STEREO VISION ENTERTAINMENT INC
Form 10-K/A
May 17, 2010

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment #1

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

For the fiscal year ended June 30, 2009
Commission file number: 000--28553

STEREO VISION ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

Nevada	95-4786792
(State of incorporation)	(I.R.S. Employer Identification No.)

15452 Cabrito Rd., Suite 204, Van Nuys, CA 91406
(Address of principal executive offices)

(818) 456-3858
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:
None

Securities registered pursuant to Section 12(g) of the Exchange Act:
Common Stock, $0.001 par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K. x

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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 ¨ (Do not check if a smaller reporting company)
Smaller Reporting Company x

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

The issuer’s revenues for its most recent fiscal year were $Nil

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average bid and asked price of such common equity as August 31, 2009 was approximately $1,188,748.

The number of shares of the issuer’s common stock issued and outstanding as of August 31, 2009 was 23,786,138 shares.

Documents Incorporated By Reference: None

Explanatory Note

We are filing this Amendment to our Annual Report on Form 10-K for the year ended June 30, 2009 to respond to certain comments received by us from the Staff of the Securities and Exchange Commission ("SEC") in connection with its review of our Form 10K. Our financial position and results of operations for the periods presented have not been restated from the financial position and results of operations originally reported.

For convenience and ease of reference we are filing this Annual Report in its entirety with the applicable changes. Unless otherwise stated, all information contained in this amendment is as of October 13, 2009, the filing date of our Annual Report on Form 10-K for the fiscal year ended June 30, 2009. Accordingly, this Amendment to the Annual Report on Form 10-K should be read in conjunction with our subsequent filings with the SEC.

PART I

ITEM 1. DESCRIPTION OF BUSINESS

General

The Company intends to position itself to evolve into a vertically integrated, diversified media entertainment company. The Company anticipates generating revenues from several sources, including production of new and existing feature films in both 3-D and 2-D format for theatrical and direct to DVD release, as well as expanding into other areas of the entertainment industry including the licensing of video game rights.

The Company's common stock is traded on the NASDAQ OTC Bulletin Board market under the symbol: SVSN.

History

StereoVision Entertainment, Inc. ("SVEI") was originally incorporated in the State of Arizona as Arizona Tax Pros & Insurance Wholesalers, Inc., on December14, 1993. Arizona Tax Pros & Insurance Wholesalers, Inc., changed its name to Kestrel Equity Corporation ("Kestrel") on September 30, 1997. On July 20, 1999, Kestrel entered into an Acquisition Agreement and Plan of Reverse Merger with StereoVision Entertainment, Inc., a privately held Nevada corporation ("StereoVision") (the "Merger"). Pursuant to the Merger, which was consummated on December 30, 1999, StereoVision was merged with and into "Kestrel". Each share of StereoVision common stock outstanding was exchanged for 120 shares of Kestrel's common stock, $.001 par value (the "Common Stock").

On January 31, 2000, "Kestrel" changed its state of incorporation from Arizona to Nevada, and also changed its name to StereoVision Entertainment, Inc.

Since the time of its inception until the effective date of the Merger, Kestrel Equity Corporation was a development stage company with no active business operations and no revenues. As such, Kestrel was considered a "shell" corporation with a principal purpose of locating and consummating a merger or acquisition with a private entity. Beginning in August 1999, the business activities of Kestrel, prior to the Merger, encompassed administrative and organizational matters and identifying additional acquisition opportunities for operating companies and intellectual property assets in the global multi-media industries. Upon the consummation of the Merger, Kestrel acquired all of the assets of StereoVision with the intent of continuing StereoVision's business and expanding into new areas of the entertainment industry. StereoVision was incorporated in the State of Nevada on May 5, 1999 for purposes of acquiring multi-media/entertainment industry assets and pursuing merger opportunities with an existing publicly traded company. Mr. Kallett, an officer and director of Kestrel Equity Corporation, and Mr. Honour, a principal shareholder of Kestrel, both owned common stock in StereoVision representing an aggregate of 51% of the issued and outstanding capital stock of StereoVision. The operations and management of the merged companies (SVEI) were then integrated following the replacement of StereoVision's sole officer and director with the then sole officer and director of Kestrel.

On December 17, 1999 "Kestrel" filed its Form 10-SB with the U.S. Securities and Exchange Commission. Upon the consummation of the merger on December 30, 1999, shortly thereafter in January of 2000, SVEI elected new officers and directors. Since January 2000, the Company's activities have been developing entertainment projects, both musical and theatrical, and identifying and securing candidates with entertainment industry experience to serve on the SVEI Board of Directors and identifying additional opportunities for the acquisition of operating entertainment oriented companies as well as acquiring intellectual property assets. Although acquisition opportunities have been identified, no transactions have been consummated and there is no guarantee that any transactions will be consummated in the near future.

The executive offices of the Company are located at 15452 Cabrito Road., Suite 204, Van Nuys, CA 91406. Its telephone number is (818) 909-7911.

OPERATING LOSSES

The Company has incurred net losses of approximately $465,000 and $1,333,000 for the fiscal years ended June 30, 2009 and 2008. Such operating losses reflect developmental and other start-up activities for 2009 and 2008. The Company expects to incur losses in the near future until revenues are generated and profitability is achieved. The Company’s operations are subject to numerous risks associated with establishing any new business, including unforeseen expenses, delays and complications. There can be no assurance that the Company will achieve or sustain profitable operations or that it will be able to remain in business.

FUTURE CAPITAL NEEDS AND UNCERTAINTY OF ADDITIONAL FUNDING

SVEI anticipates it will begin to generate operating revenues during its next fiscal year as it becomes operational and begins production of 3-D films and associated entertainment offerings. "SVEI" management acknowledges that during its next fiscal year there is no assurance that "SVEI" will transition itself from a development stage company to an operational one and SVEI's continued operations will be dependent upon additional shareholder loans and/or proceeds from "SVEI" debt/equity offerings. There currently are no agreements in place for future shareholder loans and management has no assurances as to any market acceptance of any future SVEI debt/equity offerings.

BUSINESS OVERVIEW

Management believes that StereoVision's principal expertise lies in the content production segment of the multi-media entertainment industry. The Company's main line of business will be to provide original 3-D and 2-D programming including low to medium cost productions for theatrical release and direct to DVD. Pay-per-view films, television/cable films, and other entertainment related projects, including merchandising 3-D technology and items related to specific creative content will also be targeted. Unique self-developed projects will initially focus on low to medium budget films (below $ 25,000,000 production cost).

STEREOVISION ENTERTAINMENT PRODUCTIONS

The film content production business is very capital intensive and StereoVision will need to raise and secure significant equity and/or debt financing to implement its specific production objectives. If the Company receives such financing, it anticipates producing and/or co-producing cutting edge, commercially successful independent feature length film productions in all genres. Financing for these productions, when possible, will be accomplished through off balance sheet partnerships or joint ventures in order to minimize company risk. When feasible, StereoVision anticipates each production will be structured as a stand-alone limited liability company, thus diminishing the equity dilution impact on the Company. StereoVision intends to act as the executive producer of each film project and to collect the customary up front executive producer's fee. There is no assurance that StereoVision can secure financing to produce films or even if films are produced that they can be profitably distributed.

BUSINESS EXPANSION; CAPITAL GROWTH

StereoVision intends to position itself to evolve into a vertically integrated, diversified multimedia entertainment company with an initial concentration on low to medium budget 3-D and 2-D films. StereoVision intends to finance its business expansion initially through working capital injections of equity as well as borrowings to finance its films. The Company can give no assurance that any attempt to borrow funds or offer its equity securities for sale will be successful. If the Company is unable to successfully raise debt and/or equity financing its ability to fund its business plan would be significantly limited.

The ability of StereoVision to implement its business strategy depends upon its ability to successfully create, produce, and market entertainment content and ancillary products for traditional real-world distribution channels including, but not limited to, retailers, television, theatres and home markets and newly emerging distribution channels such as the Internet.

StereoVision intends to produce and develop 3-D and 2-D films and DVD's in all genres for its library, as well as to acquire additional film assets. While the Company may enter into participation, licensing or other financial arrangements with third parties in order to minimize its financial involvement in production, it will be subject to substantial financial risks relating to content. StereoVision expects that it will typically be required to pay for the production of film content during the production period prior to release and will most likely be able to recoup these costs and make profits from revenues from ticket sales within to 18 to 24 months following release. The company will, however, always seek to arrange presales to both foreign and domestic buyers such as studios, distribution companies, cable networks, equity partners etc. It will also seek to negotiate product integration arrangements as well as take advantage of tax subsidies in the locations in which it films.

StereoVision anticipates generating revenues from several sources, including production and distribution of new and existing independent 3-D and 2-D feature films, TV movies and direct to DVD films and licensing of video game rights. The company will also license the rights to its products for ancillary markets where appropriate.

MANAGEMENT OF GROWTH

In order to maximize the potential growth of the Company's various opportunities, StereoVision believes that it must expand rapidly and significantly upon its entrance into the marketplace. This impetus for expansion will place a significant strain on the Company's management, operational and financial resources. In order to manage growth, the Company must implement and continually improve its operational and financial systems, expand operations, attract and retain superior management and train, manage and expand its employee base. StereoVision cannot guarantee that it will effectively manage the rapid expansion of its operations, that its systems, procedures or controls will adequately support its operations or that its management will successfully implement its business plan. If the Company cannot effectively manage its growth, its business, financial condition and results of operations could suffer a material adverse effect.

StereoVision expects that it will require significant additional equity and/or credit financing prior to becoming cash self-sufficient which could lead to further dilution. There can be no assurances that the Company will successfully negotiate or obtain additional financing, or that it will obtain financing on terms favourable or acceptable to it. StereoVision does not have any commitments for additional financing. The Company's ability to obtain additional capital depends on market conditions, the global economy and other factors outside its control. If the Company does not obtain adequate financing or such financing is not available on acceptable terms, its ability to finance its expansion, develop or enhance products or services or respond to competitive pressures would be significantly limited. StereoVision's failure to secure necessary financing could have a material adverse effect on its business, prospects, financial condition and results of operations.

GOVERNMENT REGULATION

The Classification and Rating Administration of the Motion Picture Association of America, an industry trade association, assigns ratings for age-group suitability for motion pictures. SVEI plans to submit its pictures for such ratings. Management's current policy is to produce motion pictures that qualify for a rating no more restrictive than "PG 13."

The Company is subject to all pertinent Federal, State, and Local laws governing its business. The Company is subject to licensing and regulation by a number of authorities in its State or municipality. These may include health, safety, and fire regulations. The Company's operations are also subject to Federal and State minimum wage laws governing such matters as working conditions and overtime.

RISK OF LOW-PRICED STOCKS

Rules 15g-1 through 15g-9 promulgated under the Securities Exchange Act of 1934 (the "Exchange Act") impose sales practice and disclosure requirements on certain brokers and dealers who engage in certain transactions involving "a penny stock."

Currently, the Company's Common Stock is considered a penny stock for purposes of the Exchange Act. The additional sales practice and disclosure requirements imposed on certain brokers and dealers could impede the sale of the Company's Common Stock in the secondary market. In addition, the market liquidity for the Company's securities may be severely adversely affected, with concomitant adverse effects on the price of the Company's securities.

Under the penny stock regulations, a broker or dealer selling penny stock to anyone other than an established customer or "accredited investor" (generally, an individual with net worth in excess of $1,000,000 or annual incomes exceeding $200,000, or $300,000 together with his or her spouse) must make a special suitability determination for the purchaser and must receive the purchaser's written consent to the transaction prior to sale, unless the broker or dealer or the transaction is otherwise exempt. In addition, the penny stock regulations require the broker or dealer to deliver, prior to any transaction involving a penny stock, a disclosure schedule prepared by the Securities and Exchange Commission (the "SEC") relating to the penny stock market, unless the broker or dealer or the transaction is otherwise exempt. A broker or dealer is also required to disclose commissions payable to the broker or dealer and the registered representative and current quotations for the Securities. In addition, a broker or dealer is required to send monthly statements disclosing recent price information with respect to the penny stock held in a customer's account and information with respect to the limited market in penny stocks.

INTELLECTUAL PROPERTY AND PROPRIETARY RIGHTS

The Company relies on a combination of trade secret, copyright and trademark law, nondisclosure agreements and technical security measures to protect its products. Notwithstanding these safeguards, it is possible for competitors of the company to obtain its trade secrets and to imitate its products. Furthermore, others may independently develop products similar or superior to those developed or planned by the Company.

Distribution rights to motion pictures are granted legal protection under the copyright laws of the United States and most foreign countries. These copyright laws provide substantial civil and criminal sanctions for unauthorized duplication and exhibition of motion pictures. Motion pictures, musical works, sound recordings, artwork, still photography and motion picture properties are each separate works subject to copyright under most copyright laws, including the United States Copyright Act of 1976, as amended.

COMPETITION

SVEI competes with a large array of diverse global media conglomerates, startup "entertainment, information and commerce" companies, as well as with a number of smaller, independent production companies.

A portion of these companies compete for motion picture projects and talent and are producing motion pictures that compete for exhibition time at theaters, on television, and on home DVD with films to be produced by the Company. Most of SVEI's competitors have operating histories, larger customer bases and significantly greater financial, marketing and other resources. Certain of SVEI's competitors have the financial resources to devote greater resources to marketing and promotional campaigns and devote substantially more resources to technology development. Increased competition may result in reduced operating margins.

EMPLOYEES

As of August 31, 2009, SVEI employed three employees. SVEI considers its employee relations to be satisfactory at present.

ITEM 2. DESCRIPTION OF PROPERTY

SVEI's principal executive offices are located at 15452 Cabrito Road, Suite 204, Van Nuys, CA 91406 and consist of approximately 2,500 square feet of furnished executive suite offices and reception and conference room arrangements. The lease expired in June 2005. Since the lease expired, the Company is on a month to month lease. The monthly rent for the property is $2,500.

In March, 2008, the Board approved a new benefits package for its CEO, Mr. Jack Honour which includes payment for housing at the rate of $4,500 per month plus utilities as well as the use of a car. The annual cost of these benefits is estimated to be $85,000 p.a.

