

**H3 ENTERPRISES, INC.
INFORMATION & DISCLOSURE STATEMENT
FOR THE PERIOD ENDED JUNE 30, 2009**

Part A: General Company Information

Item I: The exact name of the issuer and its predecessors

H3 Enterprises, Inc., since May 15, 2005 (hereinafter referred to as the “Issuer”, “Company” or “HTRE”); previously known as Fransaction, Inc. since November 7, 2003; previously known as Uptown Restaurant Group, Inc. since December 15, 1999; previously known as Wrapsters, Inc.; originally formed as HAI, Inc. on February 23, 1996

Item II: The address of the issuer’s principal executive offices

H3 Enterprises, Inc.
350 Camino Gardens Blvd., Suite 106
Boca Raton, FL 33432
Tel: 877-H3-HIPHOP
www.hiphopsodashop.com

Item III: The jurisdiction(s) and date of the issuer’s incorporation or organization

The Issuer was originally incorporated in the State of Colorado as HAI, Inc. on February 23, 1996. After several name changes, the issuer was redomiciled in the State of Florida under the name Fransaction, Inc. on November 7, 2003. On May 15, 2005 the Issuer changed its name to H3 Enterprises, Inc.

Item IV: Name and address of transfer agent

Colonial Stock Transfer Company, Inc.
66 Exchange Place, Suite 100
Salt Lake City, UT 84111
Phone: (801) 355-5740
Fax: (801) 355-6505

Our transfer agent is registered under the Exchange Act and is regulated by the Securities and Exchange Commission.

Item V: Nature of business

A. Business Development

1. Form of organization: Corporation (Florida)

2. Year organized: 1996

3. Fiscal year end date: December 31

4. Bankruptcy, receivership or any similar proceedings: None.

5. Material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets: The Halls of Hip Hop, Inc., a Delaware corporation, was acquired as a non-operating, wholly-owned subsidiary in a reverse merger transaction in May 2005.

6. Default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring us to make payments:

The Issuer has defaulted on a settlement agreement reached with the landlord of a prior Hip Hop Soda Shop location in St. Petersburg, Florida. A default judgment has been issued in the matter and the outcome of any further settlement is yet to-be-determined.

Additionally, the Issuer defaulted on the lease of its Hip Hop Soda Shop location in Tampa. A default judgment has been issued in the matter and the outcome of any further settlement is yet to-be-determined.

7. Any change of control: None.

8. Any increase in ten percent (10%) or more of the securities of the same class of outstanding equity securities: Between December 31, 2008 and June 30, 2009, there was no change in the number of issued and outstanding shares of the Company.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

In May 2005, The Halls of Hip Hop, Inc., a Delaware corporation, was acquired as a non-operating, wholly-owned subsidiary in a reverse merger transaction, and the Company effected a 5-for-1 forward stock split.

10. Any delisting of securities by any securities exchange or NASDAQ or deletion from the OTC Bulletin Board: None.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator:

a. Legal proceedings and /or administrative actions:

The Issuer has settled litigation with its joint venture partners in the Miami Gardens and remains involved in litigation with its joint venture partners in the Tampa Hip Hop Soda Shop. Suits were filed in the fourth quarter of 2008 in an attempt by the Company to recover leasehold improvements, equipment, and financing contributed to the now closed joint venture and outlet. At June 30, 2009 the outcome of this lawsuit is unknown. The issuer has received default judgments in its lawsuits with prior Company management. The Issuer has defaulted on a settlement agreement reached with the landlord of a prior Hip Hop Soda Shop location in St. Petersburg, Florida. A default judgment has been issued in the matter and the outcome of any further settlement is yet to-be-determined. Additionally, the Issuer defaulted on the lease of its Hip Hop Soda Shop location in Tampa. A default judgment has been issued in the matter and the outcome of any further settlement is yet to-be-determined.

b. Trading suspensions by a securities regulator: None.

B. Business of Issuer

H3 Enterprises, Inc. (OTC:"HTRE") is the first publicly traded company dedicated to the Hip Hop culture and lifestyle. H3 is committed to the positive growth of the entire community through business and educational opportunities. Awarded "Best New Business Idea" by Visa and Bank of America for the concept of the HipHopSodaShop, H3 has been engaged in a number of ventures associated with the mega-billion dollar Hip Hop and CyberGaming industries. H3Enterprises created a business focused on feeding the worldwide demand for everything Hip Hop and maximizing returns for its shareholders.

