BRIGHT MOUNTAIN HOLDINGS, INC.
Form 10-Q
May 20, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

þ	**Quarterly Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934** For the quarterly period ended March 31, 2013
¨	**Transition Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934** For the transition period from _________ to _________

BRIGHT MOUNTAIN HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Nevada	**5961**	**26-4170100**
(State or other jurisdiction of incorporation or organization)	*(Primary standard industrial classification code number)*	*(IRS employer identification number)*

6301 NW 5th Way, Suite 1400

Fort Lauderdale, FL 33309

(954) 740-2288

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Copies to:

Kimberly L. Rudge, Esq.

4654 SR 64 E, #133

Bradenton, Fl. 34208

(941) 747-5290

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 þ 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 during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ 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. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

Class	Outstanding at May 20, 2013
Common stock, $0.001 par value	26,822,007

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PART I. FINANCIAL INFORMATION

Item 1.

Unaudited Condensed Consolidated Financial Statements

BRIGHT MOUNTAIN HOLDINGS, INC. AND SUBSIDIARY

(F.K.A. MY CATALOGS ONLINE, INC.)

Condensed Consolidated Balance Sheets

	March 31, 2013 (Unaudited)	September 30, 2012
ASSETS		
Current Assets		
Cash	$ 66	$ 4,125
Total Assets	$ 66	$ 4,125
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current Liabilities		
Accrued expenses	$ 30,148	$ 12,212
Accrued expenses - related parties		88,395
Accrued salary promissory notes - related parties		223,750
Convertible promissory notes - related parties		203,442
Total current liabilities	30,148	527,799
Commitments and Contingencies (Note 7)		
Stockholders Deficit		
Preferred stock, $0.001 par value; 5,000,000 shares authorized; none issued or outstanding		
Common stock, $0.001 par value; 195,000,000 shares authorized; 26,822,007 and 1,386,280 issued and outstanding at March 31, 2013 and September 30, 2012 respectively	26,822	1,386
Additional paid-in capital	1,123,356	601,616

Accumulated Deficit		(1,180,260)		(1,126,676)
Total stockholders deficit		(30,082)		(523,674)
Total Liabilities and Stockholders Deficit	$	66	$	4,125

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

BRIGHT MOUNTAIN HOLDINGS, INC. AND SUBSIDIARY

(F.K.A. MY CATALOGS ONLINE, INC.)

Condensed Consolidated Statements of Operations

(Unaudited)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012	For the six months ended March 31, 2013	For the six months ended March 31, 2012
Revenues:				
Affiliate Commissions	$	$ 150	$	$ 186
Website Development services - related party	11,100	15,144	25,550	26,834
Total Revenues	11,100	15,294	25,550	27,020
Operating Expenses:				
Internet & hosting services	120	161	120	341
Programming & development	8,692	8,740	18,332	11,984
Advertising & marketing	164	117	204	117
Domain names	131	2,075	477	2,428
Office and administrative	4,765	6,204	7,447	8,259
Professional fees	7,400	17,655	17,166	40,002
Salaries	24,000	30,000	24,000	60,000
Rent	2,450	2,250	4,700	3,750
Total Operating Expenses	47,722	67,202	72,446	126,881
Loss From Operations	(36,622)	(51,908)	(46,896)	(99,861)
Other Expense				
Interest expense	(535)	(6,086)	(6,688)	(12,240)
Total Other Expense	(535)	(6,086)	(6,688)	(12,240)
Net loss	$ (37,157)	$ (57,994)	$ (53,584)	$ (112,101)
Net loss per share - Basic and Diluted	$ (0.00)	$ (0.04)	$ (0.01)	$ (0.08)
	15,961,809	1,356,994	8,513,874	1,354,122

Weighted average number of common shares - Basic and Diluted

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

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BRIGHT MOUNTAIN HOLDINGS, INC. AND SUBSIDIARY

(F.K.A. MY CATALOGS ONLINE, INC.)