ITEM 3. LEGAL PROCEEDINGS

In September of 2001 the company entered into a promissory note with Duncan MacPhearson to be payable within the year. A dispute arose and the note was not timely paid, which led to a court action styled R. Duncan MacPhearson vs. Stereo Vision Entertainment, et. al., Case No. LC 0611749, in Los Angeles, California. Subsequently, the parties, on January 26, 2004, entered into a Settlement Agreement, including default provisions if scheduled payments did not occur as agreed. 25,000 shares of restricted stock, valued at $25,000, were delivered and $42,500 of payments was made, but the final $10,000 was not paid. According to the stipulated judgment agreement, this resulted in the plaintiff's entry of a judgment, according to notice received by the company, of $37,411, which was then appealed by the Company as incorrect. The appellate court disagreed and allowed the entry of judgment as filed, stating that the 25,000 shares had "no value" and allowing $37,411 to be imposed against the Company. Therefore, the company has paid $42,500 in cash, $25,000 in restricted stock, and owed $37,411, which had been accrued as a liability in the financial statements, for a total lawsuit resolution of $104,911. At June 30, 2009 and 2008, the total amount due was $32,411.

The Company has been served with a judgment in the amount of $6,600 by an individual in Pennsylvania. As of June 30, 2009, this amount has been recorded as a liability in the accompanying financial statements.

The Company has received notice that it is in breach of its former contract with the Investor Relations Group which claims it is owed $17,676.25 as well as 40,000 shares of restricted stock. As of June 30, 2009, this amount has been recorded as a liability in the accompanying financial statements. The issuance of the common stock has also been recorded and valued at $10,100. As of June 30, 2009, the stock has not been issued.

The Company has brought a defamation action against Ed Meyer and Adirondack Pictures. A cross complaint has been filed by Adirondack against the Company alleging claims for breach of contract, intentional misrepresentation and declaratory relief. The Company has answered the cross-complaint, denying all of the material allegations and intends to vigorously defend the claims made. During the quarter ended March 31, 2009, the Company reached an agreement with Mr. Meyer and Adirondack Pictures whereby upon execution of the agreement by all parties, the plaintiffs and defendants fully and mutually release and forever discharge each other from any and all claims.

ITEM 4. SUBMISSIONS OF MATTERS TO A VOTE OF SECURITY HOLDERS

In accordance with Nevada corporate law, no matters were subject to a vote of security holders during the year ended June 30, 2009.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

The Company's Common Stock is traded on the NASDAQ OTC Bulletin Board market under the symbol "SVSN." The following table presents the high and low bid quotations for the Common Stock as reported by the NASD for each quarter during the last two years. Such prices reflect inter-dealer quotations without adjustments for retail markup, markdown or commission, and do not necessarily represent actual transactions.

Prior to December 2, 1999, there was no trading market for Company's Common Stock. As of December 2, 1999, SVEI's Common Stock has been traded on the OTC Bulletin Board under the trading symbol "SVED." On June 2, 2003, the Company changed its trading symbol to SVSN.OB. The price for the common stock has approximately ranged in price as follows:

Quarter Ended	High	Low
September 30, 2007	$0.40	$0.39
December 31, 2007	$0.20	$0.17
March 31, 2008	$0.28	$0.28
June 30, 2008	$0.25	$0.25
September 30, 2008	$0.28	$0.15
December 31, 2008	$0.23	$0.05
March 31, 2009	$0.20	$0.05
June 30, 2009	$0.19	$0.09

The number of shareholders of record of the Company's Common Stock as of August 31, 2009 was approximately 900.

DIVIDENDS

SVEI has never paid a cash dividend on its Common Stock nor does it anticipate paying cash dividends on its Common Stock in the near future. It is the present policy of SVEI not to pay cash dividends on the Common Stock but to retain earnings, if any, to fund growth and expansion. Any payment of cash dividends on the Common Stock in the future will be dependent upon SVEI's financial condition, results of operations, current and anticipated cash requirements, plans for expansion, as well as other factors the Board of Directors deems relevant.

TRANSFER AGENT

The Company has appointed Holladay Stock Transfer, Inc., with offices at 2939 North 67th Place, Scottsdale, Arizona, 85215, phone number 480-481-3940, as transfer agent for our shares of common stock. The transfer agent is responsible for all record-keeping and administrative functions in connection with the common shares and stock warrants.

RECENT SALES OF UNREGISTERED SECURITIES

During the quarter ended September 30, 2008, the Company issued a net new number of shares totaling 1,740,000 as follows: 500,000 shares for cash at a price of $.20 per share; 100,000 shares for cash at a price of $.105 per share; 140,000 shares to two individuals who agreed to participate in two of the Company's feature films valued at $.20 per share;1,000,000 shares to its CEO, Jack Honour as conversion of $250,000 of accrued salary valued at $.25 per share; 500,000 shares to its CFO, Theodore Botts as conversion of $125,000 of accrued salary. This share issuance was subsequently canceled upon the resignation of Mr. Botts on September 17, 2008 who agreed to waive all of his accrued salary since becoming CFO on August 1, 2008. Lastly, the Company issued 2,500,000 shares to its newly appointed CEO, Mr. Lawrence Biggs, on August 1, 2008. Mr. Biggs resigned on September 16, 2008 and returned the shares for cancellation.

During the quarter ended March 31, 2009, the Company issued a net new number of shares totaling 615,000 as follows: 100,000 shares for interest expense of $10,000 at a price of $0.10 per share; 100,000 shares for cash of $10,000; 215,000 shares for services valued at $22,650; 200,000 shares for accrued rent of $20,000 on the corporate offices. During the quarter ended March 31, 2009, the Board of Directors authorized the cancellation of 1,815,000 shares of common stock. These shares have been returned to the treasury and cancelled.

During the quarter ended June 30, 2009, the Company issued a net new number of shares totaling 576,000 as follows: 200,000 shares for cash of $20,000; 50,000 shares for consulting services of $7,000 at a price of $0.14 per share; 290,000 shares for conversion of notes payable totaling $29,000; 36,000 shares for rent and interest expense of $3,960 at a price of $0.11 per share.

During the year ended June 30, 2009, 50,000 shares of common stock were returned to the treasury and cancelled.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Plan of Operations - The following discussion should be read in conjunction with the Company's audited financial statements.

SVEI intends to pursue opportunities in three product segments of the entertainment industry:

- Feature length 3-D and 2-D films for theatrical release
- Direct to DVD 3-D and 2-D films
- Licensing of Video Game rights

StereoVision intends to be the only public company in Hollywood focused on developing a library of films using 3-D technology. The company intends to develop four new scripts for theatrical release and direct to DVD movies each year and will concentrate on the most popular genres including horror, visual thrillers, sci-fi CGI effect movies, comedies and family films.

As a development stage company, SVEI has minimal historical operations, no revenues and negative cash flows. In order to satisfy cash requirements for SVEI's production and revenue goals, management must obtain working capital through either debt or equity financing which will lead to further dilution.

The entertainment industry is an intensely competitive one, where price, service, location, and quality are critical factors. The Company has many established competitors, ranging from similar local single unit operations to large multi-national operations. The entertainment industry may be affected by changes in customer tastes, economic, and demographic trends. Factors such as inflation, increased supplies costs and the availability of suitable employees may adversely affect the entertainment industry in general and the Company in particular. In view of the Company's limited financial resources and management availability, the Company will continue to be at a significant competitive disadvantage vis-a-vis the Company's competitors.

During the year ended June 30, 2008, the Company began developing five 3D film projects: "Aubrey Blaze Piranhas", "Booty", "Gonzos 3DD", "Kung Fu U", and "Three Dimension of Jerusalem". These projects are in different stages o development. Per the Company's proposed financing agreements, the Company will form stand alone LLC's on a project by project basis. Upon the completion of each film financing, StereoVision will earn Industry standard 5% Producer's fees from each budget, and will use this money for debt retirement, operations, and project development.

“Aubrey Blaze Piranhas” in 3D (ABP) has been fully scripted and budgeted. We have capitalized costs of $76,500 related to this project. ABP is a sci-fi horror movie currently budgeted at $12,000,000. It the story of hit video game creators who go the Amazon to film underwater video for their new video game sensation, “Aubrey Blaze”. There they encounter mutated Piranhas that fly right out of the water at your throat in 3D. The film is to be shot in the phosphorescent caves in Puerto Rico. Through the already enacted Puerto Rican government’s film producer’s rebate legislation, we expect to receive up to 40% of the budget in a rebate. We will raise the balance of the production budget by selling foreign distribution rights. We are offering high net worth investors the opportunity to own half the film, for their $1,000,000 cash advance, and an $8,000,000 million dollar letter of credit (LOC). The $1,000,000 will be used to attach a bankable director, a bankable actor, and producers, and screenwriter’s fees. The LOC is necessary to qualify for the Puerto Rican rebates, and the gap loans against foreign distribution contract’s. This formula is minimally dilutive and upon successful deployment, will allow the Company to go into the production of the movie, with full ownership of domestic distribution. The Company has paid a $100,000 equipment leasing advance to a 3D camera equipment company.

“Booty” has been fully scripted and budgeted. We have capitalized costs of $205,578 related to this project. We optioned this property from Sony for $50,000 and have a $500,000 rights payment due to Sony by June 15, 2010. “Booty” is a family fun pirate’s movie where eight women get kidnapped by pirates and upon arrival at the pirate’s Caribbean hideout, the women overthrow the pirates and steal their ship filled with all the pirate’s booty. A chase ensues that has all of history’s famous pirate’s after the women, and the treasure laden ship. “Booty” is to be shot in Puerto Rico. The financing formula for “Booty” is the same one that we’re using for “Aubrey Blaze Piranhas”. The difference being that the “Booty” budget is $25,000,000. The $1,000,000 advance in this financing model, will pay for the bankable star and director, and the $500,000 option fee due Sony. We are in discussions with numerous potential funding candidates. Subsequent to the completion of the financing, as with all of our movies, it will take about one year to get the film into distribution.

“Three Dimensions of Jerusalem” (TDOJ) has been fully scripted and budgeted. We have capitalized costs of $52,500 related to this project. This is a family oriented faith-based movie and has a $6,000,000 production budget. Because there will not be a large enough budget to allow a bankable star to utilize the Puerto Rican film producer’s rebate’s, this financing formula calls for the investor to advance $3,000,000 for half ownership. The balance of the budget will be funded through the Puerto Rican rebates, and distribution advances. This is an action/adventure story about three 12 year old boys that live in Jerusalem. One’s Christian, one’s Muslim, and one’s Jewish. They’re best friends and this story outlines the trials and, dangers that they encounter in today’s Jerusalem.

We have capitalized costs related to “Gonzos 3DD” (G3D) of $42,500. With G3D being only a three million dollar budget, a bankable star isn’t likely. Our plan is to secure a sponsor type investor, and use G3D as a 3D advertising vehicle.

For "Kung Fu U" (KFU), we have capitalized costs of $53,000. This is the story of a martial arts academy near Beverly Hills. They're sponsoring a summer self defense program with famous super hero's, where they teach the schools nerdy rich kids self defense. KFU is a comedy. The budget is $8,000,000. We plan to shoot this in Louisiana where we can capitalize on the 25% film producer's subsidy, and we're currently looking to secure a studio partnership for this project. Things with studios move slowly though, so this movie is not a top priority. While StereoVision has been in the business of attempting to develop 3D entertainment business for 10 years, 3D has only begun receiving mainstream acceptance in the last year or so.

During the year ended June 30, 2009, the Company began planning the development of two more film projects.

"Secrets of the Lost San Sabas" (SLSS) has a completed script story treatment. SLSS is the story of an Indian guide to the afterlife on a 300 year quest for justice. No costs have been capitalized as of June 30, 2009.

"Terror in Paradise" has a completed script story treatment. This is comedy about an alien invasion at a beauty pageant. No costs have been capitalized as of June 30, 2009.

In May 2010, we began looking into the development of a 3D cable television network. We have retained the services of three professionals for the planning and development.

Results of Operations - There were no revenues from sales for the two years ended June 30, 2009 and 2008. SVEI has sustained a net loss of approximately $465,000 for the year ended June 30, 2009, which was largely attributable to payments in cash and stock for acquisition of scripts, interest on debt, investor relations and third party consulting fees, office rent, housing, car and consulting fees for the CEO and accrued salaries. .From May 5, 1999 the Company was a development stage company and had not begun principal operations. Accordingly, comparisons with prior periods are not meaningful.

For the year ended June 30, 2009, the Company had a net loss of $465,097, compared to a net loss of $1,333,429 for the year ended June 30, 2008. The net loss decreased from 2008 to 2009 because of a decrease in salaries and consulting expense and a gain on forgiveness of debt for the year ended June 30, 2009. Salaries and consulting expense was $246,908 for the year ended June 30, 2009, as compared to $892,949 for the year ended June 30, 2008. This decrease is attributable to several factors. Officers salaries decreased in 2009 as compared to 2008 by $112,500. This decreased because of the resignation of an officer during the first quarter of 2009, leaving one officer accruing a salary in 2009. During 2008, the Company also issued stock to the board of directors that was valued at $145,000. No stock was issued to directors in 2009. During 2009 there was also a decrease in consulting expense from $410,448 in 2008 to $21,908 in 2009. During 2008, the Company issued stock valued at $242,000 for consulting expense. During 2009, the Company issued stock valued at $18,000 for consulting expense. The decrease in consulting expense was also due to a decrease in operations.

General and administrative expenses were $248,639 for the year ended June 30, 2009 and $316,676 for the year ended June 30, 2008. This decrease is mainly due to a decrease in operations.

Interest income decreased from $2,561 for the year ended June 30, 2008 to $1 for the year ended June 30, 2009. This decrease was due to lower cash balances in 2009 as compared to 2008.

Interest expense was $106,251 for 2009 as compared to $118,965 for 2008. This decrease is attributable to certain loans being repaid in stock in 2008 and 2009, thus decreasing the amount of interest being accrued.

For the year ended June 30, 2009, the Company had a gain on forgiveness of debt of $137,500. This gain was from a former officer of the Company forgiving accrued salary of $137,500 in its entirety. There was no gain from forgiveness of debt during 2008.

LIQUIDITY AND CAPITAL RESOURCES

The Company has developed a detailed plan of operations to exploit the opportunities it sees in the entertainment industry and to take advantage of the skills and experience of its management team. On a preliminary basis, the Company estimates that it will require approximately $1,500,000 over a period of 12 months to fund initial development of existing projects as well as operate the company. In order to fund the actual production of a feature film, the Company estimates it will require approximately up to an additional $25,000,000 which it will obtain from a variety of sources including partner distributors, tax rebates for on site production in certain jurisdictions as well as debt and equity sources. The Company may attempt to arrange joint ventures with studios to facilitate the development of new movies.

The aforementioned estimates of capital required are still preliminary in nature and are subject to substantial and continuing revisions. Although the Company has not yet commenced any formal capital raising efforts, the Company expects that any capital that it raises will be in the form of one or more debt or equity financings. However, there can be no assurances that the Company will be successful in raising any required capital on a timely basis and/or under acceptable terms and conditions. To the extent that the Company does not raise sufficient capital to implement its plan of operations on a timely basis, it will have to curtail, revise and/or delay its business plans. The Company has financed its operations to date from the sale of stock and loans from related parties. During the year ended June 30, 2009, the Company received approximately $126,497 from related party loans and $140,500 from the private placement of unregistered shares with individuals. There can be no assurances that additional loans will be forthcoming from officers, directors, or shareholders or that the Company will be able to successfully sell shares.

