

Max Media Group, Inc.,
Quarterly Disclosure Statement
June 30, 2012

We previously were a shell company. Therefore the exemption offered pursuant to Rule 144 is not available. Anyone who purchased securities directly or indirectly from us or any of our affiliates in a transaction or chain of transactions not involving a public offering cannot sell such securities in an open market transaction.

Max Media Group, Inc

Quarterly Disclosure Statement

June 30, 2012

ITEM 1 THE EXACT NAME OF THE ISSUER AND ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES

Max Media Group, Inc.
Formerly-Hesperia Holding, Inc. until 8-2009

665 Jeffrey Street
Boca Raton, FL 33487
Phone: 1 877-243-9327
Fax: 727-934-3281
Email: info@maxmediamxmi.com

ITEM 2 SHARES OUTSTANDING

A.

Common Stock	06-30-12	12-31-11	12-31-10
Shares Authorized	750,000,000	750,000,000	750,000,000
Shares Outstanding	(1) 386,611,770	(1) 386,611,770	75,098,820
Freely Tradable	51,606,265	51,606,265	33,966,867
Beneficial Shareholders	2	2	2
Shareholders of Record	548	548	480

(1) The number of shares noted above is the amounts recorded by the transfer agent. As of June 30, 2012 and December 31, 2011 there were approximately 44,100,000 shares authorized for issuance by the Board of Directors which had not been issued by the transfer agent.

B.

Preferred Stock Series-A	06-30-12	12-31-11	12-31-10
Shares Authorized	0	0	0
Shares Outstanding	0	0	0
Freely Tradable	0	0	0
Beneficial Shareholders	0	0	0
Shareholders of Record	0	0	0

C.

Preferred Stock Series-B	06-30-12	12-31-11	12-31-10
Shares Authorized	100,000,000	100,000,000	100,000,000
Shares Outstanding	*9,402,000	*9,402,000	18,800,000
Freely Tradable	0	0	0

Beneficial Shareholders	18	18	15
Shareholders of Record	18	18	15

* As of June 30, 2012, the accounting records of the Company (as received by new management) reflect that it had 9,402,000 shares of Class “B” Convertible Preferred Stock issued and outstanding. These records conflict with the Company’s Class “B” Convertible Preferred Stock Shareholder List maintained externally by the Company which reflects a total of 7,720,000 shares of the Series “B” shares issued and outstanding. Company principals are endeavoring to reconcile such discrepancy and believe that the correct number of Series “B” shares issued and outstanding is 7,720,000.

ITEM 3 INTERIM FINANCIAL STATEMENTS

SEE FOLLOWING PAGES 13 through 22 appended to the end of this Quarterly Report and incorporated by reference herein. Attached are the Balance Sheet, Statement of Operations, Statement of Shareholder's Equity, Statement of Cash Flows and Notes to Financial Statements

ITEM 4 MANAGEMENT’S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

A. The Mission

On April 12, 2012, a stock purchase agreement was executed by and between James E. Grady (“Grady”), Max Media Group, Inc. (“Issuer” or the “Company”) and BB2 Labs, Inc., a Delaware corporation (“Purchaser”), by and through its authorized agent, JAAG Holdings. The transaction was consummated on August 1, 2012 whereby Purchaser acquired 100,000,000 shares of common stock and 5,500,000 shares of Class “B” Convertible Preferred Stock from Grady. The Class “B” Convertible Preferred Stock includes in its designations, 100 votes per share and may be convertible into 10 shares of common stock.

At the conclusion of the transaction, Purchaser owned 100,000,000 shares of common stock representing 25.86% of the Issuer’s issued and outstanding common stock (386,611,770 shares issued and outstanding). As a result of Purchaser’s acquisition of 5,500,000 shares of Class “B” Convertible Preferred Stock, purchaser owns 71.24% of the issued and outstanding shares of such preferred stock (7,720,000 shares issued and outstanding) representing a total of 550,000,000 votes with respect to such preferred stock. Accordingly, Purchaser controls voting stock reflecting 56.10% of the total available votes to be cast by issued and outstanding equity stock of the Issuer.

Since the acquisition by Labs of Mr. Grady’s shares in the Company and the sale of the Hot Web Properties assets, the Company has changed its business plan and

objectives. Labs has developed a suite of services including email, IM, fax, voice and video email and music and movie features that can be delivered to its users at an extremely low monthly cost. The Company intends to utilize the 25,000,000 user base it acquired as part of the BB2 acquisition in 2011 to market these and other related services.