Condensed Consolidated Statements of Cash Flows

(Unaudited)

	For the six months ended March 31, 2013		For the six months ended March 31, 2012	
Cash flows from Operating Activities:				
Net loss	$	(53,584)	$	(112,101)
Adjustments to reconcile net loss to net cash used in operating activities:				
Contributed capital		27,335		
Amortization of prepaid stock for services				25,000
Changes in operating assets and liabilities:				
Decrease in accounts receivable				9,154
Increase in accrued salary promissory notes				59,000
Increase in accrued expenses		21,830		11,552
Net cash used in operating activities		(4,419)		(7,395)
Cash flows from Financing Activities:				
Bank overdraft liability		360		
Proceeds from sale of common stock				10,000
Net cash provided by financing activities		360		10,000
Increase(Decrease) in cash during the period		(4,059)		2,605
Cash, beginning of the period		4,125		1,622
Cash, end of the period	$	66	$	4,227
SUPPLEMENTAL CASH FLOW INFORMATION:				
Cash paid for interest	$		$	
Cash paid for income taxes	$		$	
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:				
Conversion of accrued expenses, accrued rent, accrued salary, accrued interest and convertible debt into common stock	$	519,841	$	

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

Bright Mountain Holdings, Inc. and Subsidiary

(F/K/A My Catalogs Online, Inc.)

Notes to condensed consolidated financial statements

March 31, 2013

(Unaudited)

Note 1 - Nature of Operations, Significant Accounting Policies and Basis of Presentation

Nature of Operations and Business Organization

Bright Mountain Holdings, Inc. and Subsidiary (F/K/A My Catalogs Online, Inc.) (the Company we us our) was organized as Mycatalogsonline.com, Inc. in the state of Nevada on January 26, 2009. The Company holds the domain names to various catalog shopping web sites and provides a master web link to these sites. In April 2009, the Company changed its name to My Catalogs Online, Inc., however, the Company maintains the web domain of Mycatalogsonline.com and does business under that name.

The Company owns 100% of the outstanding common stock of Catalog Enterprises, Inc., which was formed in March 2009, for the purpose of acquiring and maintaining domain names for future use within the Company s business model and for providing website development services for other companies.

In November 2012 the Company changed its name to Bright Mountain Holdings, Inc. and affected a 1 for 10 reverse stock split (see Note 6).

On February 6, 2013, the Company entered into a binding letter of intent (LOI) with Medytox Solutions, Inc. (Medytox), a publicly-held company, whereby, Medytox would acquire 93% of the voting common stock from two principal stockholders of the Company in exchange for cash consideration to them. In addition Medytox paid $20,000 of other liabilities of the Company upon execution of the LOI. Medytox has given notice to the Company that they deem the LOI null and void and that the $20,000 is to be considered a loan to the Company, whose terms have not been set. The $20,000 has been recorded as an accrued expense in the accompanying unaudited consolidated financial statements.

Basis of Presentation

The interim unaudited condensed consolidated financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC). In the opinion of the Company s management, all adjustments (consisting of normal recurring adjustments and reclassifications and non-recurring adjustments) necessary to present fairly the consolidated results of operations and cash flows for the three and six months ended March 31, 2013, and the financial position as of March 31, 2013, have been made. The results of operations for such interim periods are not necessarily indicative of the operating results to be expected for the full year.

Certain information and disclosures normally included in the notes to the annual consolidated financial statements have been condensed or omitted from these interim condensed consolidated financial statements. Accordingly, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Report on Form 10-K as filed with the Securities and Exchange Commission on December 31, 2012. The September 30, 2012 balance sheet is derived from those consolidated financial statements.

Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Catalog Enterprises, Inc. All material inter-company transactions and accounts have been eliminated in consolidation.

Use of Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with Accounting Principles Generally Accepted in the United States (GAAP). These accounting principles require us to make certain estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions upon which we rely are reasonable based upon information available to us at the time that these estimates, judgments and assumptions are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of our unaudited condensed consolidated financial statements as well as the reported amounts of revenues and expenses during the periods presented. Our unaudited condensed consolidated financial statements would be affected to the extent there are material differences between these estimates and actual results. In many cases, the accounting treatment of a particular transaction is specifically dictated by GAAP and does not require management s judgment in its application. There are also areas in which management s judgment in selecting any available alternative would not produce a materially different result. Significant estimates include the estimate for the valuation of intangible assets, valuation of equity based transactions and the valuation allowance on deferred tax assets.

Fair Value Measurements

We measure our financial assets and liabilities in accordance with accounting principles generally accepted in the United States of America. For certain of our financial instruments, including cash, and accrued expenses, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for notes payable, also approximate fair value because current interest rates available to us for debt with similar terms and maturities are substantially the same.