We had total current assets of $38,950 at June 3, 2009 consisting of cash of $0 and prepaid expense of $38,950. We had total liabilities of $1,620,364 at June 30, 2009 all of which are current liabilities consisting of accounts payable, accrued liabilities and loans from shareholders. At June 30, 2009, we had a working capital deficit of $1,581,414.

Cash used in operations was $276,047 for the year ended June 30, 2009 while it was $770,391 for 2008. A significant portion of the decrease was due to a large reduction in investments in films in 2009 compared to 2008. In 2009 we invested $23,328 in films, while in 2008 we invested $305,750 in films. The effect of the change over the two year period resulted in a $282,422 difference in cash flows from 2009 compared to 2008. Also contributing to the decrease in cash used in operations was a decrease in the net loss to $465,097 in 2009 from $1,333,429 in 2008. This decrease was a result of a decrease in operations in 2009 compared to 2008.

Cash from operations from inception to date has not been sufficient to provide the operating capital necessary to operate. We have relied on loans from shareholders and sales of restricted common stock for cash.

We had no investing activities in 2009. In 2008, our investing activities were the result of the Company purchasing $3,000 of equipment.

We had cash provided by financing activities of $271,706 in 2009, compared to cash provided of $638,530 in 2008. A significant portion of the decrease was due to a decrease in loans from shareholders in 2009 compared to 2008. Loans from shareholders were $126,497 in 2009, compared to $588,530 in 2008. This was partially offset by an increase in cash provided from issuance of common stock. In 2009 we received cash of $140,500 from sales of common stock, compared to $50,000 in 2008.

Going Concern Consideration

Management believes that the gross proceeds from the issuance of common stock and from shareholder loans will be sufficient to continue our planned activities until June 30, 2010, the end of our next fiscal year. However, we anticipate generating losses and therefore we may be unable to continue operations in the future as a going concern. No adjustment has been made in the accompanying financial statements to the amounts and classification of assets and liabilities that could result should we be unable to continue as a going concern.

We currently have no agreements, arrangements or understandings with any person to obtain funds through bank loans, lines of credit or any other sources.

Accordingly, our independent auditors included an explanatory paragraph in their report on the accompanying financial statements regarding concerns about our ability to continue as a going concern. Our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors.

Government Regulations - The Company is subject to all pertinent Federal, State, and Local laws governing its business. The Company is subject to licensing and regulation by a number of authorities in its State or municipality. These may include health, safety, and fire regulations. The Company's operations are also subject to Federal and State minimum wage laws governing such matters as working conditions and overtime.

Critical Accounting Policies -The preparation 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 the disclosure of contingent assets and liabilities of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Note 1 to the Consolidated Financial Statements describes the significant accounting policies and methods used in the preparation of the Consolidated Financial Statements. Estimates are used for, but not limited to, contingencies and taxes. Actual results could differ materially from those estimates. The following critical accounting policies are impacted significantly by judgments, assumptions, and estimates used in the preparation of the Consolidated Financial Statements.

We are subject to various loss contingencies arising in the ordinary course of business. We consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss in determining loss contingencies. An estimated loss contingency is accrued when management concludes that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted.

We recognize deferred tax assets (future tax benefits) and liabilities for the expected future tax consequences of temporary differences between the book carrying amounts and the tax basis of assets and liabilities. The deferred tax assets and liabilities represent the expected future tax return consequences of those differences, which are expected to be either deductible or taxable when the assets and liabilities are recovered or settled. Future tax benefits have been fully offset by a 100% valuation allowance as management is unable to determine that it is more likely than not that this deferred tax asset will be realized.

The Company's film costs and music licensing rights and production costs are capitalized as incurred. We periodically review properties in development to determine whether they will ultimately be used in the production of a film. When we determine that a property will not be used, a charge is made to the income statement in the period that determination is made. It is presumed that the Company will dispose of a property, by sale or abandonment, if it has not been set for production with three years from the time of the first capitalized transaction. The loss would be measured by the amount by which the carrying amount of the project exceeds its fair value.

Recently Enacted and Proposed Regulatory Changes - Recently enacted and proposed changes in the laws and regulations affecting public companies, including the provisions of the Sarbanes-Oxley Act of 2002 and rules proposed by the SEC and NASDAQ could cause us to incur increased costs as we evaluate the implications of new rules and respond to new requirements. The new rules could make it more difficult for us to obtain certain types of insurance, including directors and officers liability insurance, and we may be forced to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. The impact of these events could also make it more difficult for us to attract and retain qualified persons to serve on the Company's board of directors, or as executive officers. We are presently evaluating and monitoring developments with respect to these new and proposed rules, and we cannot predict or estimate the amount of the additional costs we may incur or the timing of such costs.

In April 2009, the FASB updated ASC 820 to provide additional guidance for estimating fair value when the volume and level of activity for the asset or liability have decreased significantly. ASC 820 also provides guidance on identifying circumstances that indicate a transaction is not orderly. The implementation of ASC 820 did not have a material effect on the Company's financial statements.

In April 2009, the FASB updated ASC 825 regarding interim disclosures about fair value of financial instruments. ASC 825 requires disclosures about fair value of financial instruments in interim reporting periods of publicly traded companies that were previously only required to be disclosed in annual financial statements. The implementation of ASC 825 did not have a material effect on the Company's financial statements.

In April 2009, the FASB updated ASC 320 for proper recognition and presentation of other-than-temporary impairments. ASC 320 provides additional guidance designed to create greater clarity and consistency in accounting for and presenting impairment losses on securities. The implementation of ASC 320 did not have a material effect on the Company's consolidated financial statements.

In June 2009, the FASB created the Accounting Standards Codification, which is codified as ASC 105. ASC 105 establishes the codification as the single official non-governmental source of authoritative accounting principles (other than guidance issued by the SEC) and supersedes and effectively replaces previously issued GAAP hierarchy framework. All other literature that is not part of the codification will be considered non-authoritative. The codification is effective for interim and annual periods ending on or after September 15, 2009. The Company has applied the codification, as required, beginning with the 2009 Form 10-K. The adoption of the codification did not have a material impact on the Company's financial position, results of operations or cash flows.

In June 2009, the FASB updated ASC 855, which established principles and requirements for subsequent events. This guidance details the period after the balance sheet date which the Company should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which the Company should recognize events or transactions occurring after the balance sheet date in its financial statements and the required disclosures for such events. ASC 855 is effective for interim and annual periods ending after June 15, 2009. The implementation of ASC 855 did not have a material effect on the Company's financial statements.

In October 2009, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2009-13 (ASU 2009-13), which provided an update to ASC 605. ASU 2009-13 addresses how to separate deliverables and how to measure and allocate arrangement consideration to one or more units of accounting in multiple-deliverable arrangements. The amendments in this update will be effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. The Company is currently evaluating the impact that this update will have on its Financial Statements.

ITEM 7. FINANCIAL STATEMENTS

The financial statements of the Company and supplementary data are included beginning immediately following the signature page to this report.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

There are not and have not been any disagreements between the Company and its accountants on any matter of accounting principles, practices or financial statements disclosure.

ITEM 8A(T). CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), the Company's management carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures as of June 30, 2009, being the date of the Company's most recently completed fiscal year end. This evaluation was carried out under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, Mr. Jack Honour.

Changes in Internal Control Over Financial Reporting

During the most recently completed fiscal year ended June 30, 2009, the Company reduced its staff and as a result, a limitation in the segregation of duties occurred. The Company also does not have a separate CFO at this time, resulting in less effective disclosure controls and procedures.

Evaluation of Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Our internal control system has been designed to provide reasonable assurance to our management and board of directors regarding the preparation and fair presentation of our published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of June 30, 2009, based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management concluded that our internal control over financial reporting was not effective as of June 30, 2009 due to the following material weakness:

- Our Company's administration is composed of a small number of administrative individuals resulting in a situation where limitations on segregation of duties exist. In order to remedy this situation we would need to hire additional staff to provide greater segregation of duties. Currently, it is not feasible to hire additional staff to obtain optimal segregation of duties. Management will reassess this matter in the following year to determine whether improvement in segregation of duty is feasible.

- Our Company currently does not have a CFO, and our CEO does not have the background in financial reporting to ensure that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms and is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosures.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Executive Officers and Directors

The composition of the Board of Directors as well as the Officers of the company has undergone significant change since the end of the company's fiscal year ending June 30, 2007. Mr. Theodore Botts was appointed a member of the Board as well as Chief Financial Officer of the Company on August 1, 2007. He resigned from both those positions on September 19, 2008. Mr. Douglas Schwartz, Chairman of the Board (and subsequently, Co Chairman) and Chief Production Officer resigned from both those positions on September 20, 2008. Governor Carlos Romero Barcelo was elected to the Board in March, 2008. Mr. Lawrence Biggs was appointed Chief Executive Officer and to the Board on July 25, 2008. He resigned from both those positions on September 16, 2008. Mr. Anthony Munafo was elected to the Board and appointed Chief Operating Officer on August 6, 2008. Mr. John Honour, Co Chairman was appointed by the Board to be interim CEO on September 19, 2008 and to the positions of Chairman and interim CFO in a Board meeting on September 22. At that same board meeting, Steven Curran and Michael Hippert were elected to the Board and Gov. Romero Barcelo was elected to the position of Vice Chairman. Messrs. Hippert and Bodziak resigned their positions as board members effective November 11, 2008.

The members of the Board of Directors of the Company serve until the next annual meeting of stockholders, or until their successors have been elected. The officers serve at the pleasure of the Board of Directors. The following table sets forth the name, age, and position of each executive officer and director of the Company: as of November 14, 2009:

Name of Director	Age	Current Position	Position Held Since
Gov. Carlos Romero Barcelo	73	Vice Chairman, Director	March, 2008
Jack Honour	58	Chairman, (Interim) CEO	June, 2001
Anthony Munafo	48	COO, Director	August, 2008
Herky Williams	54	Secretary/Treasurer, Director	May, 2000
Steven Curran	55	Director	Sept. 2008

Jack Honour, Chairman, President and CEO, CFO

Mr. Honour has been the driving force behind the Company's vision and strategy. He founded the Company in 1999 in order to capitalize on what he saw as the emerging transition from traditional entertainment to state of the art multimedia entertainment. His diverse career has included starting a number of businesses in Restaurant Management, Real Estate and an Import/Export Trading Company. Since he founded StereoVision Entertainment he has gathered together the management team and Board of Directors necessary to develop the various facets of the business. In addition, Mr. Honour has succeeded in identifying attractive projects for the Company and forging close relationships with key strategic partners.

Steven Williams, Secretary and Treasurer, Director

Mr. Williams has served as Secretary/Treasurer and a member of the board of directors since May, 2000. Mr. Williams has an extensive background and experience in various facets of the music industry. He served as Senior Director of A&R for Capitol Records in 1995/6 where his duties included signing artists as well as artist development. Such artists included Willie Nelson, Garth Brooks, Charlie Daniels and Tanya Tucker.

Governor Carlos Romero Barcelo, Vice Chairman

Gov. Romero is the former two time governor of Puerto Rico, two term mayor of San Juan and two term US congressman. He is a leading political and business figure in Puerto Rico. He has been instrumental in helping the Company establish itself there in preparation for its plans to build up a local post production facility to support the ambitious plans to make Puerto Rico a leading destination for film makers.

Anthony Munafo, Chief Operating Officer, Director

Mr. Munafo began his career in financial services in 1983 as a broker with Merrill Lynch and continued in that role with Alex Brown until 1991 when he joined the Baltimore office of Morgan Stanley. In 2000 he joined a local boutique investment bank, Observation Capital in their corporate finance division where he remained until 2002. Since that time he has managed his own financial services firm, A.M. Capital Partners. During his career, Mr. Munafo has assisted many different companies with various types of debt and equity offerings.

Steven Curran, Director

Steve Curran is a prominent Dallas businessman. He was President of Marlin Financial from 2002 - 2007. For the past year he has been developing oil and gas deals in Dallas. Steve studied at the University of Texas in Austin

Audit Committee Financial Expert

The Company's board of directors does not have an "audit committee financial expert," within the meaning of such phrase under applicable regulations of the Securities and Exchange Commission, nor does it have an audit committee. The board of directors believes that its members are financially literate and experienced in business matters, and that one or more members are capable of (i) understanding generally accepted accounting principles ("GAAP") and financial statements, (ii) assessing the general application of GAAP principles in connection with our accounting for estimates, accruals and reserves, (iii) analyzing and evaluating our financial statements, (iv) understanding our internal controls and procedures for financial reporting.. However, the board of directors believes that there is not any member who has obtained these attributes through the experience specified in the SEC's definition of "audit committee financial expert." Further, like many small companies, it is difficult for the Company to attract and retain board members who qualify as "audit committee financial experts," and competition for these individuals is significant. The board believes that it is able to fulfill its role under SEC regulations despite not having a designated "audit committee financial expert."

Conflicts of Interest

Certain conflicts of interest existed at June 30, 2009 and may continue to exist between the Company and some of its officers and directors due to the fact that each may have other business interests to which they devote his primary attention. Each of these officers and directors may continue to do so notwithstanding the fact that management time should be devoted to the business of the Company.

Certain conflicts of interest may exist between the Company and its management, and conflicts may develop in the future. The Company has not established policies or procedures for the resolution of current or potential conflicts of interests between the Company, its officers and directors or affiliated entities. There can be no assurance that management will resolve all conflicts of interest in favor of the Company, and failure by management to conduct the Company's business in the Company's best interest may result in liability to the management. The officers and directors are accountable to the Company as fiduciaries, which means that they are required to exercise good faith and integrity in handling the Company's affairs. Shareholders who believe that the Company has been harmed by failure of an officer or director to appropriately resolve any conflict of interest may, subject to applicable rule of civil procedure, be able to bring a class action or derivative suit to enforce their rights and the Company's rights.

Board Meetings and Committees

Our Board of Directors conducts its business through telephonic meetings of the Board. During the fiscal year ended June 30, 2009, the Board consisted of five individuals. As of August 31, 2009 it consists of five individuals.

The Board does not currently have any committees, but intends to establish an audit committee and a compensation committee as soon as formal operations commence.

Code of Ethics

We do not currently have a Code of Ethics applicable to our principal executive, financial and accounting officers. We do not have an independent “financial expert” on the board.