Labs' employees, consultants and advisors have the ability to employ new technology and applications to improve existing products while also creating new ones. Such is the case with certain of the Company's assets previously acquired with BB2. Labs has begun the process of evaluating whether by utilizing certain of these assets together with the application of new technologies, a functioning, secure social networking platform can be created. Continuing developmental work has to be done to assure that the platform is ultra-secure. Should the Company ever develop such a platform, and then succeed in its attempt to demonstrate it to the military, this will be of paramount importance. Finally, if the Company is successful in obtaining approval of its platform for use by any branch of the military, it will provide opportunities for joint venture or partnership arrangements with others. The Company believes that such arrangements may be necessary to assist it with both the costs and technology requirements to service the needs of the military. The Company is hopeful that its evaluation process will be completed by year end. Thereafter, it will determine if the creation of such a platform is commercially feasible.

The Company plans to operate with 2-3 support staff with total employment expected to remain under 8 employees.

B. Strategic Positioning

With the introduction of its suite of email, voicemail and other services described above, the Company hopes to position itself in the forefront of those entities that possess the technical capabilities to improve and innovate products attractive to the vast internet - telecommunications market. Should the development of a commercially viable social networking system proceed such that it can ultimately be demonstrated to the military, the Company is hopeful that it will attract the interest of potential investors, joint venturers or other larger companies with similar business models.

C. Competition

The Company's competitors have greater financial resources than the Company. There is the possibility that new competitors could seize upon the Company's ideas and business model to produce competing operations. Additionally, these new competitors could be better capitalized than us, which could give them a significant advantage and therefore capture significant market share of our intended market.

- a. Environmental Issues -

We are not aware of any significant environmental concerns or existing reclamation requirements. Any costs or delays associated with obtaining required permits could have an impact on our ability to timely complete our planned activities.

b. Off Balance Sheet Transactions –

The Company does not have any transactions, agreements or other contractual arrangements that constitute off-balance sheet arrangements.

Subsequent to the acquisition of the Blackbook2 Holdings internet properties, but prior to the April 12th Grady sale, the Company attempted, but was unable to implement, an effective plan to fully utilize the assets acquired. The inability to monetize these assets was due primarily to a lack of technical expertise as well as the fact that the potential competition the Company faced was substantial, well established and better funded. Now, with the support of Labs, the Company is hopeful that any and all of its proposed products and services will be competitive with any others offered by its competitors.

Results of Operations for the periods ended June 30, 2012 and December 31, 2011

General

The Company was basically inactive for the six months ended June 30, 2012, with no revenue and \$1,807 in expenses.

Revenues

The Company generated revenues of \$-0- and \$78,857 for the six months ended June 30, 2012 and the year ended December 31, 2011, respectively. Approximately 90% of the Company's 2011 gross revenue came from one transaction.

Cost of Revenue

Cost of revenue for six months ended June 30, 2012 and the year ended December 31, 2011 was \$-0- and \$63,262, respectively. The \$63,262 cost of revenue for the year ended December 31, 2011 was related to the transaction noted above which generated approximately 90% of the Company's revenue for the year ended December 31, 2011.

Operating Expenses

The Company's expenses for the six months ended June 30, 2012 and for year ended December 31, 2011 were \$1,807 and \$131,440, respectively. Operating expenses decreased for the six months ended

June 30, 2012 because the Company was basically inactive. The Company anticipates incurring further increased expenses and it will require additional funding to support its working capital needs.

Professional fees for six months ended June 30, 2012 and the year ended December 31, 2011 were \$-0- and \$72,873, respectively. Filing fees for six months ended June 30, 2012 and the year ended December 31, 2011 were \$-0- and \$12,475, respectively. Professional and filing fees decreased substantially because the Company was basically inactive.

Rent for the six months ended June 30, 2012 and the year ended December 31, 2011 was \$1,500 and \$10,041, respectively. The Company's rental expense is based on its current rental agreement, expiring in 2012.

The Company's net loss for the six months ended June 30, 2012 and for the year ended December 31, 2011 was \$1,807 and \$19,915,835, respectively. The net loss for the year ended December 31, 2011 resulted from the write down of the Blackbook2 internet property acquisition from its original acquisition cost of \$20,000,000 to \$200,000 because the Company was unable implement any plan to generate cash flows from this property.

Financial Condition

Total assets. Total assets at June 30, 2012 and December 31, 2011 were \$267,515 and \$267,865, respectively. Total assets consist of cash, stockholder loan receivable and internet properties. Cash at June 30, 2012 and December 31, 2011 was \$15 and \$365, respectively.

