QUARTERLY REPORT

FOR

THREE MONTHS ENDED

June 30, 2012

Stadium Entertainment Holdings, Inc.
1745 Broadway
18th Floor
New York, NY 10019

| Federal ID No. | Cusip No. |
| --- | --- |
| 64-4296659 | 852345 10 7 |

Trading Symbol
SEHI.OTC

INFORMATION AND DISCLOSURE STATEMENT

The information contained in this report has not been filed with, nor reviewed by, nor approved by the Securities and Exchange Commission, the National Association of Securities Dealers, nor any other regulatory body.

Table of Contents

**Item 1. Exact Name of the Issuer and the Address of its Principal Executive Offices:**

The name of the issuer is Stadium Entertainment Holdings, Inc. (the "Issuer" or the "Company"). The address of the Issuer's principal executive office is:

1745 Broadway, 18th Floor
New York, New York 10019
Phone: (212) 453-2500
Fax: (212) 453-2595

The Issuer maintains a website at: stadiumentertainment.net

**Item 2. Shares Outstanding:**

As of June 30th 2012, the number of authorized and outstanding shares was as follows:

| | |
|---|---|
| Shares Authorized: | 750,000,000 shares of common stock, $.001 par value (the "Common Stock") |
| Shares Outstanding: | 300,000,200 shares of Common Stock |
| Public Float: | 137,063,527 shares of Common Stock |
| Number of Beneficial Owners of Common Stock: | 889 |
| Number of Shareholders of Record: | 650 |

**Item 3. Interim Financial Statements**

The Company's unaudited Consolidated Financial Statements for the three months ended June 30, 2012 are attached as Appendix A hereto and incorporated herein by reference. These Consolidated Financial Statements consist of:

(a) Consolidated Balance Sheet as of June 30, 2012

(b) Consolidated Statement of Operations for Three Months ended June 30, 2012

(c) Consolidated Statement of Cash Flows for Three Months ended June 30, 2012

(d) Consolidated Statement of Changes in Stockholders' Equity as of June 30, 2012

**Item 4. Management's Discussion and Analysis or Plan of Operation:**

**Overview**

The Company is currently operating Stadium Entertainment Corp. as its sole line of business. Stadium is a multi-faceted entertainment company active in all aspects of the entertainment industry and specializing in the music industry sector. Stadium has developed a unique business model that incorporates three key elements into its musical projects:

- Musical projects involving high profile recording artists that include a designated income stream earmarked for a worthy and reputable charitable organization;

- A state of the art on line digital distribution platform servicing all of the top online retail sites globally, including but not limited to YouTube, ITunes, Rhapsody, Juno and more.

- an extensive and powerful network of music industry contacts including executives, artists, managers and agents, record companies, music publishers, and charities which attract high profile talent as well as corporate partners; and

- a seasoned, experienced and successful project management team.

To date, Stadium's primary business focus has been on the production, marketing, and distribution of prerecorded music products by established and top selling recording artists, a portion of the proceeds earmarked for worthy charitable and philanthropic organizations via exclusive licensing agreements with participating charities. Each project is structured to also produce profits for Stadium. The use of top selling recording artists to participate in its projects minimizes the risks inherent in start-up entertainment companies by capitalizing and building on the established retail power of star studded music compilations.

Stadium's most recent project entitled "My Country: Smash Hits 2" features 16 gold and platinum selling artists performing their hits, including Rascal Flatts, John Michael Montgomery, Brad Paisley, Collin Raye, Reba McEntire, Jeremy McCombs, The JaneDear Girls, Blake Shelton, Miranda Lambert, Jason Sturgeon, Montgomery Gentry, LeAnn Rimes, Martina McBride, Rodney Atkins and Kenny Chesney. The CD package features original cover artwork by Doonesbury creator, Gary Trudeau and a special message from General Richard Meyer, former Chairman, of the Joint Chiefs of Staff. The project benefits the Fisher House Foundation and was released August 2011. This title reprises "My Country: Smash Hits, 1 featuring 14 gold and platinum selling artists such as Rascal Flatts, Brad Paisley, Lady Antebellum, Trace Adkins, Dierks Bentley, Randy Houser, Reba McEntire, Blake Shelton, Montgomery Gentry, Big & Rich, Jypsi, Keith Urban and Rodney Atkins. The Company expects to release Volume 3 in August 2013.