Compliance with Section 16(a) of the Exchange Act

Based solely upon a review of forms 3, 4, and 5 and amendments thereto, furnished to the Company during or respecting its last fiscal year, no director, officer, beneficial owner of more than 10% of any class of equity securities of the Company or any other person known to be subject to Section 16 of the Exchange Act of 1934, as amended, failed to file on a timely basis reports required by Section 16(a) of the Exchange Act for the last fiscal year.

ITEM 10. EXECUTIVE COMPENSATION

None of the executive officers’ annual salary and bonus exceeded $200,000 during any of the Company’s last two fiscal years and no Officer has received any cash salary payments. For the twelve months ended June 30, 2009, the Chief Executive Officer accrued a salary at the rate of $200,000 per year plus received benefits (housing, car, moving expenses, consulting fees, etc.) totaling approximately $80,000.

ITEM 11. SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGEMENT

Principal Shareholders

The table below sets forth information as to each person owning of record or who was known by the Company to own beneficially more than 5% of the 23,786,138 shares of issued and outstanding Common Stock of the Company as of August 31, 2009 and information as to the ownership of the Company's Stock by each of its directors and executive officers and by the directors and executive officers as a group. Except as otherwise indicated, all shares are owned directly, and the persons named in the table have sole voting and investment power with respect to shares shown as beneficially owned by them.

Name and Address of Beneficial Owners / Directors	Nature of Ownership	Shares Owned	Percent
All Executive Officers and Directors as a Group * (5 persons)	Common	8,926,784	37.53.%
Anthony Munafo	Common	565,850	2.38%
John Honour	Common	7,024,934	29.53%
Herky Williams	Common	671,000	2.82%
Gov. Carlos Romero Barcelo	Common	100,000	0.42%
Steven Curran	Common	100,000	0.42%

*The address of all five officers and directors is in care of the Company.

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ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of June 30, 2009 and 2008, the company owed $981,491 and $795,079 respectively to various shareholders and officers/directors. The loans are unsecured with interest at rates of between 4.00% to 12% and have no fixed terms of repayment. During the year ended June 30, 2009, the Company received $126,497 in new loans from related parties, which are included in the total above.

On June 27, July 31 and August 27, 2007, the Company borrowed $125,000, $150,000 and $225,000 respectively from a shareholder at an interest rate of 12% per annum. Interest of $5,000 per month was due and payable monthly beginning in September 2007 and continuing through the payment due date on February 21, 2009. On February 19, the Company borrowed an additional $200,000 under the same terms. This loan was collateralized with 1,000,000 shares of Mr. John Honour's shares. Interest of $7,000 per month is due and payable monthly. At June 30, 2008 the total amount due on this loan was $706,667. This amount is included in the total amount of loans shown above. For the four month period of March-June, 2008, the lender accepted 100,000 shares of restricted stock valued at $.28 per share as payment for the interest for those four months. At March 31, 2009, the company owed $769,667 on this loan. The $700,000 note is convertible at the option of the lender on the due date at a per share price equal to 75% of the closing price on the day of conversion.

During the year ended June 30, 2009, the Company borrowed $115,000 from various shareholders. These loans are convertible to common stock of the Company at a conversion rate of $.10 per share. The $115,000 in notes payable are convertible into 1,150,000 restricted common shares. The notes are convertible immediately and are due on demand. The Company has recognized $13,640 of interest expense related to the beneficial conversion feature of the notes payable. As of June 30, 2009, $29,000 of these notes payable have been converted into 290,000 shares of common stock.

ITEM 13. EXHIBITS, AND REPORTS ON FORM 8-K

Exhibits

The following exhibits are included as part of this report:

Exhibit Number	Title of Document
2.1 *	Acquisition Agreement and Plan of Reverse Merger by and between StereoVision Vision Entertainment, Inc. and Kestrel Equity Corporation dated December 3, 1999. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
2.2 *	Agreement and Plan of Merger by and between Kestrel Equity Corporation and SVE Merger, Inc. dated January 10, 2000.
3.1 *	Articles of Incorporation of Kestrel Equity Corporation filed with the State of Arizona on December 14, 1993. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
3.2 *	Articles of Amendment of Articles of Incorporation of Kestrel Equity Corporation filed with the State of Arizona on June 18, 1997. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
3.3 *	Articles of Amendment of Articles of Incorporation of Kestrel Equity Corporation filed with the State of Arizona on September 30, 1997. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
3.4 *	Bylaws of the Kestrel Equity Corporation. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
3.5 *	Articles of Incorporation of SVE Merger, Inc. filed with the State of Nevada on December 23, 1999.
3.6 *	Bylaws of SVE Merger, Inc.
4.1 *	Specimen Stock Certificate of Kestrel Equity Corporation. (incorporated by reference to Form 10-SB filed with the SEC on December 17, 1999)
4.2 *	Specimen Stock Certificate of SVE Merger, Inc.
10.1*	Stock Purchase Agreement by and between Kestrel Equity Corporation and John Honour, dated September 25, 1999.
31	Certification of Principal Executive and Principal Financial Officer Pursuant to 18 U.S.C Section 1350 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Principal Executive and Principal Financial Officer Pursuant to 18 U.S.C Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(*)	Incorporated by reference to the Registrant’s registration statement on Form 10-SB filed on August 9, 2000.

(a) Reports on Form 8-K filed.

The Company filed reports on Form 8-K on August 25, 2008, September 23, 2008 and November 13, 2008.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Robison, Hill & Co. has served as the Company's Principal Accountant since 1999. Their pre-approved fees billed to the Company are set forth below:

	Fiscal year ending June 30, 2009	Fiscal year ending June 30, 2008
Audit Fees	$24,270	$29,351
Audit Related Fees	NIL	NIL
Tax Fees	480	480
All Other Fees	NIL	NIL

Audit Fees. Consists of fees billed for professional services rendered for the audits of our consolidated financial statements, reviews of our interim consolidated financial statements included in quarterly reports, services performed in connection with filings with the Securities & Exchange Commission and related comfort letters and other services that are normally provided by Robison, Hill & Company in connection with statutory and regulatory filings or engagements.

Tax Fees. Consists of fees billed for professional services for tax compliance, tax advice and tax planning. These services include assistance regarding federal, state and local tax compliance and consultation in connection with various transactions and acquisitions.

Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors

The Board of Directors is to pre-approve all audit and non-audit services provided by the independent auditors. These services may include audit services, audit-related services, tax services and other services as allowed by law or regulation. Pre-approval is generally provided for up to one year and any pre-approval is detailed as to the particular service or category of services and is generally subject to a specifically approved amount. The independent auditors and management are required to periodically report to the Board regarding the extent of services provided by the independent auditors in accordance with this pre-approval and the fees incurred to date. The Board may also pre-approve particular services on a case-by-case basis.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)

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INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS REPORT

JUNE 30, 2009 AND 2008

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

Stereo Vision Entertainment, Inc.
(A Development Stage Company)

We have audited the accompanying consolidated balance sheets of Stereo Vision Entertainment, Inc. (a development stage company) as of June 30, 2009 and 2008 and the related consolidated statements of operations, and cash flows for the years ended June 30, 2009 and 2008 and the cumulative period May 5, 1999 (inception) to June 30, 2009 and the consolidated statement of stockholders' equity for the period from May 5, 1999 (inception) to June 30, 2009. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Stereo Vision Entertainment, Inc. (a development stage company) as of June 30, 2009 and 2008 and the results of its operations and its cash flows for the years ended June 30, 2009 and 2008 and the cumulative period May 5, 1999 (inception) to June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses from operations and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/S/ Robison, Hill & Co.
Certified Public Accountants

Salt Lake City, Utah
October 12, 2009

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED BALANCE SHEETS

ASSETS:	June 30, 2009	June 30, 2008
Current Assets:		
Cash	$-	$4,341
Prepaid Expense	38,950	6,750
Total Current Assets	38,950	11,091
Fixed Assets:		
Office Equipment	16,745	16,745
Less Accumulated Depreciation	(15,335)	(14,375)
Net Fixed Assets	1,410	2,370
Intangible and Other Non- Current Assets:		
Investment in JamOakie	11,893	11,893
Films, Manuscripts, Recordings and Similar Property	430,078	406,750
Net Intangible and Other Non-Current Assets	441,971	418,643
Total Assets	$482,331	$432,104
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Liabilities:		
Accounts Payable	$198,844	$188,510
Accrued Expenses	402,908	613,790
Bank Overdraft	4,709	
Lawsuit Payable	32,411	32,411
Loans from Shareholders	981,492	795,079
Total Current Liabilities	1,620,364	1,629,790
Stockholders' Equity:		
Common Stock, $.001 Par value		
Authorized 100,000,000 shares,		
Issued 23,786,138 shares at June 30, 2009		
and 22,720,138 shares at June 30, 2008	23,786	22,720
Common Stock to be Issued, 96,000 shares at		
June 30, 2009 and 2008	96	96
Additional Paid in Capital	15,858,149	15,334,465
Deficit Accumulated During the Development Stage	(17,020,064)	(16,554,967)
Total Stockholders' Equity	(1,138,033)	(1,197,686)
Total Liabilities and Stockholders' Equity	$482,331	$432,104

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

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended June 30, 2009	2008	Cumulative Since May 5, 1999 Inception of Development Stage
Revenues	$-	$-	$-
Expenses			
Research & Development	-	-	293,000
General & Administrative	248,639	316,676	9,166,953
Salaries & Consulting	246,908	892,949	6,526,721
Advertising & Promotion	-	-	418,423
Loss on Investment	-	-	558,191
Lawsuit Settlement	-	6,600	111,511
Operating Loss	(495,547)	(1,216,225)	(17,074,799)
Other income (expense):			
Interest income	1	2,561	2,562
Interest expense	(106,251)	(118,965)	(672,503)
Forgiveness of debt	137,500	-	600,138
Investment Fee	-	-	(75,000)
Loss on Sale of Assets	-	-	(15,883)
Write off of Note Receivable	-	-	(191,701)
Gain (Loss) on Available for Sale Securities	-	-	412,772
Total Other Income (expense)	31,250	(116,404)	60,385
Net Loss Before Taxes	(464,297)	(1,332,629)	(17,014,414)
Income Tax Expense	(800)	(800)	(5,650)
Net Loss	$(465,097)	$(1,333,429)	$(17,020,064)
Basic & Diluted loss Per Share	$(0.02)	$(0.06)	
Weighted Average	23,700,946	21,453,676	

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

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
May 5, 1999 Stock Issued for Services and Payment of Accounts Payable	1,530,000	$1,530	$-	$3,470	$ -
Net Loss	-	-	-	-	(144,977)
Balance at June 30, 1999	1,530,000	1,530	-	3,470	(144,977)
Retroactive Adjustment for 25:1 Stock Split May 30, 2003	(1,468,800)	(1,469)	-	1,469	-
Restated Balance June 30, 1999	61,200	61	-	4,939	(144,977)
December 2, 1999 Stock Issued in Exchange for Assets	58,800	59	-	4,011,841	-
December 3, 1999 Stock Issued in Connection to Merger with Kestrel Equity Corporation	48,000	48	-	(112,114)	-
December 31, 1999 Stock Issued for Services	14,000	14	-	699,986	-
February 14, 2000 Stock Issued for Services	4,000	4	-	99,996	-
April 17, 2000 Stock Issued for Services	4,000	4	-	99,996	-
May 4, 2000 Stock Issued for Cash	2,200	2	-	54,998	-
June 2, 2000 Stock Issued for Services	4,000	4	-	99,996	-
June 30, 2000 Stock Issued for Cash	1,420	2	-	35,498	-
Net Loss	-	-	-	-	(2,680,213)