Total liabilities. Total liabilities at June 30, 2012 and December 31, 2011 were \$15,089,765 and \$15,088,308, respectively. Total liabilities at June 30, 2012 consist of accrued expenses of \$43,856, mainly professional and filing fees; due to stockholders and officers of \$40,910, ; and \$15,000,000 of a \$20,000,000 note payable issued to acquire a social networking internet property. Total liabilities at December 31, 2011 consist of accrued expenses of \$43,856, mainly professional and filing fees; due to stockholders and officers of \$39,451, and \$15,000,000 of a \$20,000,000 note payable issued to acquire a social networking internet property.

Liquidity and Capital Resources

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern which contemplates, among other things, the realization of assets and satisfaction of liabilities in the ordinary course of business.

The Company has a net loss from operations for the six months ended June 30, 2012 and the year ended December 31, 2011. Because of the absence of positive cash flows from operations, the Company will require additional funding for acquisitions and for the continuing development and marketing of its internet properties. These factors raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company is not presently able to meet its obligations as they come due. At June 30, 2012 the Company had working capital deficit of \$85,435 or the amount by which current liabilities exceed current assets. The Company's working capital deficit was due to the results of operations and increased accounts payable in previous periods

Net cash used by operating activities for the six months ended June 30, 2012 and for the year ended December 31, 2011 was \$1,807 and \$2,603, respectively. Net cash used in investing activities for the six months ended June 30, 2012 and for the year ended December 31, 2011 was \$-0- and \$-0-, respectively. Net cash provided (used) by financing activities for the six months ended June 30, 2012 and for the year ended December 31, 2011 was \$(1,457) and \$2,877, respectively. As discussed previously, the Company issued stock to acquire both of its internet properties, so these transactions are not shown on the statement of cash flows since they are considered non-cash investing and financing activities.

The Company anticipates that its future liquidity requirements will arise from the need to fund its growth from operations, pay current obligations and fund future acquisitions and capital expenditures. The primary sources of funding for such requirements are expected to be cash generated from operations and raising additional funds from the private and public sources and/or debt financing. However, the Company can provide no assurances that it will be able to generate sufficient cash flow from operations and/or obtain additional financing on terms satisfactory to the Company, if at all, to remain a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis and ultimately to attain profitability. The Company's Plan of Operation for the next twelve months is to raise capital to continue fund acquisitions to expand operations. Although the Company is not presently engaged in any capital raising activities, the Company anticipates that it may engage in one or more private or public offerings of the Company's securities after the completion of this filing. The Company would most likely rely upon the transaction exemptions from registration provided by Regulation S, Regulation D, Rule 506 or conduct a private offering under Section 4(2) of the Securities Act of 1933. See "Note 3 – Going Concern" in our financial statements for additional information as to the possibility that the Company may not be able to continue as a "going concern." The Company's plan is to acquire several interrelated media properties by paying the bulk of the purchase price in Company stock and to fund continuing operations through the private and public sale of Company stock.

ITEM 5 LEGAL PROCEEDINGS

None.

ITEM 6 DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 7 OTHER INFORMATION

A. Business Development - History

The Company was incorporated under the laws of the State of Nevada on March 3, 2000 as Saveyoutime.com, Inc. On April 10, 2003, the Company filed a Certificate of Merger with the Nevada Secretary of State announcing its merger with Hesperia Holding Corp. The Company was the surviving entity and pursuant to the merger changed its name to Hesperia Holding, Inc. The Company reported in its Form 10-Q

for the period ending June 30, 2003 (as filed with the United States Securities and Exchange Commission on August 14, 2003) that it was “an inactive publicly registered shell corporation with no significant assets or operations organized under the laws of the State of Nevada.”

The Company has operated as a holding company with several operating subsidiaries. Until 2005, the Company operated two subsidiaries in the roofing industry, Hesperia Truss and Pahrump Valley Truss. During 2005, the Company discontinued the operations of the two subsidiaries and began pursuing various acquisitions related to the film and media industry. After completing its due diligence the Company made offers on several potential opportunities, none of which ever materialized.