Effective upon inception, we adopted accounting guidance for financial assets and liabilities (ASC 820). The adoption did not have a material impact on our results of operations, financial position or liquidity. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost). The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1:	Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Inputs other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
Level 3:	Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Upon inception, we adopted a newly issued accounting standard for fair value measurements of all non-financial assets and liabilities not recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. No such assets or liabilities were present during the six months ended March 31, 2013.

Bright Mountain Holdings, Inc. and Subsidiary

(F/K/A My Catalogs Online, Inc.)

Notes to condensed consolidated financial statements

March 31, 2013

(Unaudited)

Note 2 - Going Concern

As reflected in the accompanying unaudited condensed consolidated financial statements for the six months ended March 31, 2013, the Company had a net loss of $53,584 and cash used in operations of $4,419. At March 31, 2013, the Company had a working capital deficit of $30,082, a stockholders deficit of $30,082, and an accumulated deficit of $1,180,260. In addition, the Company has had minimal revenue generating activities in fiscal 2013. These matters raise substantial doubt about the Company s ability to continue as a going concern. The unaudited condensed consolidated financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to implement its business plan and continue as a going concern. Management plans are to identify and merge or be acquired by another operating entity.

Note 3 Accrued Expenses - Related Party

The major components of accrued expenses - related party are summarized as follows:

	March 31, 2013	September 30, 2012
Accrued rent - related party	$	$ 17,000
Accrued interest - related party		62,695
Other accrued expenses - related parties		8,700
Total accrued expenses - related parties	$	$ 88,395

See Note 6 for a description of accrued expenses related party converted to common stock on February 8, 2013.

Note 4 Convertible Promissory Notes Related Parties

On July 25, 2011, the Company exchanged 50% of the accrued salary due each officer (see Note 5) into convertible notes payable. The amounts exchanged were $83,750 and $21,000 respectively. Additionally, the officers exchanged 100% of their previously issued promissory notes for convertible notes totaling $63,500 and $35,192 respectively. Total newly issued convertible notes amount to $147,250 and $56,192 respectively. The exchange was accounted for as a debt extinguishment and new issuance of debt due to the addition of the conversion feature in accordance with ASC 470. The beneficial conversion feature was evaluated and the Company recorded a debt discount for the beneficial conversion value of $203,442, however, the notes were due on demand so this was immediately charged to interest expense with a credit to APIC as embedded conversion based effective interest. The new terms of the convertible debt are as follows: interest at 12%, unsecured, due on demand and convertible into shares at a fixed price of $0.40. The total outstanding convertible promissory note balance as of December 31, 2012 was $203,442. Accrued interest due under these notes was $68,849 at December 31, 2012. The convertible notes and related accrued interest was converted into shares on February 8, 2013 (see Note 6).

Note 5 Related Party Transactions

The Company s revenue during the six months ended March 31, 2013 was entirely derived from a related party where the Chairman and CEO of the Company is the president. (See Note 8)

The Company converted loans due its officers into common stock in February 2013, (see Notes 4 and 6) and converted accrued expenses due to related parties into common stock in February 2013 (see Notes 3 and 6).

Two officers of the Company previously agreed to defer their salaries until the Company generates sufficient revenues to be able to pay them. As a result, the Company executed deferral agreements in the form of non-interest bearing promissory notes totaling $10,000 per month in the aggregate. On April 1, 2010, both officers agreed to waive any further salary accrual until such time the Company is financially able. The company recorded contributed capital for services performed without compensation for the period from April 1, 2010 through the year ended September 30, 2010 of $60,000 and $30,000 for the year ended September 30, 2011. Contributed capital amounts were computed based on the previous employment agreements. Effective January 1, 2011, the officers, by written consent of the directors, re-instated the prior employment agreements through September 30, 2012. On July 25, 2011, the officers agreed, to convert 50% of their accrued salaries to convertible notes payable, convertible to common stock at a price of $0.40 per share. On November 9, 2012, one officer who was accruing salary resigned and agreed to cease all salary accrual effective October 1, 2012. The other officer who remains also agreed to cease all salary accrual effective October 1, 2012. Accrued salaries at December 31, 2012 was $223,750 (after giving effect to the convertible note exchange). The balance was converted to shares of common stock on February 8, 2013 (see Note 6).

The Company sub-leased office space through December 31, 2011 from a company which is affiliated with an officer of the company. The lease agreement provided for monthly rental of $500, on a month to month basis, and was payable in cash or common stock. Rent accrued under this related party agreement was $17,000 as of December 31, 2012 and total rent accrued was $18,300. Effective January 2012 the Company pays $500 a month rent, on a month to month basis to an unrelated party. During the quarter ended March 31, 2013, rent in the amount of $1,800 was paid by the CEO of the company and recorded as paid in capital.