H3Enterprises is the owner, creator and licensor of HipHopSodaShops, HipHopHeaven, Halls of HipHop, H3Raps, H3WhiteTea, H3Players, H3Merchandising, and H3's WorldSeries of CyberSports.

The HipHopSodaShop concept is the world's first Hip Hop themed fast food franchise, bringing the old style soda shop to the new millennium. H3 has (i) replaced the soda fountain with tea and energy beverages; and (ii) replaced the 50s style Jukebox with the DJ and MC featuring Surround Sound and HD. The HipHopSodaShop is intended to be a true hang-out spot where anyone can go for the best in food and entertainment. Moreover, H3's concept is highly community conscious. The HipHopSodaShop also has areas dedicated to the latest and greatest in Hip Hop music, merchandise and media, live HD sportscasts, and development of a competitive CyberSports arena featuring professional sports played on PlayStation and Xbox.

The Company was originally incorporated in the State of Colorado as HAI, Inc. as a “C” corporation on February 23, 1996. After several name changes, the issuer was redomiciled in the State of Florida under the name Fransaction, Inc. in October 2003. On May 15th, 2005 the Issuer changed its name to H3 Enterprises, Inc.

1. Primary and secondary SIC codes: The Company’s primary SIC Code is 5812 and the Company’s Secondary SIC Code is 7999.

2. If the issuer has never conducted operations, is in the development stage or is currently conducting operations: The Company is currently in its development stage.

3. If the issuer is considered a “shell company” pursuant to Securities Act Rule 405: The Company is not a shell company.

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements of the issuer: The Halls of Hip Hop, Inc., a Delaware corporation, was acquired as a non-operating, wholly-owned subsidiary in a reverse merger transaction in May 2005. H3 BizDev, LLC, a Florida limited liability company, was acquired as a wholly-owned subsidiary in April 2007 and has not yet commenced operations. In July 2008, H3 BizDev, LLC converted to a “C” corporation and changed its name to H3 Entertainment, Inc. Neither company is included in the financial statements of the Company, as they are not operating at this time.

5. The effect of the existing or probable governmental regulations on the business: To its knowledge, the Company has complied with all business license, building permit and health inspection requirements associated with its operations, which have had minimal effect on the Company’s business.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities is borne directly by customers: The Company has spent a great deal of time, preparation and labor on the research and development of the company and it can only give a rough estimate on the amount of time and preparation spent on the development and research of the potential products and stores of the Company, which is in excess of 20,000 man hours and \$1,000,000.00. At this point in time none of these costs have been passed on or are borne by our customers.

7. Costs and effects of compliance with environment laws

(federal, state and local): The Company believes that the costs and effects of compliance with environmental laws are not material.

8. The number of total employees and number of full-time employees. At this time the Company has five employees or independent contractors.

Item VI: Nature of products or services offered

The Company has two primary business units: HipHopSodaShop, a hip Hop themed fast casual Restaurant and Entertainment center; H3Gameline.com, a website for online CyberSport competition.

Item VII: Nature and extent of facilities

The Company's headquarters are in Boca Raton, Florida.

Part B: Share Structure and Issuance History

Item VIII: Exact title and class of securities outstanding

The issuer has two classes of securities: common and preferred.

The CUSIP number is 404369 10 0 for the common shares.

The company does not have a CUSIP number for the preferred shares.

The trading symbol is HTRE

Item IX: Description of the security

The Issuer's common stock is entitled to one vote per share.

The issuer has one share of Series A preferred stock outstanding; its designations and preferences were filed as public record with the State of Florida on October 28, 2008.

Item X: The number of shares or total amount of the securities outstanding for each class of securities authorized.

HTRE is currently authorized to by the Articles of Incorporation of the Company to issue 500,000,000 shares of common stock, par value \$0.0001, and 10,000,000 shares of preferred stock, par value \$0.0001.

As of June 30, 2009, there were 265,719,978 common shares issued and outstanding and no preferred shares issued and outstanding.

As of June 30, 2009, 143,111,590 of the common stock in HTRE were designated as free trading.

As of June 30, 2009 there were over 350 common shareholders of record in HTRE and one (1) preferred stock shareholder.

Item XI: List of securities offerings and shares issued for services in the past two years.

The Company has not conducted a formal private or public offering of securities in the past two years. However, during this time period the Company issued, in private sales exempt pursuant to Section 4(2) of the Securities Act of 1933, approximately 80,000,000 shares of common stock to approximately 40 shareholders, approximately half of whom paid between \$.01 and \$.12 per share, and the other half of whom were issued shares in exchange for services rendered.