In April 2009, the Company acquired 100 % of the assets of Hot Web Properties, Inc. ("HWP") for \$67,500 of stock (see Item V above) The assets of HWP consisted of the following internet domains:

www.hotautoweb.com	www.hotcycleweb.com	www.hottruckweb.com
www.hotboatweb.com	www.hotplaneweb.com	www.hotcharityweb.co
www.hotrvweb.com		

In June, 2011, the Company and BlackBook2 Holdings Corp. (“BB2”), a privately held Florida corporation (“BB2”), entered into an agreement whereby the Company acquired substantially all of the assets of BB2 in exchange for a Convertible Promissory Note (the “Note”) in the amount of \$20,000,000. The assets acquired by the Company include computer hardware and software, license agreements, URL’s, a database of approximately 25,000,000 unique users of the BB2 website, together with email addresses and the template of the proprietary communications social network platform that formed the basis of the BB2 interactive website. A portion of the Note, \$5,000,000, was issued to BB2 in the form of the Company’s common stock, valued at \$.02 per share or a total of 250,000,000 common shares. The remaining balance of the Note, (\$15,000,000) was by its terms not payable in cash and convertible beginning one (1) year from the closing date, into the Company’s common stock on a conversion ratio based upon the average price of the Company’s common stock for a period thirty (30) days prior to the conversion date. The Company and BB2 have agreed to amend that unexercised portion of the Note such that the timing and the conversion ratio of the shares to be issued thereunder, will be dependent upon the realization by the Company of levels of sales and earnings to be determined by the Board of Directors.

The valuation of the Blackbook2 transaction was based in part on study by a nationally recognized valuation and research organization.

B. Business of Issuer

Until April 12, 2012, Max Media Group, Inc. operated ten web sites including www.hotautoweb.com, www.hotrvweb.com www.hotboatweb.com and www.hotcharityweb.com among others. The domain properties were founded in

2001, with the current management assuming control in 2009. The Company's objective was to allow professional third-party customers to purchase items (generally sight unseen) without the fear of hidden defects or problems. The Company allows sellers to bypass the learning curve of how to establish a successful online auction while allowing the seller personal privacy protection while reaching a worldwide audience of internet buyers with little time or effort.

On April 12th of this year, James E. Grady, the Company's president and chief executive officer and director, sold all of his common stock and Series B Preferred Stock to BB2 Labs, Inc. ("Labs"), a privately held Delaware corporation. In connection with that transaction, Mr. Grady resigned as president and director and agreed to serve as interim president for a short period. Pursuant to its agreement with the Company and Grady, Labs also acquired all of the Hot Web Property, Inc. assets owned by the Company and transferred them to Grady. In consideration for such transfer, Labs has funded and agreed to continue to fund any and all legal, accounting, filing and other fees and expenses incurred or to be incurred by the Company in bringing current its financial statements and corporate filings, listing fees with OTC Markets, the completion of a certified audit of its statements for the years ended 2010 and 2011 and the filing of an S-1 registration statement with the Securities & Exchange Commission. To date, more than \$50,000 has been expended toward these ends and Labs anticipates that the final amount will exceed \$100,000.

As discussed in A. above, the Company acquired various hardware and software assets, license agreements and a data base of 25,000,000 unique users when it acquired the assets of BB2. Following this acquisition, the Company expended only minimal time, funds and effort toward implementing a business plan that would successfully monetize this 25,000,000 user data base and other assets. Rather, the Company continued to concentrate its efforts on the exploitation of its Hot Web properties. Since its acquisition of the Grady shares Labs has begun in earnest to create and will soon offer to the Company's user base and others, a suite of services supported by the assets previously acquired by the Company. These services, available for both fixed and mobile devices, include an array of voice and video email functions, IM, fax, video conferencing features as well as access, at minimal cost, to current music and movies. Labs has the ability to innovate, create and improve existing products by applying new technologies and design features. In this regard, Labs will attempt to reconfigure certain of the Company's assets in the hope that it can create a functioning social networking platform. Presently, Labs is evaluating whether it can innovate certain security functions, unique encryption methods and other safeguards to protect this proposed platform and its eventual users. Through the contacts and professional relationships of some of Labs technical personnel and consultants, it may be able to secure an audience with the U.S. Military. Assuming this proposed secure social networking platform can be developed successfully, the Company would then seek to demonstrate its potential to the military, with the hope that it would eventually become the prototype of a social network platform acceptable for use by one or more of its branches. The Company is aware that even if it was able to develop a functioning, ultra-secure platform, that its acceptance for use by the military may involve a long, time consuming and costly procedure.

The Company has two full-time employees and no part-time employees.

Until April 12, 2012, the Company operated various media outlets to market its listings and listing services. The Company's listings included high-ticket items such as classic cars, boats, RV's, etc. Revenue was derived from listing fees, both flat rate, and a percentage of sale value, independent representative subscription fees and through the monetization of website traffic. After Mr. Grady's sale of his securities to Labs, the Company began to implement the plan discussed above, which is to utilize the Company's assets to offer a suite of email, fax, IM and video conferencing services to the public. In addition, the Company has begun to evaluate the possibility of redesigning and reconfiguring certain of the Company's hardware and software assets and together with the application of new technology, create a proprietary social networking platform that would have commercial application.