The Company, from time to time, conducts business with an affiliated Company where the CEO of the Company, was our former CEO. The Company incurred and paid $800 of expense to this affiliated Company during fiscal 2013 for website development services.

Note 6 Stockholders Deficit

Preferred Stock

The Company has 5,000,000 preferred shares authorized. None are designated, issued or outstanding.

Reverse Stock Split and Name Change

The Company entered into a non-binding letter of intent on October 18, 2012 to acquire a private company. This agreement was terminated by the Company s management on January 4, 2013. (See Note 7)

On November 14, 2012, the Company effected a 1 for 10 reverse stock split of outstanding common stock of the Company. All share and per share information in the accompanying consolidated financial statements has been retroactively adjusted to give effect to the reverse stock split.

On November 14, 2012, the Company effected a name change of the Company, upon filing the amended Articles of Incorporation with the State of Nevada, whereby the Company s new name is Bright Mountain Holdings, Inc.

Conversion of Related Party Debt to Common Stock and Capital Contributions

On February 8, 2013, two related party stockholders converted their convertible promissory notes and related accrued interest through December 31, 2012 totaling $272,291 into shares of common stock at the contractual conversion price of $0.40 per share. In addition, certain other outstanding liabilities of the principal stockholders such as accrued rent for $23,800 and accrued salary of $223,750 was converted to shares at $0.01 per share. Total shares issued were 25,435,727.

Accrued interest on the convertible notes and any other accrued liabilities due to the two principal stockholders from January 1, 2013 to February 8, 2013 and not covered by the $20,000 payment discussed in Note 1 were forgiven and were re-classed to additional paid-in capital at February 8, 2013. The total amount of this re-class was $27,335 which was comprised of $24,000 in contributed salary, $1,800 in rent which was paid by our President, $535 in accrued interest on the note balance from January 1, 2013 through February 8, 2013 and $1,000 of additional expenses paid by our President.

Bright Mountain Holdings, Inc. and Subsidiary

(F/K/A My Catalogs Online, Inc.)

Notes to condensed consolidated financial statements

March 31, 2013

(Unaudited)

Note 7 Commitments and Contingencies

From time to time, we may be involved in litigation relating to claims arising out of our operations in the normal course of business. As of March 31, 2013, except for the following, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on our results of operations.

Subsequent to management terminating a non-binding letter of intent on January 4, 2013 (see Note 6) the CEO of the Company received an email demand notice to him personally from the other party to recover $282,500 expended by them during their due diligence process. The demand does not appear to be on the Company. There has been no legal action as of the date of this report and none is anticipated. Management believes the claim is without merit and will rigorously defend any further action.

Note 8 Concentration

The Company is currently producing revenue primarily from one revenue stream, website development services. One customer, a related party affiliate, accounted for 100% of the total revenue for the six months ended March 31, 2013. (See Note 5)

Item 2.

Management s Discussion and Analysis of Financial Condition and Results of Operations

FORWARD LOOKING STATEMENTS

There are statements in this Form 10-Q statement that are not historical facts. These forward-looking statements can be identified by use of terminology such as believe , hope , may , anticipate , should , intend , plan , will , e project , positioned , strategy , and similar expressions. Although management believes that the assumptions underlying the forward-looking statements included in this Report are reasonable, they do not guarantee our future performance, and are subject to certain risks, uncertainties and assumptions that are difficult to predict; therefore, actual results and outcomes may differ materially from what is expressed or forecasted in any such forward-looking statements.

OVERVIEW

Bright Mountain Holdings, Inc. (F/K/A My Catalogs Online, Inc.) (the Company we us our) was organized as Mycatalogsonline.com, Inc. in the state of Nevada on January 26, 2009. The Company holds the domain names to various catalog shopping web sites and provides a master web link to these sites. In April 2009, the Company changed its name to My Catalogs Online, Inc., and in November 2012 changed its name to Bright Mountain Holdings, Inc., however, the Company maintains the web domain of Mycatalogsonline.com and does business under that name.

The Company owns 100% of the outstanding common stock of Catalog Enterprises, Inc. which was formed in March 2009, for the purpose of acquiring and maintaining domain names for future use within the Company s business model and for providing website development services for other companies.