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
Balance at June 30, 2000	197,620	$198	$-	$4,995,136	$ (2,825,190)
September 13, 2000 Stock Issued for Conversion of notes payable	5,000	5	-	141,245	-
September 29, 2000 Stock Issued for Advertising	4,000	4	-	94,996	-
October 27, 2000 Stock Issued for Advertising	500	-	-	12,500	-
November 15, 2000 Stock Issued for Conversion of Note Payable	32,000	32	-	407,106	-
November 22, 2000 Stock Issued for Conversion of Note Payable	2,000	2	-	24,998	-
November 22, 2000 Stock Issued for Consulting	4,080	4	-	101,996	-
December 4, 2000 Stock Issued for Services	400	-	-	10,200	-
December 14, 2000 Stock Issued for Services	4,000	4	-	105,996	-
January 23, 2001 Stock Issued for Cash	600	1	-	14,999	-
January 30, 2001 Stock Issued for Services	4,724	4	-	64,946	-
March 10, 2001 Stock Issued for Services	8,000	8	-	153,992	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
April 9, 2001 Stock Issued for Advertising	3,600	$4	$-	$49,496	$ -
April 18, 2001 Stock Issued for Acquisition of Wilfield Entertainment	16,000	16	-	219,984	-
May 25, 2001 Shares Cancelled for Non-Performance of Advertising and Services	(14,000)	(14)	-	(328,486)	-
June 1, 2001 Shares Issued for Conversion of Notes Payable	840	1	-	7,512	-
June 15, 2001 Shares Issued for Services	1,000	1	-	14,999	-
June 28, 2001 Shares Issued for Advertising	4,000	4	-	59,996	-
June 28, 2001 Shares Issued for Services	6,000	6	-	89,994	-
June 29, 2001 Shares Issued for Conversion of Notes Payable	34,000	34	-	224,966	-
Net Loss	-	-	-	-	(4,572,325)
Balance at June 30, 2001	314,364	314	-	6,466,571	(7,397,515)
July 3, 2001 Shares Issued for Expense	1,000	1	-	9,999	-
July 3, 2001 Shares Issued for Services	5,000	5	-	74,995	-
July 25, 2001 Shares Issued for Cash	1,600	1	-	19,999	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
July 30, 2001 Shares Issued for Consulting	4,400	$4	$-	$45,096	$ -
August 29, 2001 Shares Issued for Interest on Notes Payable	13,400	13	-	100,487	-
September 10, 2001 Shares Issued for Services	800	1	-	5,999	-
September 10, 2001 Shares Issued for Conversion of Note Payable	4,000	4	-	25,596	-
September 25, 2001 Shares Canceled For Non-Performance of Contract	(4,000)	(4)	-	70,536	-
September 27, 2001 Shares Issued for Services	101,000	101	-	1,136,149	-
September 27, 2001 Shares Issued for Cash and Commission	2,000	2	-	24,998	-
October 2, 2001 Shares Issued for Services	18,000	18	-	242,982	-
October 31, 2001 Shares Issued for Conversion of Note Payable	10,182	10	-	89,085	-
November 1, 2001 Shares Issued for Services	2,825	3	-	14,123	-
November 7, 2001 Shares Issued for Conversion of Note Payable	8,910	9	-	55,676	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
December 19, 2001 Shares Issued for Services	44,000	$44	$-	$153,956	$ -
December 19, 2001 Shares Issued for Conversion of Note Payable	6,820	7	-	23,863	-
December 20, 2001 Shares Issued for Services	30,000	30	-	157,470	-
January 15, 2002 Shares Issued for Cash	12,000	12	-	99,988	-
January 24, 2002 Shares Issued for Previous Conversion of Note Payable	55,660	56	-	(57)	-
February 25, 2002 Shares Issued for Previous Conversion of Note Payable	63,525	64	-	(64)	-
April 10, 2002 Shares Issued for Conversion of Note Payable	9,920	10	-	32,617	-
April 15, 2002 Shares Issued for Rent	2,000	2	-	3,998	-
April 15, 2002 Shares Issued for Cash	4,000	4	-	2,996	-
April 29, 2002 Shares Issued for Project Agreement	8,000	8	-	11,992	-
April 29, 2002 Shares Issued for Consulting	4,000	4	-	5,996	-
May 8, 2002 Shares Issued for Cash	4,000	4	-	2,496	-
May 24, 2002 Shares Issued for Consulting	4,000	4	-	3,496	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
May 30, 2002 Shares Issued for Project Agreement	4,000	$4	$-	$2,996	$ -
June 24, 2002 Shares Issued for Cash	4,000	4	-	7,496	-
Net Loss	-	-	-	-	(1,066,683)
Balance at June 30, 2002	739,406	739	-	8,891,530	(8,464,198)
July 1, 2002 Shares Issued for Cash	34,000	34	-	9,466	-
July 8, 2002 Shares Issued for Interest on Debt Retirement	85,344	85	-	81,582	-
December 20, 2002, Shares returned to treasury and cancelled	(20,000)	(20)	-	20	-
December 23, 2002, Shares Cancelled for non-performance of Services	(104,000)	(104)	-	(1,054,396)	-
January 1, 2003, Shares Issued for Services	494,000	494	-	370,006	-
March 18, 2003, Shares Issued for Services	52,600	53	-	26,247	-
March 26, 2003, Shares Issued for Conversion of Debt	160,000	160	-	274,772	-
March 26, 2003, Shares Issued for Services	13,200	13	-	6,587	-
May 9, 2003, Shares Issued for Services	101,600	102	-	25,298	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock Shares	Common Stock Value	Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
May 29, 2003, Shares Issued for Services	108,000	$ 108	$ -	$ 121,932	$ -
June 2, 2003, Shares Issued for Services	38,000	38	-	42,902	-
June 2, 2003, Shares Issued for Conversion of Debt	88,000	88	-	19,912	-
June 3, 2003, Shares Cancelled for Non-Performance of Service	(12,000)	(12)	-	(56,988)	-
June 12, 2003, Shares Issued for Services	2,000,000	2,000	-	598,000	-
June 20, 2003, Shares Issued for Services	10,000	10	-	5,990	-
June 25, 2003, Shares Issued for Conversion of Debt	40,000	40	-	15,451	-
Net Loss	-	-	-	-	(1,447,447)
Balance at June 30, 2003	3,828,150	3,828	-	9,378,311	(9,911,645)
July 1, 2003, Shares Issued for Services	100,000	100	-	47,900	-
July 8, 2003 Loan Converted to Shares	30,000	30	-	8,875	-
July 9, 2003, Shares Issued for Services	70,000	70	-	23,930	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
September 11, 2003, Shares Issued for Services	218,000	$218	$-	$101,382	$ -
September 17, 2003, Shares Issued for Services	100,000	100	-	51,900	-
September 29, 2003, Shares Issued for Services	710,000	710	-	403,990	-
October 1, 2003, Shares Issued for Cash	200,000	200	-	55,300	-
October 1, 2003, Shares Issued for Services	20,000	20	-	4,980	-
November 17, 2003, Shares Canceled for Non-Performance	(100,000)	(100)	-	(47,800)	-
December 2, 2003, Shares Issued for Services	1,223,072	1,223	-	210,277	-
January 12, 2004, Shares Issued for Services	90,000	90	-	53,910	-
January 20, 2004, Shares Issued for Conversion of Note Payable	200,000	200	-	34,846	-
February 2, 2004, Shares Issued for Cash	400,000	400	-	99,600	-
February 9, 2004, Shares Canceled for Non-Performance	(20,000)	(20)	-	(4,980)	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
March 9, 2004, Shares Issued for Cash	25,000	$25	$-	$12,475	$ -
March 9, 2004, Shares Issued for Rent and Accounts Payable	100,000	100	-	24,900	-
March 9, 2004, Shares Canceled for Non-Performance	(156,000)	(156)	-	(75,276)	-
March 11, 2004, Shares Issued for Services	345,000	345	-	689,655	-
April 7, 2004, Shares Issued for Services	60,000	60	-	122,740	-
April 7, 2004, Shares Issued for Cash	375,000	375	-	214,495	-
April 7, 2004, Loan Converted to Shares	30,000	30	-	14,169	-
April 14, 2004, Shares Issued for Cash	100,000	100	-	25,000	-
May 6, 2004, Shares Issued for Cash	10,000	10	-	4,990	-
May 25, 2004, Shares Issued for Services	50,000	50	-	40,450	-
June 8, 2004, Shares Issued for Investment Expense	100,000	100	-	74,900	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
June 16, 2004, Shares Issued for Services	240,000	$240	$-	$79,761	$-
Cancellation of Stock Options for Non-Performance	-	-	-	487,500	-
Net Loss	-	-	-	-	(2,945,325)
Balance at June 30, 2004	8,348,222	8,348	-	12,138,180	(12,856,970)
July 13, 2004, Shares issued for Consulting	128,333	128	-	54,805	-
July 22, 2004, Shares issued for Consulting	280,000	280	-	121,920	-
July 31, 2004, Shares issued for cash	100,000	100	-	24,870	-
August 9, 2004, Shares issued for Consulting	620,000	620	-	183,380	-
August 26, 2004 Shares issued for cash	100,000	100	-	24,900	-
August 30, 2004 Shares issued for cash	200,000	200	-	49,800	-
August 30, 2004, Shares issued for Consulting	70,000	70	-	17,430	-
September 17, 2004, Shares issued for Services	136,000	136	-	82,464	-
December 8, 2004, Shares issued for Services	36,000	36	-	17,964	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
December 15, 2004, Shares Issued for Services	45,000	$45	$-	$19,955	$ -
December 15, 2004, Loans Converted To Shares	103,300	103	-	38,897	-
December 17, 2004, Shares issued for Services	5,000	5	-	1,845	-
January 24, 2005, Shares issued for Services	15,000	15	-	3,735	-
January 24, 2005, Shares issued for Cash	20,000	20	-	4,980	-
February 1, 2005, Shares issued for Cash	120,000	120	-	24,880	-
February 22, 2005, Shares issued for Cash	20,000	20	-	4,980	-
March 30, 2005, Shares issued for Services	355,000	355	-	163,745	-
March 30, 2005, Shares issued for Accounts payable	100,000	100	-	24,900	-
April 4, 2005, Shares issued for Services	20,000	20	-	6,980	-
Shares to be issued for payroll	-	-	267	266,399	-
Shares to be issued for Investment In JamOakie Productions, Inc.	-	-	20	5,980	-
Shares to be issued for expenses	-	-	100	34,900	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
Shares to be issued for conversion of Loans payable	-	$-	$153	$31,847	$-
Net Loss	-	-	-	-	(1,833,011)
Balance at June 30, 2005	10,821,855	10,821	540	13,349,736	(14,689,981)
August 24, 2005 - Shares issued for payroll - authorized in prior year	266,666	267	(267)	-	-
August 24, 2005 - Shares issued for accrued consulting	15,000	15	-	14,985	-
February 15, 2006 - Shares issued for investment in JamOakie Productions, Inc. - authorized in prior year	20,000	20	(20)	-	-
February 15, 2006 - Shares issued for conversion of loans payable - authorized in prior year	137,000	137	(137)	-	-
February 15, 2006 - Shares issued for conversion of loans payable	832,083	832	-	84,043	-
February 15, 2006 - Shares issued for expenses	277,500	278	-	23,579	-
March 17, 2006 - Shares returned to treasury and cancelled	(50,000)	(50)	-	50	
April 18, 2006 - Shares returned to treasury and cancelled	(100,000)	(100)	-	100	-
April 18, 2006 - Shares issued for conversion of loans payable	50,000	50	-	4,950	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
May 30, 2006 - Shares issued for conversion of loans payable	2,749,972	$2,750	$-	$273,047	$-
June 29, 2006 - Shares issued for consulting expense	200,000	200	-	19,800	-
June 29, 2006 - Shares issued for conversion of loans payable	25,000	25	-	2,475	-
Shares to be issued for loans payable	-	-	40	3,960	-
Net Loss	-	-	-	-	(487,303)
Balance at June 30, 2006	15,245,076	15,245	156	13,776,725	(15,177,284)
July 7, 2006 - Shares issued for cash	100,000	100	-	7,900	-
July 24, 2006 - Shares issued for cash	16,250	16	-	1,284	-
July 27, 2006 - Shares issued for cash	125,000	125	-	9,875	-
September 13, 2006 - Shares issued for cash	50,000	50	-	3,975	-
October 12, 2006 - Shares issued for accounts payable and accrued expenses	575,000	575	(100)	47,025	-
November 1, 2006 - Shares issued for accrued expenses	70,000	70	-	6,930	
November 14, 2006 - Shares issued for cash	28,600	29	-	1,971	-
December 8, 2006 - Shares issued for cash	41,250	41	-	2,859	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
December 11, 2006 - Shares issued for cash	50,000	$50	$-	$3,450	$-
December 11, 2006 - Shares issued for legal expenses	50,000	50	-	4,950	-
January 31, 2007 - Shares issued for loans payable	20,000	20	-	1,980	-
February 8, 2007 - Shares issued for accrued salary	2,000,000	2,000	-	198,000	-
February 27, 2007 - Shares issued for loans payable	305,000	305	-	30,195	-
February 27, 2007 - Shares issued for cash	75,000	75	-	6,425	-
March 28, 2007-Shares issued for cash	500,000	500	-	24,500	-
March 28, 2007 - Shares issued for consulting services	100,000	100	-	9,900	-
April 2, 2007 - Shares issued for cash	625,000	625	-	108,565	-
April 5, 2007 - Shares issued for consulting services	206,000	206	-	20,394	-
April 23, 2007 - Shares issued for cash	123,333	124	-	39,875	-
Accrued expenses converted to contributed capital	-	-	-	412,541	-
Net loss	-	-	-	-	(44,254)
Balance at June 30, 2007	20,305,509	20,306	56	14,719,319	(15,221,538)

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
July 12, 2007 - Shares issued for consulting expense	200,000	$200	$-	$64,800	$ -
September 11, 2007 - Shares issued for investor relations expense	220,000	220	-	76,780	-
September 19, 2007 - Shares issued for loan fees	100,000	100	-	34,900	-
September 19, 2007 - Shares issued for accrued rent	37,879	37	-	12,463	-
September 19, 2007-Additional shares related to prior issuance	6,750	7	-	(7)	-
October 15, 2007 - Shares issued for board of directors fees	500,000	500	-	109,500	-
February 12, 2008 - Shares issued for consulting expense	100,000	100	-	19,900	-
February 12, 2008 - Shares issued for investment in Booty 3D	200,000	200	-	31,800	-
February 12, 2008 - Shares issued for loan fees	100,000	100	-	17,900	-
February 12, 2008 - Shares issued for investor relations fees	250,000	250	-	44,750	-
February 28, 2008 - Shares issued for investment in Booty 3D	100,000	100	-	26,900	-
March 6, 2008 - Shares issued for investment in Kung Fu U 3D	100,000	100	-	17,900	-
April 22, 2008 - Shares issued for interest expense	100,000	100	-	27,900	-

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STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be Issued	Additional Paid in Capital	Deficit Accumulated During Development Stage
	Shares	Value			
May 8, 2008 - Shares issued for consulting expense	100,000	$100	$-	$34,900	$-
May 8, 2008 - Shares issued for board of directors fees	100,000	100	-	34,900	-
June 20, 2008 - Shares issued for cash	200,000	200	-	49,800	-
Shares recorded but not yet issued for investor relation fees	-	-	40	10,060	-
Net loss	-	-	-	-	(1,333,429)
Balance at June 30, 2008	22,720,138	22,720	96	15,334,465	(16,554,967)
July 14, 2008 – Shares issued for cash	500,000	500	-	99,500	-
July 14, 2008 – Shares issued for services	100,000	100	-	19,900	-
July 28, 2008 – Shares issued for services	40,000	40	-	7,960	-
August 6, 2008 – Shares issued for accrued salary	1,000,000	1,000	-	249,000	-
September 12, 2008 – Shares issued for cash	100,000	100	-	10,400	-
January 26, 2009 – Shares issued for cash	50,000	50	-	4,950	-
January 26, 2009 – Shares issued for consulting and professional fees	115,000	115	-	12,535	-
March 17, 2009 – Shares issued for cash	50,000	50	-	4,950	-
March 17, 2009 – Shares issued for interest expense	100,000	100	-	9,900	-

March 17, 2009 – Shares issued for accrued rent	200,000	200	-	19,800	-
March 17, 2009 – Shares issued for services	100,000	100	-	9,900	-
April 6, 2009 – Shares issued for cash	100,000	100	-	9,900	-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Continued)

	Common Stock		Common Stock to be	Additional Paid in	Deficit Accumulated During Development
	Shares	Value	Issued	Capital	Stage
April 27, 2009 – Shares issued for cash	100,000	$100	$-	$9,900	$-
April 27, 2009 – Shares issued for notes payable	70,000	70	-	6,930	-
April 27, 2009 – Shares issued for consulting services	50,000	50	-	6,950	-
May 5, 2009 – Shares issued for notes payable	200,000	200	-	19,800	-
May 19, 2009 – Shares issued for notes payable	20,000	20	-	1,980	-
June 15, 2009 – Shares issued for rent expense	36,000	36	-	3,924	-
Shares returned to treasury and cancelled	(1,865,000)	(1,865)	-	1,865	-
Interest expense recorded to paid-in capital due to beneficial conversion features from notes payable	-	-	-	13,640	-
Net loss	-	-	-	-	(465,097)
Balance at June 30, 2009	23,786,138	$23,786	$96	$15,858,149	$(17,020,064)