C. New Management For the Company .

Listed below are the names of all Directors and Executive Officers of the Company as of August 1, 2012, all positions and offices with the Company held by such person, the period during which he has served as such, and the principal occupations and employment of such persons during the last five years:

Name	Officer/Director	Shares Owned	Address
Michael Manocchio	President, CEO, Director	-0-	665 Jeffrey Street, Boca Raton, FL.33487
James D. Fish	Secretary, COO, Director	-0-	665 Jeffrey Street Boca Raton, FL. 33487

Michael Manocchio, President, Principal Executive Officer, Principal Accounting Officer and Director

On August 1, 2012, Mr. Manocchio was appointed as a director, president, principal executive officer and principal accounting officer for the Company. For the past 2 years, Mr. Manocchio has been the Manager of Fleet Sales for Mercedes Benz of DelRay/Automation in Delray Beach, Fl. Prior thereto, from 2005-2010, he was the president and chief executive officer of Titan Global Enterprises, a private Florida corporation in the entertainment business that both represented talent and originated productions. From the early 1970's through 2005, when he founded Titan Global, Mr. Manocchio spent his entire business life in the music business most recently as an independent record producer and entrepreneur. Earlier in his career, he was a Vice-President of Atlantic Records and later BMG, with responsibility for the Arista and RCA labels. He was also employed by Capitol Records as its Midwest Regional Director of Special Projects. While at Atlantic and a member of its A & R committee, Mr. Manocchio was involved in the signing of talent including AC/DC, Bette Midler, Blues Brothers, Foreigner, Night Ranger and the re-signing of the Rolling Stones. As an independent producer, he did much to further the careers of both Foreigner and Night Ranger.

James D. Fish, Chief Operating Officer, Secretary, Director

On August 1, 2012, we appointed Mr. James D. Fish as a member of the Board of Directors and as the Chief Operations Officer for the Company. There have been no related transactions between the Company and Mr. Fish since the beginning of our last fiscal year. Mr. Fish maintains his business address at 665 Jeffrey Street, Boca Raton, FL 33487. Mr. Fish presently receives no compensation from the Company.

From May 2009 through the present, Mr. Fish has been self-employed as a certified personal trainer. Mr. Fish is responsible for marketing and public relations to obtain clients and to ultimately train clients to reach and surpass their physical fitness goals. Mr. Fish is a military veteran. Mr. Fish was employed for approximately 12 years in the financial services industry prior to his most recent employment endeavors. His employment experience included working as an officer for various banks and mortgage companies. His employment duties most recently included serving as a supervisor regarding the operation of mortgage companies. His banking experience included writing and submitting real estate loans.

ITEM 8 EXHIBITS

MATERIAL CONTRACTS

None.

ARTICLES OF INCORPORATION AND BYLAWS

Incorporated by reference from the Company's Initial Information and Disclosure Statement filed September 3, 2009.

ISSUER'S CERTIFICATIONS

- a. I, Michael Manocchio, have reviewed this Quarterly Disclosure Statement for the period ending June 30, 2012 of Max Media Group, Inc.
- b. 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 the disclosure statements; and
- c. 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: August 14, 2012

/s/ Michael Manocchio,
President, Principal Executive Officer,
Principal Accounting Officer
Max Media Group, Inc.