CRITICAL ACCOUNTING ESTIMATES

In response to the SEC s financial reporting release, FR-60, Cautionary Advice Regarding Disclosure About Critical Accounting Policies, the Company has selected its more subjective accounting estimation processes for purposes of explaining the methodology used in calculating the estimate, in addition to the inherent uncertainties pertaining to the estimate and the possible effects on the Company s financial condition. These accounting estimates are discussed below. These estimates involve certain assumptions that if incorrect could create a material adverse impact on the Company s results of operations and financial condition.

Revenue Recognition

Revenue is recognized when persuasive evidence of an arrangement exists, products are delivered to and accepted by the customer, economic risk of loss has passed to the customer, the price is fixed or determinable, collection is reasonably assured, and any future obligations of the Company are insignificant.

Revenue can be derived from five primary streams as follows: affiliate marketing commissions, website development services, advertising, infomediary data, and catalog conversion further defined below:

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Affiliate Marketing Commissions: By bringing buyers and sellers together to facilitate transactions, affiliate partner commissions are paid by online merchants. When a customer clicks on an image of a product they wish to purchase, the order will be processed by the "affiliate partner that then handles fulfillment of the customer s order. In other words, MyCatalogsOnline.com does not stock or ship any product that is purchased. The customers orders are filled by the actual vendor and the Company receives a commission for driving the customer to the vendor. This Model is currently in use by the Company. Revenue is recognized when the order is filled by the vendor.

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Website Development Services: As the Company continues to develop its core business, the company leverages its expertise and team of design and development resources, to build and optimize websites for other Companies, generating additional revenues. This model is currently in use by the Company. Revenue is recognized when services are rendered.

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Advertising: Charging companies to advertise their products to our site visitors, by means such as banner advertising, email campaigns and text message marketing. This Model is not currently being used by the Company at this time, but is under consideration and being marketed at this time. Revenue related to advertising sales will be recognized at the time the advertisement is displayed.

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Infomediary Data: Selling data collected from site users, including product preferences, to companies that wish to understand a market better. Data will be derived from TheBigBuzz.com social shopping site, and MyCatalog user shopping and browsing behavior. This Model is not currently being used by the Company at this time, but is under consideration. Revenue will be recognized upon the sale and delivery of the data.

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Catalog Conversion: Through the Company's Green initiative, the Company intends to utilize its custom conversion tool to assist its customers in the conversion from print to digital media for a fee. This Model is not currently being used by the Company at this time, but is under consideration. Revenue will be recognized when the services have been rendered.

RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 2013 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2012

Revenue: The Company s revenues decreased approximately 27% from $15,294 during the three months ended March 31, 2012 as compared to $11,100 for the three months ended March 31, 2013 due to an decrease in services provided for website development. All revenue in the three months ended March 31, 2013 was derived from services to a related party affiliate of our CEO.

Operating Expenses: The Company s operating expenses decreased approximately 29% from $67,202 during the three months ended March 31, 2012 as compared to $47,722 for the three months ended March 31, 2013 due to a decrease in salaries and professional fees.

Interest Expense: The Company s interest expense decreased from $6,086 during the three months ended March 31, 2012 as compared to $535 for the three months ended March 31, 2013 due to the fact that the notes payable balances were converted to equity in 2013.

Net loss from operations: The Company s net loss from operations decreased approximately 29% from $51,908 during the three months ended March 31, 2012 as compared to $36,622 for the three months ended March 31, 2013. The primary reason for this was due to a decrease in salaries and professional fees.

FOR THE SIX MONTHS ENDED MARCH 31, 2013 COMPARED TO THE SIX MONTHS ENDED MARCH 31, 2012

Revenue: The Company s revenues decreased approximately 5% from $27,020 during the six months ended March 31, 2012 as compared to $25,550 for the six months ended March 31, 2013 due to an decrease in services provided for website development. All revenue in the six months ended March 31, 2013 was derived from services to a related party affiliate of our CEO.

Operating Expenses: The Company s operating expenses decreased approximately 43% from $126,881 during the six months ended March 31, 2012 as compared to $72,446 for the six months ended March 31, 2013 due to a decrease in salaries and professional fees.

Interest Expense: The Company s interest expense decreased from $12,240 during the six months ended March 31, 2012 as compared to $6,688 for the six months ended March 31, 2013 due to the fact that the notes payable balances were converted to equity in 2013.