The first Stadium project, entitled "True to the Game," benefits the Negro League Baseball Museum and includes tracks from high level hip-hop/urban artists, including Kanye West, Ludacris, Snoop Dogg, T-Pain, Mario and Macy Gray.

By the end of 2013, the Company projects it will release the first volume of a new compilation series benefitting and musically tying into the Latin American music market. It also intends to release a third title for the year which will liaise with a Global charitable foundation and incorporate music by pop artists from the U.S, Canada, and Europe.

**Results of Operations for the Three Months Ended June 30, 2012**

There was no revenue for the three months ended June 30, 2012. All products were called back for inventory purposes. The titles involved were "My Country Smash Hits" 1 and 2, and True to the Game. There was no revenue or administrative fees collected for digital distribution. Cost of sales for the three months ended June 30, 2012 were $68,903 which included return processing, shipping fees and product re-packaging, and inventory costs. Selling, general, and administrative expense for the three months ended June 30, 2012 was $27,000 which included), office supplies and expense ($ 4,000), salaries ($6500), utilities, phones, Internet and travel ($15,500).

As a result of the foregoing, Stadium incurred a loss from operations of $ 27,000 and a net loss of $ $147,214 for the period.

**Plan of Operation**

On June 30th, 2012, the Company had approximately $ 513 of cash. Stadium has funded its operations to date through revenues from CD sales, equity contributions from its founders, advances from its prior distributor and borrowings, including loans from a related party in the aggregate principal amount of approximately $1,912,500. Of this amount, $1,800,800 is past due.

In recent periods, Stadium has been managing its cash requirements by negotiating deferrals with creditors, suspending promotional activities, reducing staff and deferring payments to consultants and employees. Pending receipt of funding, management plans to continue its interim policy to keep cash expenditures to a minimum. At the same time, management is endeavoring to consummate traditional and online distribution agreements requiring the payment of upfront administrative fees, to solicit consultant services to other entertainment entities and "not for profit" 501c3 organizations and to act as a prerecorded CD retailing conduit to the charitable community and educational organizations to generate immediate revenues.

The Company plans to finance its capital needs primarily from the sale of debt and/or equity securities. To date, potential revenue streams are speculative. As a result, the Company can give no assurance that cash generated from operations will be sufficient to fund future projects. No assurance can be given that the Company will be able to raise the capital required to develop and support its business.

**Item 5.**

**Item 6. Legal Proceedings:**

An arbitration procedure is in progress between the Company and The Gary Group, a marketing and advertising concern located in Los Angeles, CA. The claim by The Gary Group is for approximately $22,000 with the Company counter-suing for non-performance of duties and a lack of progress with regards to generating the vital corporate sponsorship and a promotional relationship concluded and was decided in the favor of The Gary Group for a total of $28,000 which includes legal fees. Stadium is in default of the terms of repayment and is researching the possibility of an appeal of the arbitration decision

**Item 7. Defaults upon Senior Securities:**

As of June 30, 2012, the Company was in default of $2,500,800 of principal and $278,992 of accrued interest under outstanding loans and promissory notes.

**Other Information:**

Camille M. Barbone holds the position of President, Chief Executive Officer, and Director of the Company, but has agreed to defer salary and execute her duties as an independent contractor until such time as the Company's secondary financing is in place while William G. Lomuscio remains on the Board as a Director and serves as temporary Secretary of the Company.

**Exhibits:** None

**Certifications**

I, Camille Barbone, certify that:

1. I have reviewed this quarterly disclosure statement of Stadium Entertainment Holdings, Inc.:

2. Based on my knowledge, this disclosure does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present, in all material respects, the financial condition, results of operations and cash flows of the issuer as of, and for the period presented in this disclosure statement.

Date: August 27, 2012

By: _____

Camille Barbone
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer of Principal Account Officer)