Interim Financial Statements

MAX MEDIA GROUP, INC.
BALANCE SHEETS (UNAUDITED)
JUNE 30, 2012 AND DECEMBER 31, 2011

	<u>2012</u>	<u>2011</u>
Assets		
Current Assets		
Cash	\$ 15	\$ 365
Stockholder Loan Rreceivable	<u>67,500</u>	<u>-</u>
Total Current Assets	<u>67,515</u>	<u>365</u>
Other Assets		
Internet Properties	<u>200,000</u>	<u>267,500</u>
Total Other Assets	<u>200,000</u>	<u>267,500</u>
Total Assets	<u>\$ 267,515</u>	<u>\$ 267,865</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accrued Expenses	\$ 43,856	\$ 43,856
Loans and Notes Payable	<u>41,575</u>	<u>41,575</u>
Total Current Assets	<u>85,431</u>	<u>85,431</u>
Long Term Liabilities		
Note Payable- BB2 Acquisition	15,000,000	15,000,000
Stockholder Loan Payable	<u>4,334</u>	<u>2,877</u>
Total Long Term Liabilities	<u>15,004,334</u>	<u>15,002,877</u>
Stockholders' Equity		
Preferred Stock- par value \$.001, 100,000,000 shares authorized, 18,800,000 and 9,401,000 issued and outstanding	9,401	9,401
Common Stock- par value \$.001, 750,000,000 shares authorized, 430,098,820 and 75,098,820 issued and outstanding	430,098	430,098
Additional Paid in Capital	7,515,418	7,515,418
Retained Earnings (Deficit)	<u>(22,777,167)</u>	<u>(22,775,360)</u>
Total Stockholders' Equity	<u>(14,822,250)</u>	<u>(14,820,443)</u>
Total Liabilities and Stockholders' Equity	<u>\$ 267,515</u>	<u>\$ 267,865</u>

MAX MEDIA GROUP, INC.			
STATEMENTS OF OPERATIONS (UNAUDITED)			
SIX MONTHS ENDED MARCH 31, 2012 AND YEAR ENDED DECEMBER 31, 2011			
		2012	2011
Revenue		\$ -	\$ 78,867
		<u>-</u>	<u>78,867</u>
Cost of Revenue		<u>-</u>	<u>63,262</u>
		<u>-</u>	<u>63,262</u>
Gross Profit		<u>-</u>	<u>15,605</u>
Operating Expenses			
Advertising and Promotion		80	1,562
Automobile Expenses		-	60
Bank Charges		74	481
Commissions		-	-
Computer and Internet Expenses		-	3,812
Contract Labor		-	18,702
Filing Fees		-	12,475
Interest Expense		-	1,500
Management Fees		-	-
Office Supplies		75	1,019
Officer's Compensation		-	-
Professional Fees		-	72,873
Rent		1,500	10,041
Repairs and Maintenance		-	-
Supplies		78	1,606
Travel		-	426
Utilities and Telephone		<u>-</u>	<u>6,883</u>
Total Operating Expenses		<u>1,807</u>	<u>131,440</u>
Net Operating Income (Loss)		<u>(1,807)</u>	<u>(115,835)</u>
Other Income (Expense)			
Valuation Adjustment- BB2 Internet Properties		<u>-</u>	<u>(19,800,000)</u>
Total Other Income (Expense)		<u>-</u>	<u>(19,800,000)</u>
Net Income (Loss)		<u>\$ (1,807)</u>	<u>\$ (19,915,835)</u>

MAX MEDIA GROUP, INC.
STATEMENTS OF CASH FLOWS (UNAUDITED)
SIX MONTHS ENDED MARCH 31, 2012 AND YEAR ENDED DECEMBER 31, 2011

	<u>2012</u>	<u>2011</u>
Operating Activities		
Net Income (Loss)	\$ (1,807)	\$ (19,915,835)
	<u>(1,807)</u>	<u>(19,915,835)</u>
Adjustments to Reconcile Net Income (Loss) to net cash provided (used) in operating activities		
Depreciation and Amortization	-	-
Loss on Write Down of Assets	-	19,800,000
(Increase) Decrease in Assets		
Other Assets	-	-
Increase (Decrease) in Liabilities		
Accounts Payable and Accrued Expenses	-	71,657
Notes Payable	<u>-</u>	<u>41,575</u>
Total Adjustments	<u>-</u>	<u>19,913,232</u>
Net Cash Provided (Used) in Operating Activities	<u>(1,807)</u>	<u>(2,603)</u>
Investing Activities		
Purchase of Property and Equipment	<u>-</u>	<u>-</u>
Net Cash Provided (Used) in Investing Activities	<u>-</u>	<u>-</u>
Financing Activities		
Payments on Borrowings	-	-
Proceeds from Borrowings	1,457	2,877
Purchase of Property and Equipment	<u>-</u>	<u>-</u>
Net Cash Provided (Used) in Financing Activities	<u>1,457</u>	<u>2,877</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(350)</u>	<u>274</u>
Cash and Cash Equivalents- Beginning of Period	<u>365</u>	<u>-</u>
Cash and Cash Equivalents- End of Period	<u>\$ 15</u>	<u>\$ 274</u>
Supplemental Cash Flow Information:		
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</u>
Cash Paid for Income Taxes	<u>\$ -</u>	<u>\$ -</u>
Non Cash Investing and Financing Activities		
Disposition of Assets for Stockholder Loan Receivable	<u>\$ 67,500</u>	<u>\$ -</u>
Acquisition of Assets by Issuance of Note Payable	<u>\$ -</u>	<u>\$ 20,000,000</u>
Payment on Note Payable by Issuance of Common Stock	<u>\$ -</u>	<u>\$ 5,000,000</u>