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

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended June 30, 2009	2008	Cumulative Since May 5, 1999 Inception of Development Stage
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Loss	$(465,097)	$(1,333,429)	$(17,020,064)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and Amortization	960	630	3,538,018
Interest expense from beneficial conversion features	13,640	-	13,640
Issuance of Common Stock for Expenses	71,610	478,100	6,908,295
Stock Issued for Payment of Accounts Payable	20,000	-	70,500
Stock Issued for accrued expenses	-	12,500	494,166
Compensation Expense from Stock Options	-	-	487,500
Realized gain on trading investments	-	-	(412,773)
Loss on sale of assets	-	-	15,883
Loss on Investment Written Off	-	-	557,008
Gain on Forgiveness of Debt	(137,500)	-	(600,138)
Cash acquired in merger	-	-	332
Change in operating assets and liabilities:			
Prepaid Expense	(32,200)	(6,750)	(38,950)
Investment in films, manuscripts, recordings and similar property	(23,328)	(305,750)	(625,086)
Accounts Payable	10,334	55,590	353,080
Accrued Expenses	265,534	328,718	1,428,723
Lawsuit Payable	-	-	32,411
Payable to SAG for Route 66	-	-	71,493
Net Cash Used in operating activities	(276,047)	(770,391)	(4,725,962)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of investment	-	-	(5,892)
Purchase of equipment	-	(3,000)	(16,745)
Proceeds from sale of assets	-	-	51,117
Proceeds from sale of investments	-	-	565,773
Net cash provided (used) in investing activities	-	(3,000)	594,253

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)

	For the Years Ended June 30, 2009	2008	Cumulative Since May 5, 1999 Inception of Development Stage
CASH FLOWS FROM FINANCING ACTIVITIES:			
Net proceeds from loans from shareholders	$126,497	$588,530	$ 2,786,289
Proceeds from issuance of common stock	140,500	50,000	1,276,711
Proceeds from issuance of short-term notes	-	-	64,000
Bank Overdraft	4,709	-	4,709
Net Cash Provided by Financing Activities	271,706	638,530	4,131,709
Net (Decrease) Increase in Cash	(4,341)	(134,861)	-
Cash at Beginning of Period	4,341	139,202	-
Cash at End of Period	$-	$4,341	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$-	$24,877	$ 68,676
Income taxes	$-	$7,670	$ 7,670
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Common Stock Issued for Investment in Wilfield Entertainment	$-	$-	$ 220,000
Common Stock Issued for Investment in Mad Dogs & Oakies Project	$-	$-	$ 3,000
Common Stock Issued for Investment in In the Garden of Evil Project	$-	$-	$ 12,000
Common Stock Issued for Investment in Booty 3D	$-	$59,000	$ 59,000
Common Stock Issued for Investment in Kung Fu U 3D		$18,000	$ 18,000
Notes Payable Converted to Stock	$29,000	$81,500	$ 1,739,608

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

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of accounting policies for Stereo Vision Entertainment, Inc. is presented to assist in understanding the Company's financial statements. The accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations and Going Concern

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Company will continue in operation for at least one year and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several conditions and events cast doubt about the Company's ability to continue as a "going concern". The Company has incurred net losses of approximately $17,020,065 for the period from May 5, 1999 (inception) to June 30, 2009, has a liquidity problem, and requires additional financing in order to finance its business activities on an ongoing basis. The Company is actively pursuing alternative financing and has had discussions with various third parties, although no firm commitments have been obtained. In the interim, shareholders of the Company have continued to meeting its minimal operating expenses as they have done in the past.

The Company's future capital requirements will depend on numerous factors including, but not limited to, continued progress developing its products and market penetration and profitable operations.

These financial statements do not reflect adjustments that would be necessary if the Company were unable to continue as a "going concern". While management believes that the actions already taken or planned, will mitigate the adverse conditions and events which raise doubt about the validity of the "going concern" assumption used in preparing these financial statements, there can be no assurance that these actions will be successful.

If the Company were unable to continue as a "going concern", then substantial adjustments would be necessary to the carrying values of assets, the reported amounts of its liabilities, the reported expenses, and the balance sheet classifications used.

Principles of Consolidation

The consolidated financial statements for the year ended June 30, 2009 include the accounts of the parent entity and its wholly-owned subsidiary TDOJ LLC. TDOJ LLC was formed on March 17, 2009 and has no operations as of June 30, 2009.

All significant intercompany balances and transactions have been eliminated.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Organization and Basis of Presentation

The Company was incorporated under the laws of the State of Nevada on May 5, 1999. As of June 30, 2009, the Company is in the development stage, and has not commenced planned principal operations.

Nature of Business

The Company intends to position itself to evolve into a vertically integrated, diversified media entertainment company. The Company anticipates generating revenues from several sources, including production of new feature films in both 3-D and 2-D format for theatrical and direct to DVD release, as well as expanding into other areas of the entertainment industry including the licensing of its film rights to the video gaming industry.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents to the extent the funds are not being held for investment purposes.

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required 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.

Fair Value of Financial Instruments

The carrying value of the Company's financial instruments, including accounts payable and accrued liabilities at June 30, 2009 and 2008 approximates their fair values due to the short-term nature of these financial instruments.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis from 3 to 5 years.

Upon sale or other disposition of property and equipment, the cost and related accumulated depreciation or amortization are removed from the accounts and any gain or loss is included in the determination of income or loss.

Expenditures for maintenance and repairs are charged to expense as incurred. Major overhauls and betterments are capitalized and depreciated over their useful lives.

The Company identifies and records impairment losses on long-lived assets such as property and equipment when events and circumstances indicate that such assets might be impaired. The Company considers factors such as significant changes in the regulatory or business climate and projected future cash flows from the respective asset. Impairment losses are measured as the amount by which the carrying amount of intangible asset exceeds its fair value.

Advertising Costs

Advertising costs are expensed as incurred. For the years ended June 30, 2009 and 2008, advertising expense was $0 and $0, respectively.

Concentration of Credit Risk

The Company has no significant off-balance-sheet concentrations of credit risk such as foreign exchange contracts, options contracts or other foreign hedging arrangements. The Company maintains the majority of its cash balances with one financial institution, in the form of demand deposits.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per Share

Basic loss per share has been computed by dividing the loss for the year applicable to the common stockholders by the weighted average number of common shares outstanding during the year. The effect of outstanding common stock equivalents would be anti-dilutive for June 30, 2009 and 2008 and are thus not considered. At June 30, 2009 and 2008, there were no outstanding common stock equivalents.

Reclassification

Certain reclassifications have been made in the 2008 financial statements to conform with the 2009 presentation.

Intangible Assets

Intangible assets consist of movie and music licensing rights and production costs and are valued at cost. As of June 30, 2009 and 2008, the Company had $430,078 and $406,750 in film costs that are in the development stage or pre-production stage.

The Company identifies and records impairment losses on intangible assets when events and circumstances indicate that such assets might be impaired or when the property is not set for production within three years of acquisition. The Company considers factors such as significant changes in the regulatory or business climate and projected future cash flows from the respective asset. Impairment losses are measured as the amount by which the carrying amount of intangible asset exceeds its fair value.

NOTE 2 - INCOME TAXES

As of June 30, 2009, the Company had a net operating loss carry forward for income tax reporting purposes of approximately $17,020,000 that may be offset against future taxable income through 2029. Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited. No tax benefit has been reported in the financial statements, because the Company believes there is a 50% or greater chance the carry-forwards will expire unused. Accordingly, the potential tax benefits of the loss carry-forwards are offset by a valuation allowance of the same amount.

	2009	2008
Net Operating Losses	$2,553,000	$2,483,250
Valuation Allowance	(2,553,000)	(2,483,250)
	$-	$-

The provision for income taxes differs from the amount computed using the federal US statutory income tax rate as follows:

	2009	2008

Provision (Benefit) at US Statutory Rate	$69,750	$200,100
Increase (Decrease) in Valuation Allowance	(69,750)	(200,100)
	$-	$-

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 2 - INCOME TAXES (continued)

The Company evaluates its valuation allowance requirements based on projected future operations. When circumstances change and causes a change in management's judgment about the recoverability of deferred tax assets, the impact of the change on the valuation is reflected in current income.

NOTE 3 - DEVELOPMENT STAGE COMPANY/ GOING CONCERN

The Company has not begun principal operations and as is common with a development stage company, the Company has had recurring losses during its development stage. Continuation of the Company as a going concern is dependent upon obtaining the additional working capital necessary to be successful in its planned activity. The management of the Company has developed a strategy, which it believes will accomplish this objective through additional equity funding and long term financing, which will enable the Company to operate for the coming year.

NOTE 4 - RENT EXPENSE

The Company’s principal executive offices are located at 15452 Cabrito Road, Suite 204, Van Nuys, CA 91406 and consist of approximately 2,500 square feet of furnished executive suite offices and reception and conference room arrangements. The lease expired in June 2005. Since the lease expired, the Company is on a month to month lease. The monthly rent for the property is $2,500. For the years ended June 30, 2009 and 2008, rent expense was $30,000 and $30,000, respectively.

In March, 2008, the Board approved a new benefits package for its CEO, Mr. Jack Honour which includes payment for housing at the rate of $4,500 per month plus utilities as well as the use of a car. The annual cost of these benefits is estimated to be $85,000 p.a.

NOTE 5 - LOANS FROM SHAREHOLDERS AND OTHER RELATED PARTY TRANSACTIONS

As of June 30, 2009 and 2008, the company owed $981,491 and $795,079 respectively to various shareholders and officers/directors. The loans are unsecured with interest at rates of between 4.00% to 12% and have no fixed terms of repayment. During the year ended June 30, 2009, the Company received $126,497 in new loans from related parties, which are included in the total above.

On June 27, July 31 and August 27, 2007, the Company borrowed $125,000, $150,000 and $225,000 respectively from a shareholder at an interest rate of 12% per annum. Interest of $5,000 per month was due and payable monthly beginning in September 2007 and continuing through the payment due date on February 21, 2009. On February 19, the Company borrowed an additional $200,000 under the same terms. This loan was collateralized with 1,000,000 shares of Mr. John Honour’s shares. Interest of $7,000 per month is due and payable monthly. At June 30, 2008 the total amount due on this loan was $706,667. This amount is included in the total amount of loans shown above. For the four month period of March-June, 2008, the lender accepted 100,000 shares of restricted stock valued at $.28 per share as payment for the interest for those four months. At March 31, 2009, the company owed $769,667 on this loan. The $700,000 note is convertible at the option of the lender on the due date at a per share price equal to 75% of the closing price on the day of conversion.

During the year ended June 30, 2009, the Company borrowed $115,000 from various shareholders. These loans are convertible to common stock of the Company at a conversion rate of $.10 per share. The $115,000 in notes payable are convertible into 1,150,000 restricted common shares. The notes are convertible immediately and are due on demand. The Company has recognized $13,640 of interest expense related to the beneficial conversion feature of the notes payable. As of June 30, 2009, $29,000 of these notes payable have been converted into 290,000 shares of common stock.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS

The Company was initially authorized to issue 100,000,000 common shares with a par value of $0.001.

At inception, the company issued 61,200 (1,530,000 pre-split) shares of common stock to its officers and directors for services performed and payments made on the Company's behalf during its formation. This transaction was valued at approximately $0.003 per share or an aggregate approximate value of $5,000. These shares were issued under Rule 4(2).

On December 2, 1999, the Company issued 58,800 (1,470,000 pre split) shares of common stock in exchange for $350,000 investment in 3-D projects, $255,000 licensing and distribution rights, $3,306,900 3-D film production and exhibition equipment, and $100,000 patent pending. On September 25, 2001 the asset acquisition was rescinded and the assets acquired were returned and the common stock was returned to treasury.

In addition to the asset acquisition, on December 3, 1999, the company entered into an acquisition agreement and plan of reverse merger with Kestrel Equity Corporation whereby the company acquired $332 cash, $153,001 trading investments, $100,686 reduction in accounts payable, and 4,366,084 in notes payable in exchange for 48,000 (1,200,000 pre-split) shares of common stock. By virtue of the merger and the asset acquisition, the Company issued 106,800 (2,670,000 pre-split) shares of common stock of the surviving corporation and acquired assets valued at $4,013,100 or approximately $1.50 per share.

On December 31, 1999, the Company issued 14,000 (350,000 pre-split) shares to several employees (Rick Ducommun and Rocco Urbisci) and a consultant for project related services rendered and to be rendered, valued at $2.00 per share. These shares were issued in reliance upon the Rule 4(2) exemptive provisions, and no advertising nor solicitation occurred.

On February 14, 2000, the Company issued 4,000 (100,000 pre-split) shares of common stock as payment for services rendered by Mr. Herky Williams valued at $1.00 per share. The services rendered were for the development of the company's music division. The shares were issued under Rule 4(2) to an officer of the Company.

On April 17, 2000, the Company issued 4,000 (100,000 pre-split) shares of common stock to Shauna Gilibarti as payment for marketing related services valued at $100,000. They were cancelled on May 25, 2001 for failure to perform.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On May 4, 2000, the Company issued 2,200 (55,000 pre-split) shares of common stock for cash of $55,000.

On June 2, 2000, the Company issued 4,000 (100,000 pre-split) shares of common stock to Profit Earth as payment for market development services valued at $100,000. They were cancelled for non performance on September 25, 2001.

On June 30, 2000, the Company issued 1,420 (35,500 pre-split) shares of common stock for cash of $35,500.

On September 13, 2000, the Company issued 5,000 (125,000 pre-split) shares of common stock for conversion of notes payable totaling $141,250. The value of these shares was $1.13 per share, according to the terms of the original loan agreement.

On September 27, 2000, the company entered into a contract with Ron Whiten to make strategic introductions on behalf of the Company to the investment community in exchange for 4,000 (100,000 pre-split) common shares. On September 29, 2000, the shares were issued at a value of $95,000, which was the quoted market price on the date of issue. The contract is for a period of time covering 3 quarterly financial statements. To the best knowledge and belief of the company, no services were performed by Mr.Whiten pursuant to this agreement. On May 25, 2001, the 4,000 shares of stock issued to Mr. Whiten were cancelled for non-performance of services.

On October 27, 2000, the Company issued 500 (12,500 pre-split) shares of common stock valued at $1.00 per share to National Financial Group for financial services previously rendered. These shares were issued under Rule 4(2).

On November 15, 2000, the Company issued 32,000 (800,000 pre-split) shares of common stock for conversion of notes payable totaling $407,138. The value of these shares was $0.51 per share, according to the terms of the original loan agreement.

On November 22, 2000, the Company issued 2,000 (50,000 pre-split) shares of common stock for conversion of notes payable totaling $25,000. The value of these shares was $0.50 per share according to the terms of the original agreement.

On November 22, 2000, the Company issued 4,080 (102,000 pre-split) shares of common stock to Daniel Symmes as payment for 3-D consulting services valued at $102,000.