**APPENDIX "A"**

**STADIUM ENTERTAINMENT HOLDINGS, INC.**

**CONSOLIDATED BALANCE SHEET**

**JUNE 30, 2012**

| | |
|---|---|
| **Assets** | |
| Current | |
| Cash | $ 513 |
| Accounts receivable, less allowance for returns of $ 18,455 | $ 0 |
| Inventory | $106,700 |
| Other receivables | $ 0 |
| Employee Advances | $ 0 |
| Artist advance royalties recoupable within one year | $ 20,000 |
| Total current assets | $ 127,213 |
| Artist advance recoupable after one year | $ 20,000 |
| **Total Assets** | $ 147,213 |
| **Liabilities** | |
| Current | |
| Accounts payable and accrued expenses | $835,176 |
| Accrued payroll | $ 95,248 |
| Royalty payable | $ 1,906 |
| Accrued interest | $501,500 |
| Loan payable | $2,515,000 |
| Total current liabilities | $3,948,830 |
| Total liabilities | $3,948,830 |
| **Stockholders' equity (deficit)** | |
| Common Stock (par value$.001; 300,000,200 shares issued and outstanding at par value) | 200 |
| Additional paid in capital | (3,801,817) |
| Total stockholders' deficit | (3,801,817) |
| Total liabilities and stockholders' equity | **$147,213** |

**STADIUM ENTERTAINMENT HOLDINGS, INC.**

**CONSOLIDATED STATEMENT OF OPERATIONS**

**For the three month period ending June 30, 2012**

| | |
|---|---|
| **Revenue** | |
| Sales | $ 0 |
| Release of advance | $ 0 |
| Total revenue | $ 0 |
| **Cost of sales** | |
| Product Cost | $ 0 |
| Licensing Fees | $ 0 |
| Non-recoupable product costs | $ 68,903 |
| Total cost of sales | $ 68,903 |
| Gross profit | $ (68,903) |
| Operating expenses | |
| Selling, general and administrative expenses | $ 27,000 |
| Total operating expenses | $ 27,000 |
| Loss from operations | ($ 27,000) |
| Other expenses | |
| Interest expense | ($ 51,310) |
| Total other expense | ($ 51,310) |
| Loss before income taxes | ($ 147,213) |
| Net loss | **($ 147,213)** |
| (Loss) per common share | **($ 0.00)** |
| **Weighted average shares outstanding** | **162,000,400** |

STADIUM ENTERTAINMENT HOLDINGS, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Three Month Period Ending JUNE 30, 2012

| | |
|---|---|
| **Cash Flows from operating activities** | |
| Net Loss | $ (147,213) |
| Adjustments to reconcile net loss to net cash Used in operating activities: | |
| (Increase) decrease in: | |
| Accounts receivable, net | $( 0) |
| Loan receivable | $( 0) |
| Other receivables | $( 344) |
| Increase (decrease) in: | |
| Accounts payable & accrued expenses | $ 710,165 |
| Accrued payroll | $ 96,001 |
| Accrued interest | $ 67,972 |
| Deferred income | $ 580,924 |
| Net cash used in operating activities | $1,307,505 |
| **Cash flows from financing activities:** | |
| Proceeds from loan payable | $(1,307,927) |
| Net cash provided by financing activities | $(1,307,927) |
| Net (decrease) increase in cash | $ 211 |
| Cash, Beginning of Period | $ 724 |
| **Cash, End of Period** | **$ 513** |

**STADIUM ENTERTAINMENT HOLDINGS, INC.**

**CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**

**JUNE 30, 2012**

| | Common Stock | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|
| Balance, January 1, 2011 | 200 | (3,471,993) | (3,471,793) |
| Net Loss | | (139,147) | ( 139,147) |
| Balance, June 30, 2012 | **$ 200** | **$(3,611,140)** | **$(3,610,940)** |

**STADIUM ENTERTAINMENT HOLDINGS INC.**
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

## 1. **Organization and Basis of Presentation**

Stadium Entertainment Holdings Inc. (the "Company"), was originally formed in 1996 as Kentucky Telephone A Telecommunications Corp. In 2006, Kentucky Telephone A Communications Corp. merged with its wholly owned Nevada subsidiary, with the subsidiary being the surviving corporation. Later in 2006, the Company changed its name to Compress Technologies, Inc.

In January 2011, the Company acquired all of the outstanding shares of Stadium Entertainment Corp., a Nevada corporation, in exchange for 200 shares of the Company's Common Stock. As a result of the share exchange, Stadium Entertainment Corp. became a wholly owned subsidiary of the Company. Contemporaneous with the share exchange, the Company transferred its prior business operations to the Company's former management in consideration of management assuming all liabilities related to the former business. The Company is operating Stadium Entertainment Corp. as its sole line of business.

In February 2011, the Company changed its name to Stadium Entertainment Holdings, Inc.
The Company now intends to produce market and distribute prerecorded music products of established recording artists to raise funds for charitable and philanthropic organizations and generate revenues for the Company. The Company also plans to assist artists in the development of their careers and provide distribution services for other record companies.

