$ 4,705,104	\$ (1,343,848)
Net Loss per Share basic and diluted	\$ (0.23)	\$ 0.18	\$ (0.05)

Nine Months Ended**September 30, 2011****Changes to Condensed Consolidated**

Statement of Cash Flows	As Previously Reported	Adjustment	As Restated
Net Loss	\$ (5,794,616)	\$ 4,705,104	\$ (1,089,512)
Impairment of Goodwill	\$ 4,705,104	\$ (4,705,104)	\$ -

For the Period From January 22, 2010**(Inception) to
September 30, 2011****Changes to Condensed Consolidated**

Statement of Cash Flows	As Previously Reported	Adjustment	As Restated
Net Loss	\$ (6,048,952)	\$ 4,705,104	\$ (1,343,848)
Impairment of Goodwill	\$ 4,705,104	\$ (4,705,104)	\$ -

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

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 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.

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

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.

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).

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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 and recapitalization.

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.

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).

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

NOTE 9 STOCKHOLDERS EQUITY (CONTINUED)

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.

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 (\$0.26 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.

WARRANTS

The following tables summarize all warrant grants to consultants for the six months ended June 30, 2011, and the related changes during these periods are presented below. No stock options were granted during the six months ended June 30, 2011.

	Number of Warrants	Weighted Average Exercise Price
Stock Warrants		
Balance at December 31, 2010		

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Granted	11,200,000	\$0.22
Exercised		
Expired		
Balance at September 30, 2011	11,200,000	\$0.22
Warrants Exercisable at September 30, 2011	11,200,000	\$0.19
Weighted Average Fair Value of Warrants Granted During 2011		\$0.22

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

NOTE 9 STOCKHOLDERS EQUITY (CONTINUED)

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

Range of Exercise Price	2011 Warrants Outstanding			Warrants Exercisable	
	Number Outstanding at September 30, 2011	Weighted Average Remaining Contractual	Weighted Average Exercise Price	Number Exercisable at September 30 2011	Weighted Average Exercise 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.

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 .0% 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 issued 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 .0% 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 issued 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 .0%, 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%, an 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 two three 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 at 0%, annual volatility of 182%, risk free interest rates of .19% to .33% based on expected life, and expected lives of 2 - 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.

MMAX MEDIA, INC. AND SUBSIDIARIES

(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2011 (UNAUDITED)

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.

During the nine months ended September 30, 2011, the Company borrowed \$1,389 from a related party shareholder and officer to pay operating expenses. The loan bears no interest and is due on demand.

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 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. 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, potential and similar expressions. 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.

Overview

MMAX is presently in the development stage of its business and management can provide no assurances that the Company will be successful in developing its business. On March 16, 2011, MMAX completed its agreement and plan of merger 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. In accordance with ASC Topic 360-10-45-15, Hyperlocal is considered the accounting acquirer and MMAX is considered the accounting acquiree. Hyperlocal was organized in January 2010 and has nominal revenues since its inception.

Business Overview

We own and operate products aimed at the location-based marketing industry. We develop and market 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.

Since inception, we have incurred net operating losses. Losses have principally occurred as a result of the substantial resources required for research and development and marketing of our 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.

We have 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. Offering payout amounts on our deals cause PayMeOn to have an additional expense that our competitors do not have. We manage this

competitive disadvantage by striving to keep our overhead costs low. While our competitors invest in large numbers of employees dedicated to securing deals to offer their customers, PayMeOn has chosen to partner for most of its deal offerings, including, but not limited to an agreement with Adility, Inc. By partnering for our deals, we are able to offer deals in a substantial number of cities (more than 40 currently), while maintaining a very small internal deal acquisition team (currently 1 person). We believe that we will be able to offer competitive payout amounts because of our low internal overhead and because we believe that the cash incentive will result in higher sharing rates among our customers. By sharing rates, we mean the number of deals that PayMeOn members share with their contacts. We believe that PayMeOn deals will be shared often because of the potential for cash earnings for members that share them. PayMeOn intends to derive its net revenue from the difference of what it charges consumers for a particular deal and what it owes merchants and third parties 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. Because PayMeOn sources most of its deal offerings from a third party, such as, Adility, Inc., PayMeOn does not control the share of the revenue it retains versus the amount due the merchant and due to the third party provider. PayMeOn does control which deals it chooses to offer its customers and can choose not to offer certain deals. While our third party relationships will reduce our margins, we believe that because of our low cost structure, specifically the need for fewer personnel dedicated to deal acquisition relative to our competitors, our ultimate net revenue should be competitive and allow for PayMeOn to set payout amounts attractive enough to encourage members to share deals.

Our Hyperlocal Platform also 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.

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. 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. 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 \$1,064,139. 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 \$1,347,448 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; 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 \$1,343,848. 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 13 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 \$1,343,848. The Company has 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. Furthermore, we require working capital to fund the anticipated costs of our SEC reporting requirements. 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.

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. Though the product has been deployed in beta since the second quarter and we have already generated some small revenue from PayMeOn, we have now completed updates to PayMeOn's iPhone and Android mobile applications, additions to our payment tracking databases and implemented additional reporting capabilities, as well as other technical improvements to the product. We believe that there will be minimal new product development going forward and expect only to dedicate resources to maintenance, update and repair of existing products for the near future. Though we will always monitor the competitive landscape for indications that we may need to develop new and additional products and will develop new products as necessary to remain competitive, we expect to primarily focus on accelerating our sales efforts during the first quarter of 2012. Current working capital is not sufficient to maintain our current operations 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. In the absence of revenues, we currently believe we require a minimum of \$500,000 to maintain our current

operations through 2012. 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.

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.

ITEM 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable to smaller reporting companies.

ITEM 4.

CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Our management carried out an evaluation, with the participation of our Principal Executive Officer and Principal Financial Officer of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. During our assessment of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report, 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. These deficiencies are due to the following material weaknesses in our internal controls and procedures: (i) lack of competent financial management personnel with appropriate accounting knowledge and training; (ii) 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; (iii) we rely on outside consultant to prepare our financial statements; and (iv) 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 disclosure controls and procedures were not effective as of the end of the period covered by this report.

In order to mitigate the foregoing material weakness, we engaged an outside accounting consultant. 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 disclosure controls and procedures. We believe that the foregoing steps will remediate the 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 CONTROLS OVER FINANCIAL REPORTING

No change in our internal controls 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

Exhibit Number	Description
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: January 23, 2012

MMAX Media, Inc.

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