On December 4, 2000, the Company issued 400 (10,000 pre-split) shares of common stock as payment for services valued at $10,200.

On December 14, 2000, the Company issued 4,000 (100,000 pre-split) shares of common stock to Rod Whiton as payment for advertising services valued at $106,000. These shares were cancelled for non-performance on May 25, 2001.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On January 23, 2001, the Company issued 600 (15,000 pre-split) shares of common stock for cash $15,000.

On January 30, 2001, the Company issued 4,724 (118,100 pre-split) shares of common stock to six individuals as payment for services valued at $64,950. These services included advising on the film "On Route 66" as well as website design. On May 25, 2001, 2,000 of these shares were cancelled for non-performance.

On March 10, 2001, the Company issued 8,000 (200,000 pre-split) shares of common stock to Herky Williams (100,000) and Jerry Crutchfield (100,000) valued at $154,000 as payment for services regarding the production of a record album.

On April 9, 2001, the Company issued 3,600 (90,000 pre-split) shares of common stock to Charles Marshall as payment for advertising expense valued at $49,500.

Pursuant to an agreement made with an affiliate company of Mr. Williams (the Secretary-Treasurer and a Director of the Company) called Wilfield Entertainment, the Company issued 16,000 (400,000 pre-split) shares of common stock at a market price of $.55 per share on April 18, 2001 for its participation in the joint venture. The joint venture with Wilfield is for the production of thirteen
musical albums. The company will supply the necessary funding for the production of these albums and after capital repayment has occurred, the Company will receive 51% of the profits from the projects. The estimated production costs per album are projected to be $80,000.

On May 25, 2001, 14,000 (350,000 pre split) shares that were issued during the years ended June 30, 2001 and 2000 to various people for services were cancelled. These shares were cancelled for non-performance of services. The expenses related to these shares were recorded when the shares were issued. The expenses related to the issuance of these shares were reversed upon the cancellation of the shares.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On June 1, 2001, the Company issued 840 (21,000 pre-split) shares of common stock for conversion of notes payable totaling $7,513, according to the terms of the original agreement.

On June 15, 2001, the Company issued 1,000 (25,000 pre-split) shares of common stock as payment for services valued at $15,000.

On June 28, 2001, the Company issued 10,000 (250,000 pre-split) shares of common stock to Vision Publishing (100,000) and Jim and Cynthia Pitochelli (150,000) as payment for services and advertising expenses valued at $150,000.

On June 29, 2001, the Company issued 34,000 (850,000 pre-split) shares of common stock for conversion of notes payable totaling $225,000, according to the terms of the original loan agreement.

On August 29, 2001, the Company issued 13,400 (335,000 pre-split) shares of common stock for conversion of notes payable totaling $100,500, according to the terms of the original loan agreement.

During the quarter ended September 30, 2001, 4,000 (100,000 pre-split) shares were issued for conversion of notes payable totaling $25,600. The value of these shares was $0.26 per share, as agreed in the original loan documents. These shares were issued under Rule 4(2).

On September 25, 2001, 4,000 (100,000 pre-split) shares that were issued during the year ended June 30, 2000 for services were cancelled. These shares were cancelled for non-performance of services. The expenses related to these shares were recorded when the shares were issued. The expenses related to the issuance of these shares were reversed upon the cancellation of the shares. Also on September 25, 2001, the asset acquisition agreement with 3-D was rescinded and the assets acquired by the Company were returned to 3-D. The stock issued by the Company in the acquisition was not returned. There was a net increase in total stockholders’ equity of $70,532.

During the quarter ended September 30, 2001, the company issued 112,200 (2,805,000 pre-split) shares to the Company's officers and directors for services rendered in their various capacities (J. Honour (1,500,000), H. Williams (600,000), J. Bodziak, R. Urbisci and T. Noonan (100,000 each)) at the market value of the stock on the date of agreed (not actual) issuance of $0.30 to $0.45 per share.

During the quarter ended September 30, 2001, 3,600 (90,000 pre-split) restricted common shares were issued to individuals for cash at $0.50 per share trading value. All shares were issued under Rule 4(2).

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

During the quarter ended December 31, 2001, the Company issued 25,912 (647,795 pre-split) shares of stock for conversion of notes payable totaling $135,596, for accrued interest on the notes payable of $12,275, and for consulting services of $20,779. The value of the shares was between $0.14 and $0.35 per share. The share values were always determined based upon the trading price of the stock on the date of the agreement, not on the date of issuance of the shares. All shares were issued in reliance on the exemption provided by Rule 4(2).

During the quarter ended December 31, 2001, the Company issued 94,825 (2,370,631 pre-slit) shares to twelve different individuals for services at the market value on the date of the agreements, between $0.21 and $0.54 per share. Such services included financial and market advisory as well as project advisory.

On January 15, 2002, 12,000 (300,000 pre-split) shares of common stock were issued for cash at $0.33 per share.

During the quarter ended March 30, 2002, 119,185 (2,979,625 pre split) shares were issued in connection with previous debt cancellation, pursuant to the terms of the convertible instrument. These shares were issued under Rule 4(2), and the recipient was an accredited investor.

On April 10, 2002, the Company issued 9,920 (248,000 pre-split) shares of common stock for conversion of notes payable totaling $32,627 according to the terms of the original agreement.

On April 29, 2002, 8,000 (200,000 pre-split) common shares were issued for the purchase of "In the Garden of Eden" album. The value of the shares was $0.06 on the date of contractual agreement, and the shares were issued under Rule 4(2), but later rescinded for failure of the owner to deliver the rights. These shares were cancelled on June 3, 2003.

On May 30, 2002, 4,000 (100,000 pre-split) common shares were issued to various people for services, which included writing, arranging, composing and product placement, all connected with the project "Mad Dogs and Oakies." The value of the shares was $.03 per share on the date of contract. These shares were issued to non-affiliates under Rule 4(2).

During the quarter ended June 30, 2002, the Company issued 12,000 (300,000 pre-split) shares of common stock for cash. Shares were issued for $.025 to $.075 per share.

During the quarter ended June 30, 2002, 10,000 (250,000 pre-split) shares were issued for consulting and rent expense. The value of the shares was between $.03 (April 15) and $.08 (May 24) per share.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On July 1, 2002, 34,000 (850,000 pre-split) common shares were issued for cash of $9,500, based upon a conversion contract entered into earlier.

On July 8, 2002, 85,334 (2,133,334 pre-split) shares were issued in connection with a previous debt cancellation, based upon the terms of the note and conversion price therein committed. These shares were issued to an accredited investor under Rule 506 of Regulation D.

On December 20, 2002, 20,000 (500,000 pre-split) shares were returned to the treasury and cancelled.

On December 23, 2002, 104,000 (2,600,000 pre split) common shares were cancelled from various shareholders for non-performance of services. 750,000 shares were initially issued December 20, 2001, 1,500,000 shares were initially issued September 27, 2001, and 450,000 shares were initially issued October 2, 2001. The shares were recorded as a prepaid asset at the time of issuance. The entry recording the issuance of the shares was reversed upon cancellation.

During the quarter ended March 31, 2003, a total of 559,800 (13,995,000 pre-split) common shares were issued to individuals for services. This total included issuances to officers and directors, at $0.029 per share (restricted) of 13,450,000 shares (J. Honour (10,000,000), H. Williams (1,500,000), T. Noonan (500,000), J. Bodziak (250,000) and R. Urbisci (100,000)) and outside consultants providing media solicitation services (Ron Kelley, 1,100,000 shares).

On March 26, 2003, 160,000 (4,000,000 pre-split) common shares were issued for conversion of notes payable of $274,932. These shares were issued to an accredited investor, in conversion of pre-existing rights, under Rule 506.

On May 9, 2003, 101,600 (2,540,000 pre-split) shares were issued to 7 individuals providing various consulting services, all as described in the Form S8 registration statement, filed April 29, 2003. The value of the registered shares was effectively $0.01 per share. The private placement shares were issued under the exemption available through Rule 4(2).

On June 2, 2003, 88,000 common shares were issued for conversion of debt totaling $20,000 according to the terms of the original agreement.

On June 3, 2003, 12,000 shares were cancelled for non-performance of services. These shares were originally issued during the year ended June 30, 2002. 8,000 shares were initially issued April 29, 2002 and recorded as other assets. 4,000 shares were initially issued September 27, 2001 and recorded as a prepaid asset. The journal entries recording the issuance of these shares was reversed upon cancellation.

STEREO VISION ENTERTAINMENT, INC.
(A Development Stage Company)
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On June 25, 2003, 40,000 shares were issued for conversion of debt totaling $15,491, issued to Freddi Sidi, an accredited investor, under Rule 506.

During the quarter ended June 30, 2003, 2,156,000 shares were issued to various people for services which included 2,000,000 shares issued to Jack Honour, the Company President, in exchange for $600,000 of past and current services ($.30 per share or a 50% discount to market), and 156,000 shares issued to nine additional issuees for services whose shares were valued from $.60 per share to $1.13 per share (market value on the date of issuance) as their contract dates differed from Honour's. These shares were issued under Rule 4(2).

On July 8, 2003, 30,000 shares of common stock were issued for conversion of debt totaling $8,905, according to the terms of the original agreement.

During the quarter ended September 30, 2003, 1,198,000 shares were issued to various people for services. A registration statement on Form S8 was filed covering 710,000 of these shares to the 5 individuals listed therein, at 100% of market on the date of issuance and registration ($0.57). The value of the unregistered shares, when originally issued, was between $0.47 and $0.52 per share on the various agreement dates. These recipients (Buss, McLane,Tribe, Duke Films, Doug Schwartz, Lawrence Kallet, Edby and Eric Honour) provided consulting services in locating and securing new media projects. These shares were issued under Rule 4(2).

On November 17, 2003, 100,000 shares were cancelled for non-performance of services. These shares were originally issued in July 2003 to Rod McLane and the expense associated with these shares was recorded when the shares were issued. The expense related to the issuance of these shares was reversed upon the cancellation of the shares.

During the quarter ended December 31, 2003, 523,072 shares were issued for $68,000 in services at approximately $0.13 per share (50% discount to market on October 1, 2003). During the quarter, 20,000 shares were issued to Chicago Investment Group and Greg Myers for financial consulting services at $0.26 per share, the market value on the date of issuance (October 1, 2003). In addition, 700,000 shares total were issued to Herky Williams (500,000), John Bodziak (100,000) and Tom Noonan (100,000) for employment and consulting services as officers and directors of the company, at approximately $0.20 per share (50% discount to market on November 23, 2003). Also, the Company issued 200,000 shares to pay an accounts payable of $55,500 due to Adams Technical Solutions at a price of approximately $0.26 per share, (market value on date of issuance on October 1, 2003). All shares were issued under the Rule 4 (2) exemption.

On January 12, 2004, 90,000 shares were issued to Focus Partners West, for financial services valued at $54,000.

STEREO VISION ENTERTAINMENT, INC.
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NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On January 20, 2004, the Company converted debt of $35,046 to 200,000 shares of common stock, pursuant to terms of pre-existing contracts.

On February 9, 2004, 20,000 shares were cancelled for non-performance of services. These shares were originally issued to Chicago investment Group and Greg Myers in October 2003, and the expense associated with these shares was recorded when the shares were issued. The expense related to the issuance of these shares was reversed upon the cancellation of the shares.

On March 9, 2004, 156,000 shares were cancelled for non-performance of services. These shares were originally issued to Tribe Communications for provision of advertising services in September 2003, and the expense associated with these shares was recorded when the shares were issued. The expense related to the issuance of these shares was reversed upon the cancellation of the shares.

On March 9, 2004, 100,000 shares were issued to pay rent valued at $25,000, according to the terms of a previous agreement.

On March 11, 2004, 345,000 shares were issued to employees and consultants at $2.00, which was the market price on the date of issuance, and these shares, issued to 7 named individuals, were the subject of a registration statement on Form S8, filed March 5, 2004.

During the quarter ended March 31, 2004, the Company issued 400,000 shares for cash (cancellation of indebtedness of $100,000) at $.25 per share, the price pre-set in the conversion agreements. The Company also issued 25,000 shares for cash (cancellation of indebtedness of $12,500) at $.50 per share, the price pre-set in the conversion agreements.

On April 7, 2004, the Company issued 60,000 shares of common stock to Messrs. Goldman and Botts, at $2.04 per share (the then market price), for the provision of financial advisory services.

On April 7, 2004 the Company issued 375,000 shares of common stock for cash of $215,000, valued at $0.57 per share, in accordance with previously agreed conversion rights. In addition, approximately $14,200 in loans were converted into 30,000 shares of common stock, at a conversion price of $0.47 per share, the pre-agreed conversion price. All shares were issued under the exemption provided by Rule 4(2).

On April 14, 2004, the Company issued 100,000 shares of common stock for cash at $0.25 per share, resulting from an option exercise.

On May 6, 2004, the Company issued 10,000 shares of common stock for cash at $0.50 per share.

STEREO VISION ENTERTAINMENT, INC.
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NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On May 25, 2004, the Company issued 50,000 shares of common stock to Var Growth valued at $0.81 per share for marketing services.

On June 8, 2004, the Company issued 100,000 shares of common stock for cash at $0.75 per share, to acquire distribution rights in Baywatch 3 DD, a planned movie. These shares were issued to an accredited investor under Rule 506.

On June 16, 2004, 240,000 shares were issued to Jack Fennie for an $80,000 debt of the company which he paid, at $0.33 per share, representing 50% of the market price on the date of delivery of the executed contract.

During the quarter ended September 30, 2004, the Company issued 1,234,333 shares of common stock to nine individuals for services rendered, including financial advisory, marketing, PR and strategic advice. Consulting expense of $461,233 was recognized in connection with these issuances. Also during the quarter 400,000 shares were issued for cash at $0.25 per share equal to 50% of the bid price.

During the quarter ended December 31, 2004, the Company issued 189,300 shares of common stock as follows: 86,000 shares to five individuals for services including secretarial, marketing and public relations. This included issuance of 56,000 S-8 shares valued at the closing price of the stock on the day prior to issuance and 30,000 restricted shares valued at fifty per cent of the price of the stock on the day prior to issuance. Consulting expense of $39,850 was recognized in connection with these issuances. Also during the quarter, $39,000 in loans was converted into 103,300 shares of common stock.

During the quarter ended March 31, 2005, the Company issued 160,000 shares of common stock for cash of $35,000. These shares were valued at $.25 per share, which was equal to a discount of 50% of the prevailing market price due for restricted securities.

During the quarter ended March 31, 2005, the Company issued 100,000 shares of common stock for $25,000 of accounts payable. These shares were valued at $.25 per share, which was equal to a discount of 50% of the prevailing market price due for restricted securities.