MAX MEDIA GROUP, INC.
STATEMENT OF STOCKHOLDER'S EQUITY (UNAUDITED)
SIX MONTHS ENDED MARCH 31, 2012 AND YEAR ENDED DECEMBER 31, 2011

Date	Description	Preferred		Common		Additional Paid in Capital	Accumulated Deficit	Total
		Shares	\$	Shares	\$			
12/31/10	Balance per Previous F/S- 12/31/10	16,800,000	\$ 16,800	75,098,820	\$ 75,098	\$ 2,777,369	\$ (2,804,700)	\$ 64,567
	Adjustment to Correct Mathematical Errors	(9,300,000)	(9,300)	-	-	-	(8,770)	(18,070)
12/06/10	Record Grady stock	10,000,000	10,000	-	-	45,000	-	55,000
12/06/10	Record Stock Issued for Compensation- 13@100,000 shares	1,300,000	1,300	-	-	5,850	-	7,150
	Net Income (Loss)	-	-	-	-	-	(46,056)	(46,056)
	Corrected opening balance- 12/31/10	18,800,000	18,800	75,098,820	75,098	2,828,219	(2,859,526)	62,591
01/21/11	Record Grady Conversion	(10,000,000)	(10,000)	100,000,000	100,000	(90,000)	-	-
06/30/11	Record Stock issued for Compensation- 600,000 shares	600,000	600	-	-	2,700	-	3,300
09/09/11	Record Stock Compensation	-	-	5,000,000	5,000	22,500	-	27,500
09/15/11	Record BB2 Stock Conversion from Note Payable	-	-	250,000,000	250,000	4,750,000	-	5,000,000
12/15/11	Record Stock Purchase	2,000	1	-	-	1,999	-	2,000
	Net Income (Loss)	-	-	-	-	-	(19,915,835)	(19,915,835)
	Balances at December 31, 2011	9,402,000	9,401	430,098,820	430,098	7,515,418	(22,775,361)	(14,820,444)
	Net Income (Loss)	-	-	-	-	-	(1,807)	(1,807)
	Balances at June 30, 2012	<u>9,402,000</u>	<u>\$ 9,401</u>	<u>430,098,820</u>	<u>\$ 430,098</u>	<u>\$ 7,515,418</u>	<u>\$ (22,777,168)</u>	<u>\$ (14,822,251)</u>

NOTE 1 - Organization and Basis of Presentation

The Company was incorporated under the laws of the State of Nevada on March 3, 2000 as Saveyoutime.com, Inc. On April 10, 2003, the Company filed a Certificate of Merger with the Nevada Secretary of State reporting its merger with Hesperia Holding Corp. The Company was the surviving entity and pursuant to the merger changed its name to Hesperia Holding, Inc. The Company has operated as a holding company with several operating subsidiaries. Until 2005, the Company operated two subsidiaries in the roofing industry, Hesperia Truss and Pahrump Valley Truss. During 2005, the Company discontinued the operations of the two subsidiaries and began pursuing various acquisitions related to the film and media industry. After completing its due diligence, the Company made offers on several potential opportunities none of which ever materialized. In April 2009, the Company entered an agreement to acquire 100 % ownership of Hot Web Properties, Inc. ("HWP"). HWP owns and operates various internet domains. On June 5, 2009, the Board of Directors of the Company executed resolutions, which authorized an amendment to the Company's Certificate of Incorporation to change the name of the Company to Max Media Group, Inc.

In the opinion of management, the accompanying balance sheets and related interim statements of income, cash flows, and stockholders' equity, consisting only of normal recurring items, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Preparing financial statements requires management to make estimates and assumptions that affect the amounts of assets, liabilities, revenue, and expenses. Actual results and outcomes may differ from management's estimates and assumptions.

Interim results are not necessarily indicative of results for a full year. The information included in these financial statements should be read in conjunction with the information included in the December 31, 2011 financial statements. For presentation purposes, certain balances contained in these notes that are either unchanged or immaterially changed for the period are presented as of the previous year end, December 31, 2011.

NOTE 2 - Summary of Significant Accounting Policies

Cash and Cash equivalents

The Company considers those short-term, highly liquid investments with original maturities of three months or less as cash and cash equivalents.