## 2. **Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Company is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements. The financial statements have prepared by the Company, without audit. Certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have condensed or omitted. These financial statements reflect all adjustments (consisting only of normal recurring adjustments) that, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the periods presented. The results of operations for the three month period presented are not necessarily indicative of the results to be expected for the full year.

*Use of Estimates*
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 disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

*Cash and Cash Equivalents* 13

The Company considers all cash on hand, cash accounts without withdrawal restrictions, and highly liquid investments with a maturity of three months or less at the date of purchase to be considered cash and cash equivalents.

*Revenue Recognition*
In accordance Staff Accounting Bulletin No. 104 ("SAB 104"), "Revenue Recognition", the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is reasonably assured.
In accordance with industry practice and as is customary in many territories, certain products, such as CD's, are sold to customers with the right to return unsold items. Under Statement of Standards No. 48, ("FAS 48") "Revenue When Right of Return Exists," revenues from such sales are recognized when the products are shipped by the distributor and are based on gross sales less a provision for estimated returns. Revenues from the sale of recorded music products through digital distribution channels are recognized when the products are downloaded and the electronic payment has posted. The Company does not establish a provision for customer returns for digital download sales.
In determining estimated returns management will analyze historical industry trends, current economic trends, changes in customer demand and customer acceptance of our product. Based on this information, management reserves a percentage of each dollar of product sales to provide for estimated customer returns. Based on management's experience in the industry and historical returns the Company has established an initial provision of thirty five percent (35%) of CD sales.

In August 2009, the Company established its "Associated Label Division" to increase its emphasis on providing distribution and other services to independent record and entertainment companies. The Company plans to structure its arrangements with independent record and entertainment companies to provide for a fixed administrative fee for its services and a distribution fee based upon a percentage of sales. In accordance with Staff Accounting Bulletin No. 104 ("SAB 104"), "Revenue Recognition", the Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collection is reasonably assured. The Company will recognize revenue related to the fixed administrative fee ratably over the service life of the contract in accordance with SAB 104. The distribution fee charged based on a percentage of gross product sales will be accounted for in accordance with FAS 48.

The accounting issue that will arise in these arrangements is whether the Company should report revenue based on the "gross" amount billed to independent record and entertainment companies or on the "net" amount received from the customer after distribution fees have been paid to third parties. To the extent revenues are recorded gross (in the full amount billed), any distribution fees are recorded as expenses so that the net amount (gross revenues, less expenses) flows through operating income. As a result, the impact on net income is the same, whether the Company records the revenue on a gross or net basis.

The Company will record revenue on a gross or net basis based on the terms of the arrangement. The Company will evaluate each agreement to determine if they are acting as the "principal" or as an "agent" in the transaction. The Company will report revenue on a gross basis if they are acting as principal in the arrangement and on a net basis if they are acting as an agent.

In determining whether the Company serves as principal or agent in these arrangements, the Company follows the guidance in EITF 99-19, *"Reporting Revenue Gross as a Principal versus Net as an Agent"* ("EITF 99-19"). Pursuant to such guidance, the Company serves as the principal in transactions where the Company has the substantial risks and rewards of ownership. The indicators that the Company has substantial risks and rewards of ownership are as follows: 14

- the Company is the supplier of the products or services to customer;
- the Company has latitude in establishing prices;
- the Company has the contractual relationship with the ultimate customer;
- the Company modifies and services the product purchased to meet the ultimate customer specifications;
- the Company has discretion in supplier selection; and
- the Company has credit risk

Conversely, pursuant to EITF 99-19, the Company serves as agent in arrangements where the Company does not have substantial risks and rewards of ownership. The indicators that the Company does not have substantial risks and rewards of ownership are as follows:

- the supplier (not the Company) is responsible for providing the product or service to the customer;
- the supplier (not the Company) has latitude in establishing prices;
- the amount the Company earns is fixed;
- the supplier (not the Company) has credit risk; and
- the supplier (not the Company) has general inventory risk for a product before it is sold.

Based on the above criteria, the Company will record the distribution of product on behalf of third-party record labels on a gross basis, subject to the terms of the contract.