During the quarter ended March 31, 2005, the Company issued 370,000 shares of common stock to various people for services valued at $167,850. The shares were valued at the market price on the date of the signing of the agreements, which ranged from $.25 to $.70 per share.

During the quarter ended March 31, 2005, the officers of the Company agreed to convert accrued payroll of $281,666 for the period from September 1, 2004 to March 31, 2005 to 281,666 shares of common stock, at a price of $1 per share, versus the then market price of $.40 per share. On August 24, 2005, these shares were issued.

STEREO VISION ENTERTAINMENT, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

On April 4, 2005, the Company issued 20,000 shares of common stock for consulting and legal services at $.35 per share, the closing price on the day prior to issuance, resulting in expense of $7,000 being recognized.

During the quarter ended June 30, 2005, the Company entered into an agreement to issue 20,000 shares of common stock valued at $.30 per share in exchange for a 10% interest in JamOakie Productions, Inc. On February 15, 2006, these shares were issued.

During the quarter ended June 30, 2005, the Company entered into an agreement to issue 100,000 shares of common stock for payment of $35,000 in accounts payable. As of June 30, 2006, these shares had not been issued.

During the quarter ended June 30, 2005, the Company entered into three separate agreements to issue a total of 153,000 shares of common stock for conversion of notes payable of $32,000. As of June 30, 2005, these shares had not been issued. On February 15, 2006, the Company issued 137,000 of the above shares. As of June 30, 2006, 16,000 shares had yet to be issued.

During the quarter ended December 31, 2005, the Company entered into an agreement to borrow $10,000 from an individual not associated with the company in exchange for 40,000 restricted common shares as well as full repayment of the loan in two equal monthly installments commencing January 20, 2006. These shares were issued on October 28, 2005.

Also during the quarter ended December 31, 2005, a shareholder advanced $11,000 to the company in return for 110,000 restricted common shares, equivalent to the offer price at the time the advance was made (November 14, 2005). These shares were issued on February 7, 2006.

During the quarter ended March 31, 2006, the Company issued a total of 1,266,583 restricted common shares to nine individuals and two entities for both expenses and loans made to the Company during the March 31, 2006 quarter, as well as for services, loans and a small acquisition made/received in previous quarters. Of the total shares issued, 500,000 were issued at $.10 per share for conversion of loans of $50,000 made during the current quarter; 469,083 shares were issued from $.10 to $.15 per share for loans of $62,875 received by the Company in prior periods; 277,500 shares were issued from $.0775 to $.10 per shares to pay fees and expenses valued at $23,356 which were incurred during the quarter; and 20,000 shares were issued for an acquisition of 10% of Jamoakie Productions agreed in May, 2005.

STEREO VISION ENTERTAINMENT, INC.
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NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

During the quarter ended June 30, 2006, the Company issued a total of 3,024,972 restricted common shares as follows: 2,500,000 shares to one shareholder and 160,000 shares to a second shareholder for conversion of accrued expenses at $ .10 per share; 79,972 shares for conversion of an outstanding debt of $7,972, 50,000 shares and 10,000 shares for conversion of a $5,000 and a $1,000 loan received by the company during the quarter from two individuals, 25,000 shares for a previous loan of $2,000 as well as a new advance of $500 from the same individual, and 200,000 shares to a consultant for IR services to be provided. During the quarter, a net total of 150,000 shares were returned to the treasury and cancelled.

During the quarter ended September 30, 2006, the Company sold 291,583 restricted common shares to four individuals for a total of $23,325 at a price of $.08 per share. The Company issued 225,000 of those shares during the quarter.

During the quarter ended December 31, 2006 the Company issued 881,100 new unregistered shares of its common stock as follows: 575,000 shares in payment for $82,500 of accrued rent for the period February 1, 2004 to October 31, 2006; 119,850 shares for loans of $ 8,400 to the Company during the quarter at an average price of $.07 per share; 70,000 shares for accrued expenses of $7,000 at a price of $.10 per share; 66,250 shares for past loans to the Company in the amount of $5,300 at a price of $.08 per share; and 50,000 shares for legal services valued at $5,000 at a price of $.10 per share.

During the quarter ended March 31, 2007, the Company issued a total of 3,000,000 new unregistered shares of its common stock as follows: 1,250,000 shares to John Honour which represented a conversion of $125,000 of his accrued salary at $.10 per share; 750,000 shares to Theodore Botts which represented a conversion of $ 75,000 of John Honour’s accrued salary at $.10 per share; 500,000 shares which represented exercise of options issued during the quarter to purcahse the shares at $.05 per share; 325,000 shares to three individuals which represented conversion of $32,500 of John Honour’s loans to the Company at $.10 per share; 100,000 shares to an individual for film consulting services valued at $10,000; 75,000 shares to an individual for conversion of accrued expenses at $.0866 per share.

During the quarter ended June 30, 2007, the Company issued 954,333 restricted common shares as follows: 500,000 shares were issued to an individual for $100,000 in cash at a price of $.20 per share; 125,000 shares were issued to six individuals for conversion of loans to the Company of $9,190 made in the previous quarter at a price of $.07 per share; 123,333 shares were issued to an individual for $40,000 in cash at a price of $.32 per share; 6,000 shares were issued for bookkeeping services at $.10 per share; and 200,000 shares were issued for consulting services at $.10 per share.

During the quarter ended September 30, 2007, the Company issued 564,629 restricted common shares as follows: 220,000 shares to The Investor Relations Group (under the names of two individuals) for commencement of IR/PR work, valued at $.35 per share for total expenses of $77,000; 200,000 shares to the Lichtman Group for agency services valued at $.325 per share for expense of $65,000; 100,000 shares as a loan origination fee valued at $.35 per share for expense of $35,000; 37,879 shares to cover accrued rent of $12,500 at $.325 per share; and 6,750 shares to cover a shortfall from a previous issuance.

During the quarter ended December 31, 2007, the Company issued a total of 800,000 shares as follows: 100,000 restricted common shares at a per share price of $.22 to each of its five Board members for serving on the Board; 300,000 shares to replace a lost certificate.

STEREO VISION ENTERTAINMENT, INC.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 6 - COMMON STOCK TRANSACTIONS (continued)

During the quarter ended March 31, 2008, the Company issued a total of 850,000 shares as follows: 400,000 shares at prices ranging between $.16 and $.18 to four individuals for services in connection with two film projects; 250,000 shares valued at $.18 per share to an individual for IR services; 100,000 shares at $.18 per share as a loan origination fee; and 100,000 shares valued at $.20 per share to an individual who paid a supplier of a service on the Company's behalf.

During the quarter ended June 30, 2008, the Company issued 500,000 restricted shares as follows: 200,000 shares to a shareholder for cash at a price of $.25 per share; 100,000 shares to a shareholder at a value of $.28 per share as payment of four months interest on his $700,000 loan to the Company; 100,000 shares at a value of $.35 per share to a newly elected Board member; and 100,000 shares at a value of $.35 per share to the newly appointed President of the Company's Puerto Rico subsidiary.

During the quarter ended September 30, 2008, the Company issued a net new number of shares totaling 1,740,000 as follows: 500,000 shares for cash at a price of $.20 per share; 100,000 shares for cash at a price of $.105 per share; 140,000 shares to two individuals who agreed to participate in two of the Company's feature films valued at $.20 per share;1,000,000 shares to its CEO, Jack Honour as conversion of $250,000 of accrued salary valued at $.25 per share; 500,000 shares to its CFO, Theodore Botts as conversion of $125,000 of accrued salary. This share issuance was subsequently canceled upon the resignation of Mr. Botts on September 17, 2008 who agreed to waive all of his accrued salary since becoming CFO on August 1, 2008. Lastly, the Company issued 2,500,000 shares to its newly appointed CEO, Mr. Lawrence Biggs, on August 1, 2008. Mr. Biggs resigned on September 16, 2008 and returned the shares for cancellation.

During the quarter ended March 31, 2009, the Company issued a net new number of shares totaling 615,000 as follows: 100,000 shares for interest expense of $10,000 at a price of $0.10 per share; 100,000 shares for cash of $10,000; 215,000 shares for services valued at $22,650; 200,000 shares for accrued rent of $20,000 on the corporate offices. During the quarter ended March 31, 2009, the Board of Directors authorized the cancellation of 1,815,000 shares of common stock. These shares have been returned to the treasury and cancelled.

During the quarter ended June 30, 2009, the Company issued a net new number of shares totaling 576,000 as follows: 200,000 shares for cash of $20,000; 50,000 shares for consulting services of $7,000 at a price of $0.14 per share; 290,000 shares for conversion of notes payable totaling $29,000; 36,000 shares for rent and interest expense of $3,960 at a price of $0.11 per share.

During the year ended June 30, 2009, 50,000 shares of common stock were returned to the treasury and cancelled.

NOTE 7 - STOCK SPLIT

On May 30, 2003, the Board of Directors approved a proposal to effectuate a 25 to 1 reverse stock split of the Company's outstanding common shares with no effect on the par value or on the number of authorized shares. As a result of this action, the total number of outstanding shares of common stock is reduced from 37,903,485 to 1,516,150 shares. All references to common stock in the financial statements have been changed to reflect the stock split.

NOTE 8 - COMMITMENTS

On April 25, 2000, the Board of Directors approved a stock option plan whereby 2,675,000 common shares have been set aside for employees and consultants to be distributed at the discretion of the Board of Directors. The option shares will be exercisable on a cashless basis at a 15% discount to market value. No formal plan has been adopted as of the date of this report.

On August 6, 2008, the Company entered into an employment agreement with John Honour whereby Mr. Honour will be paid $200,000 per year. This agreement shall be in effect for a period of three years.

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NOTE 9 - STOCK OPTIONS

Pursuant to a year 2000 Stock Option and Compensation Plan, grants of shares can be made to employees, officers, directors, consultants and independent contractors of non-qualified stock options as well as for the grant of stock options to employees that qualify as incentive stock options under Section 422 of the Internal Revenue Code of 1986 or as non-qualified stock options. The Plan is administered by the Board of Directors ("Board"), which has, subject to specified limitations, the full authority to grant options and establish the terms and conditions for vesting and exercise thereof.

In order to exercise an option granted under the Plan, the optionee must pay the full exercise price of the shares being purchased. Payment may be made either: (i) in cash; or (ii) at the discretion of the Board, by delivering shares of common stock already owned by the optionee that have a fair market value equal to the applicable exercise price; or (iii) with the approval of the Board, with monies borrowed from the Company.

Subject to the foregoing, the Board has broad discretion to decide the terms and conditions applicable to options granted under the Plan. The Board may at any time discontinue granting options under the Plan or otherwise suspend, amend or terminate the Plan and may, with the consent of an optionee, make such modification of the terms and conditions of such optionee's option as the Board shall deem advisable.

On March 11, 2004, the Company granted its attorney an option to purchase 20,000 shares of its common stock at an exercise price of $1.00 for an exercise period of two years. As a result of the grant, $20,000 was recorded as compensation expense. The options expired unexercised.

At June 30, 2009 and 2008, there were no stock options outstanding.

NOTE 10 - LEGAL PROCEEDINGS

In September of 2001 the company entered into a promissory note with Duncan MacPhearson to be payable within the year. A dispute arose and the note was not timely paid, which led to a court action styled R. Duncan MacPhearson vs. Stereo Vision Entertainment, et. al., Case No. LC 0611749, in Los Angeles, California. Subsequently, the parties, on January 26, 2004, entered into a Settlement Agreement, including default provisions if scheduled payments did not occur as agreed. 25,000 shares of restricted stock, valued at $25,000, were delivered and $42,500 of payments was made, but the final $10,000 was not paid. According to the stipulated judgment agreement, this resulted in the plaintiff's entry of a judgment, according to notice received by the company, of $37,411, which was then appealed by the Company as incorrect. The appellate court disagreed and allowed the entry of judgment as filed, stating that the 25,000 shares had "no value" and allowing $37,411 to be imposed against the Company. Therefore, the company has paid $42,500 in cash, $25,000 in restricted stock, and owed $37,411, which had been accrued as a liability in the financial statements, for a total lawsuit resolution of $104,911. At June 30, 2009 and 2008, the total amount due was $32,411.

The Company has been served with a judgment in the amount of $6,600 by an individual in Pennsylvania. As of June 30, 2009 and 2008, this amount has been recorded as a liability in the accompanying financial statements.

The Company has received notice that it is in breach of its former contract with the Investor Relations Group which claims it is owed $17,676.25 as well as 40,000 shares of restricted stock. As of June 30, 2009 and 2008, this amount has been recorded as a liability in the accompanying financial statements. The issuance of the common stock has also been recorded and valued at $10,100. As of June 30, 2009, the stock has not been issued.

STEREO VISION ENTERTAINMENT, INC.
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NOTE 10 - LEGAL PROCEEDINGS (continued)

The Company has brought a defamation action against Ed Meyer and Adirondack Pictures. A cross complaint has been filed by Adirondack against the Company alleging claims for breach of contract, intentional misrepresentation and declaratory relief. The Company has answered the cross-complaint, denying all of the material allegations and intends to vigorously defend the claims made. During the quarter ended March 31, 2009, the Company reached an agreement with Mr. Meyer and Adirondack Pictures whereby upon execution of the agreement by all parties, the plaintiffs and defendants fully and mutually release and forever discharge each other from any and all claims.

NOTE 11 - INVESTMENT IN JAMOAKIE PRODUCTIONS

On May 2, 2005, the Company signed an agreement with Mr. Jamie Oldaker to acquire a 10% interest in JamOakie Productions which entitles the company to 10% of the profits from the album, “Mad Dogs and Oakies” which has subsequently been released. The Company has the right but not the obligation to finance future JamOakie projects. The price paid was 20,000 unregistered common shares of the Company which were worth $6,000 at the time, and $5,893 in cash.

NOTE 12 - FILM AND MUSIC COSTS

The Company has intangible assets which consist of movie licensing rights and development costs which are valued at cost. As of June 30, 2009 and 2008, the Company had $430,078 and $406,750 invested in film projects that are in the development or pre-production stage.

SIGNATURES

Pursuant to the requirements of section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on it behalf by the undersigned, thereunto duly authorized.

STEREOVISION VISION ENTERTAINMENT, INC.

Dated: May 13, 2010	By /S/ John Honour C.E.O., President, Director

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on this 13th day of May 2010.

Signatures & Title

/S/ John Honour
John Honour
C.E.O., President, Director
(Principal Executive Officer and Principal Financial Officer)

/S/ Anthony Munafo
Anthony Munafo
Director

/S/ Gov. Carlos Romero Barcelo
Gov. Carlos Romero Barcelo
Director

Herky Williams
Secretary-Treasurer/Director

Steven Curran
Director