The following sets forth the stock issuances of the Company over the past two years:

H3 Enterprises, Inc. Common Stock Issuances
June 30, 2007 – June 30, 2009

<u>Shareholder name</u>	<u># of shares</u>	<u>Date</u>	<u>Consideration</u>
Joel I Mutzen	150,000	7/30/07	cash and/or services
Orlando McCorvey	250,000	“	“
Jared Weiss	1,000,000	“	“
Rush Philanthropic Arts Foundations I	1,000,000	8/1/07	“
Henry L Ashwood Jr	150,000	10/3/07	“
Selwyn W Lucas Jr	150,000	“	“
E&E Global Enterprises Inc.	1,000,000	10/17/07	“
Rhiannon Lauran Capling	50,000	“	“
Jennifer O Asare	20,000	“	“
Michael Labertew	250,000	12/18/07	“
Steven R Maas	500,000	“	“
Michael Labertew	400,000	“	“
Michael Labertew	50,000	“	“
Michael Labertew	1,750,000	“	“
Michael Sean Fernandez	500,000	12/26/07	“
Phil Jordan	250,000	“	“
Lee Susewitt	25,000	“	“
Michael Susewitt	40,000	“	“
Rod Capling	125,000	“	“
Juli Van Brunt	200,000	“	“
Global Founding Capital LP+	3,571,428	5/15/08	“
Chutjian Charitable Lead Annuity Trust	3,571,428	5/15/08	“
Mark Pawlitschek	2,000,000	“	“
Ventana Atlantic Blue LLC+	16,666,666	5/23/08	“

Chutjian Charitable Lead Annuity Trust	5,833,333	5/23/08	“
Jean-Pierre & Jean-Pierre, LLC	1,250,000	8/24/08	“
Jordan Edelson	150,000	8/24/08	“
Gold Coast Professional Services	150,000	8/24/08	“
Eric Pettus	75,000	8/24/08	“
Lyndale V. Pettus, Sr.	75,000	8/24/08	“
Mitchell Lazarus	4,800,000	8/26/08	“
Ventana Atlantic Blue LLC+	4,800,000	8/26/08	“
Ventana Atlantic Blue LLC+	3,076,923	8/26/08	“
Chutjian Charitable Lead Annuity Trust	10,613,207	8/26/08	“
John Jermyn	5,000,000	10/21/08	“
John Ferraro	500,000	“	“
Dolores Candelaria Mendes	200,000	“	“
Hiram Santiestebaum	200,000	“	“
Julie Shackelford	100,000	“	“
Brian Peters	500,000	“	“
Rhiannon Capling	350,000	“	“
Jordan Edelson	150,000	“	“
Gold Coast Professional Services	150,000	“	“
Ben Mutzen	10,000,000	11/05/08	“
Cachet B. Hood, LLC	2,500,000	“	“
Robert Clarington	1,500,000	6/29/09	“
Warren Gumpel	500,000	“	“
Brian Peters	500,000	“	“
Rhiannon Capling	350,000	“	“
Gold Coast Professional Services	300,000	“	“
Jordan Edelson	150,000	“	“

+controlled by Keith Chutjian

Part C: Management and Control Structure

Item XII: The name of the chief executive officer, members of the board of directors, as well as control persons.

Executive Officers

Brian Peters, President
Guy M. Jean-Pierre, Secretary and General Counsel
Dennis Ruggeri, Chief Financial Officer

Directors

Brian Peters
Jack Freedman
Keith Chutjian

Bios

Brian Peters, H3 Co-Founder and Director, is acting President & CEO while the Company sources additional experienced corporate leadership to forge its rapid domestic, international, and digital expansion.

Brian Peters is an award winning HipHop impresario whose Halls of HipHop concept stole the show and won top prize in Visa and Bank of America's "Best New Business Concept 2004" in Washington D.C. At 25, he has become a legend of New York HipHop starting as an intern for Bad Boy Entertainment under the tutelage of Sean "P. Diddy" Combs. He has created and promoted concerts for colleges and universities around the USA, and has arranged live performances in New York City for many of HipHop's top performers and most well-known clubs. He has also negotiated performance contracts for a number of platinum selling artists including Outkast, Nas, and Snoop Dogg..

Mr. Guy M. Jean-Pierre, Chief Legal Officer, has the proven background and talents necessary to establish a strong corporate governance policy, ensure H3's publicly traded security compliance, and administer H3's U.F.D.D. franchising legal requirements among other things.