*Inventory*

Inventories consist of CD's and related music products. Inventory is stated at lower of cost or net realizable value. Cost is determined using a first-in, first-out ("FIFO") methodology. Returned goods included in inventory are valued at net realizable value, but not in excess of cost. Processing and refurbishing costs of returned inventory are expensed as incurred.

*Income Taxes*

Income taxes are provided using the asset and liability method presented by FASB Statement No. 109, "Accounting for Income Taxes" ("FAS 109"). Under this method, income taxes (i.e., deferred tax assets, taxes currently payable/refunds receivable and tax expense) are recorded based on amounts refundable or payable in the current fiscal year and include the results of any differences between U.S. GAAP and tax reporting. Deferred income taxes reflect the tax effect of net operating loss, capital loss, and general business credit carry forwards and the net tax effects of temporary differences between carrying amount of assets and liabilities for financial statements and income tax purposes, as determined under enacted tax laws and rates. The financial effect of changes in tax laws is accounted for in the period of enactment. Valuation allowances are established when management determines that it is more likely than not that some portion or the entire deferred tax asset will not be realized in accordance with SFAS 109. In circumstances where there is sufficient negative evidence, establishment of a valuation allowance must be considered. The Company believes that losses since inception represent sufficient negative evidence to consider a valuation allowance under the provisions SFAS 109. As a result, the Company determined that its deferred tax assets required the establishment of a valuation allowance.

The realization of the remaining deferred tax assets is primarily dependent on forecasted future taxable income. The valuation allowance that has been established will be maintained until there 15

is sufficient positive evidence to conclude that it is more likely than not that such assets will be realized. An ongoing pattern of profitability will generally be considered as sufficient positive evidence. Our income tax expense recorded in the future may be reduced to the extent of offsetting decreases in our valuation allowance. The establishment and reversal of valuation allowances could have a significant positive or negative impact on future earnings.

The Company is a corporation for federal and state income tax reporting purposes.

*Fair Value of Financial Instruments*
The Company estimates the fair value of financial instruments using available market information and valuation methods. Considerable judgment is required in estimating fair value. Accordingly, the estimates of fair value may not be indicative of the amounts the Company could realize in a current market exchange. As of June 30, 2012, the carrying value of accounts payable and accrued expenses approximated fair value due to the short-term nature and maturity of these instruments.

*Loss per Common Share*
Basic loss per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. There were no dilutive financial instruments issued or outstanding for the three months ended March 31, 2012.

## 3. **Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. While the management of the Company believes that the Company will be successful in its capital formation and operating activities, there can be no assurance that it will be able to raise additional capital, or be able to generate sufficient revenues to sustain its operations. These conditions create an uncertainty as to the Company's ability to continue as a going concern. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has not established a significant source of revenue to cover its operating costs, and as such, has incurred an operating loss since inception. These and other factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

## 4. **Artist Advances**

The Company paid advances to artists and producers with respect to future sales. The Company accounts for these advanced payments under the related guidance in Statement of Financial Accounting Standard No. 50, "Financial Reporting in the Record and Music Industry" ("FAS 50"). Under FAS 50, the Company capitalized as assets advanced payments that management believes are recoverable from future sales.

16 Management's decision to capitalize an advance to an artist or producer as an asset requires significant judgment as to the recoverability of those assets. The recoverability of these assets is assessed upon initial commitment of the advance based upon management's anticipated revenues from sales of future music and publishing related products. In determining whether these amounts are recoverable, management evaluates the current and past popularity of the artist, the initial or expected commercial acceptability of the product, the current and past genre of music that the product is designed to appeal to, and other relevant factors. Any portion of such advances not deemed to be recoupable from future royalties is expensed at the balance sheet date. All advances are assessed continuously and at a minimum on a quarterly basis.

## 5. **Loans payable – Related party**

As of June 30, 2012, a related party had loaned additional funding in the amount of $7,500 to the Company under a loan agreement and various notes which provide for interest on the unpaid principal balance at a rate of ten percent (10%) per annum. Substantially all amounts payable under these loan arrangements are past due. The lender has not agreed to extend the maturity date of the loan and no assurance can be given that the lender will not elect to pursue remedies against the Company. Approximately $1,384,000 of the loans are secured by all of the Company's rights, title and interest in its compilation album commemorating the Negro Baseball League Museum and any sequels thereto, including the Company's rights in the master recording included in the album, its agreement with the Negro Baseball League Museum and all contracts products and proceeds of any of the foregoing.