Net loss from operations: The Company s net loss from operations decreased approximately 53% from $99,861 during the six months ended March 31, 2012 as compared to $46,896 for the six months ended March 31, 2013. The primary reason for this was due to a decrease in salaries and professional fees.

LIQUIDITY AND CAPITAL RESOURCES

Net cash used in operating activities was $4,419 for the six months ended March 31, 2013 as compared to $7,395 of net cash used in operating activities for the six months ended March 31, 2012, primarily due to a decrease in accrued expenses for the period.

As of May 5, 2013, the Company had approximately $3,000 in cash. The Company has incurred losses from operations, and such losses are expected to continue. The Company s auditors have included a "Going Concern Qualification" in their report for the year ended September 30, 2012. In addition, the Company has a working capital deficit with minimal revenues as of March 31, 2013. The foregoing raises substantial doubt about the Company's ability to continue as a going concern. The Company is actively seeking to combine or merge with another operating company. There can be no assurance that the level of funding needed will be acquired or that the Company will generate sufficient revenues to sustain operations for the next twelve months. The unaudited condensed consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. The Going Concern Qualification might make it substantially more difficult to raise capital.

RELATED PERSON TRANSACTIONS

For information on related party transactions and their financial impact, see Note 5 to the unaudited condensed consolidated financial statements.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

For information on recently issued accounting pronouncements, see Note 1 to the unaudited condensed consolidated financial statements if applicable.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources, that is material to investors.

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: An evaluation was conducted by the registrant s president of the effectiveness of the design and operation of the registrant s disclosure controls and procedures as of March 31, 2013.

Based on that evaluation, the president concluded that the registrant s controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that the registrant files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms. If the registrant develops new business or engages or hires a chief financial officer or similar financial expert, the registrant intends to review its disclosure controls and procedures.

Management is aware that there is a lack of segregation of duties due to the small number of employees dealing with general administrative and financial matters. However, at this time management has decided that considering the abilities of the employees now involved and the control procedures in place, the risk associated with such lack of segregation is low and the potential benefits of adding employees to clearly segregate duties do not justify the substantial expenses associated with such increases. Management may reevaluate this situation as circumstances dictate.

Changes in Internal Control Over Financial Reporting: There was no change in the registrant's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a 15 or Rule 15d 15 under the Securities Exchange Act of 1934 that occurred during the registrant's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II- OTHER INFORMATION

Item 1.

Legal Proceedings.

None

Item 1A.

Risk Factors.

Not applicable to smaller reporting companies.

Item 2.

Unregistered Sales of Equity Securities and Use of Proceeds.

On February 8, 2013, the Company issued an aggregate of 19,047,706 shares of its restricted common stock to Jerrold D. Burden, an officer, director and principal shareholder of the Company, in exchange for the conversion of an aggregate amount of $382,633 due and owing to him from the Company for accrued rent expense, accrued salary and amounts due on convertible notes.

On February 8, 2013, the Company also issued an aggregate of 6,388,021 shares of its restricted common stock to Ronald Teblum, a former officer and existing shareholder of the Company, in exchange for the conversion of an aggregate of $137,208 due and owing to him from the Company for accrued rent expense, accrued salary and amounts due on convertible notes.

After the foregoing issuances, the Company had an aggregate of 26,822,007 shares of its common stock issued and outstanding.

This information was previously reported in the Company s Form 8-K filed on February 11, 2013.

The Company claims an exemption from registration for the issuance of the subject shares afforded by Section 4(2) of the Securities Act of 1933, as amended (the Act), and/or Regulation D promulgated thereunder since the foregoing stock issuances did not involve a public offering, the Company took appropriate measures to restrict transfer by placing a restrictive legend on each stock certificate, and the recipients were accredited investors. No underwriters or agents were involved in the transaction and the Company paid no underwriting discounts or commissions.

Item 3.

Defaults upon Senior Securities.

None

Item 4.

Mine Safety Disclosure.

Not Applicable

Item 5.

Other Information.

None.

Item 6.

Exhibits.

(a)

Exhibits

EXHIBIT NO.	DESCRIPTION
31.1	Section 302 Certification of Chief Executive Officer
31.2	Section 302 Certification of Chief Financial Officer
32.1	Section 906 Certification
32.2	Section 906 Certification
101	XBRL

SIGNATURES

Pursuant to 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.

	Bright Mountain Holdings, Inc.	
Date: May 20, 2013	By:	*/s/ Jerrold D. Burden* Jerrold D. Burden CEO (Principal Executive Officer), President