Mr. Dennis Ruggeri, Chief Financial Officer, is responsible for streamlining the financial operations and fiscal reporting of the Company.

Shares held

The following list sets forth the ownership for each class of equity securities of the Company owned beneficially and of record by all directors and officers of the Company as of June 30, 2009:

Name and Position	Common stock Owned	Percentage
Brian Peters,	15,600,000	<6%
Jack Freedman, Dir	0	0%
Keith Chutjian, Dir	40,392,017	15.4%

Affiliate Disclosures

Please also identify whether any of the officers, directors or control persons of the issuer have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending

criminal proceeding (excluding traffic violations and other minor offenses).

None of the officers or control persons have been convicted or named as a defendant in any criminal proceeding.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.

None of the officers or control persons have any orders, judgments or decrees that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated.

None of the officers or control persons have any such finding or judgment.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated.

None of the officers or control persons have a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

None of the officers or control persons have had an order entered against them by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

Item XIII Beneficial Owners.

The following persons hold 5% or more of the Company's stock:

Name	Common stock Owned	Percentage
Brian Peters	15,600,000	<6%
Keith Chutjian	40,392,017	15.4%

Item XIV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

Legal Counsel:

Guy M. Jean-Pierre
23150C Sandalfoot Plaza Drive
Boca Raton, FL 33428
(561) 852-5440
(561) 305-6767

Accountant

Business Development Consultants, Inc.
350 Camino Gardens Blvd., Suite 106
Boca Raton, FL 33432

Our accountant reviews our periodic financial statements and consults with us in the preparation of our financials.

Part D Financial Information

Item XV: Financial information for the issuer's most recent fiscal period.

The Company's consolidated balance sheet as of June 30, 2009, the related statements of income, shareholders' equity and cash flows for the quarter ended June 30, 2009, and the related financial notes required by this item are hereby incorporated by reference from the Issuer's quarterly filing for the period ended June 30, 2009, and have been filed separately.

Item XVI: Similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence.

The Company's consolidated balance sheets, the related statements of income, shareholders' equity and cash flows, and the related financial notes required by this item for the past two years are hereby incorporated by reference from the Issuer's quarterly and annual filings over the prior two years.

Item XVII Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation.

The Company continues to review its offerings and execution of its business plan. As part of its business plan, the Company finalized its UFOC filing in order to offer franchises of its businesses nationwide. To that end, in July 2008, the Company converted H3BizDev, LLC, a limited liability wholly-owned by the Company into a "C"

corporation and changed the name thereof to H3 Entertainment, Inc. At this time, the Company is not operating any joint ventures or engaged in any operations with any franchisees, but rather is pursuing new restaurant operational opportunities to fuel its growth.

Need for Additional Financing

Based upon current management's willingness to extend credit to the Company and/or invest in the Company until a formal private or public offering is completed, and/or sales of franchises occurs, the Company believes that its existing capital will be sufficient to meet the Company's cash needs required for the next twelve months. There is no assurance, however, that the available funds will ultimately prove to be adequate to allow it to fulfill its business needs, and as the Company grows, its needs for additional financing are likely to increase substantially. In addition, as current management is under no obligation to continue to extend credit to the Company and/or invest in the Company, there is no assurance that such credit or investment will continue or that it will continue to be sufficient for future periods.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Not applicable to the Issuer as it has not had revenues from operations in each of the last two fiscal years

C. Off-Balance Sheet Arrangements.

The Company has a convertible note payable to two of its directors, Jack Freedman and an entity controlled by Keith Chutjian, which, if not paid when due, may result in the issuance of shares to these two directors or their designees, which issuance may result in a change in control of the corporation.

Part E Exhibits

Item XVIII: Material Contracts

None not already filed.

Item XIX: Articles of Incorporation and Bylaws.

The Company's Articles of Incorporation, as amended, and Bylaws, as proposed, have already been filed. There are no additional amendments, nor any changes to the Bylaws.

Item XX: Issuer's Certifications.

I, Brian Peters, certify that:

1. I have reviewed this quarterly disclosure statement of H3 Enterprises, Inc.;
2. Based on my knowledge, this disclosure statement 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 periods presented in this disclosure statement.

Date: September 14, 2009

/s/ H3 Enterprises, Inc. - Brian Peters

Brian Peters
President

ITEM XXI: Purchases of Securities by the Issuer and Affiliated Purchaser

NONE