Impairment of Long-Lived Assets

In accordance with Statement of Financial Accounting Standards ("SFAS") 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be disposed of," the Company reviews its long-lived assets for impairments. Impairment losses on long-lived assets are recognized when events or changes in circumstances indicate that the undiscounted cash flows estimated to be generated by such assets are less than their carrying value and, accordingly, all or a portion of such carrying value may not be

recoverable.

Impairment losses then are measured by comparing the fair value of assets to their carrying amounts. At December 31, 2011 the Company recognized an impairment loss of \$19,800,000 because it did not implement a plan to fully utilize the assets acquired in the Blackbook2 acquisition.

Revenue Recognition

Revenues, if any, will be recognized when earned.

Earnings per Share

The weighted average number of shares used for computing earnings per share reflects the conversion of convertible preferred shares into common. As of June 30, 2012, there were 9,402,000 convertible preferred shares outstanding.

Income Taxes

The Company records deferred income taxes using the liability method as prescribed under the provisions of SFAS No. 109. Under the liability method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial statement and income tax bases of the Company's assets and liabilities. An allowance is recorded, based upon currently available information, when it is more likely than not that any or not all of the deferred tax assets will be realized. The provision for income taxes includes taxes currently payable, if any, plus the net change during the year in deferred tax assets and liabilities recorded by the Company.

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 the disclosures 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 these estimates.

Advertising costs

The Company's policy regarding advertising costs are to expense them as they are incurred. The Company had not incurred any material advertising costs during the periods ended June 30, 2012 and December 31, 2011.

Recently Issued Accounting Pronouncements

SFAS No. 149 "Amendment of Statement 133 on derivative instruments and hedging activities". This statement amends and clarifies financial accounting and reporting for derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under SFAS 133, "Accounting for derivative instruments and hedging activities".

SFAS No. 150 "Accounting for certain financial instruments with characteristics of both liabilities and equity". This statement establishes standards for how an issuer classifies

and measures certain financial instruments with characteristics of both liabilities and equity.

The Company believes that the above standards would not have a material impact on its financial position, results of operations or cash flows.

NOTE 3 – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of its liabilities in the normal course of business. Through June 30, 2012, the Company had incurred cumulative losses of \$22,777,168 and had negative working capital of \$17,916 as of June 30, 2012. The Company's ability to continue as a going concern is dependent upon obtaining financing adequate to execute its business plan and achieve a level of revenues adequate to support the Company's cost structure. Management's plan of operations anticipates that the cash requirements for the next twelve months will be met by obtaining capital contributions through the sale of its common stock and cash flows from operations. There is no assurance that the company will be able to implement the plan.

NOTE 4 – Stockholder's Equity

At various stages in the Company's development, the Company has issued shares of common stock for services or assets with a corresponding charge to operations, property and equipment or other assets. In accordance with SFAS 123, these transactions, except for stock issued to employees, have been recorded on the Company's books at the fair value of the consideration received or the fair value of the common stock issued, whichever is more reliably measured.

Common Stock

As of June 30, 2012, the Company had capitalization of 430,098,820 shares of common stock issued and outstanding.

Preferred Stock

In 2005, the Company issued 200,000 shares of Preferred Series 2004 stock for \$65,000. The Series 2004 stock is entitled to liquidation preference of \$.44 per share plus dividends in arrears is entitled to preferential dividends of \$.006 per quarter (\$.024 per annum) out of legally available funds and is convertible to common stock at a rate of \$.40 per share. All 200,000 of the Series 2004 preferred shares were converted to 400,000 common shares in May 2009. In 2007, the Company issued 1,000,000 shares of Series A Preferred Stock for the acquisition of certain assets valued at \$10,000.

The Series A converts to common on a 15-for-1 basis. In August 2009, all 1,000,000 shares of the Series A Preferred Stock were converted into 15,000,000 shares of common stock. In October 2009, the Company issued 7,500,000 shares of Series B Preferred Stock as additional consideration for its acquisition of certain internet operations and domain names owned by HWP Properties (see Note 5).

As of June 30, 2012, the accounting records of the Company (as received by new management) reflect that it had 9,402,000 shares issued and outstanding. These records conflict with the Company's Class "B" Convertible Preferred Stock Shareholder List maintained externally by the Company which reflects a total of 7,720,000 shares of the Series "B" shares issued and outstanding. Company principals are endeavoring to reconcile such discrepancy and believe that the correct number of Series "B" shares issued and outstanding is 7,720,000.

These Series B shares convert to common stock on a 10 for-1 basis and carry 100-for-1 super voting rights.

Stock Options and Warrants

There are no outstanding unexpired warrants or options as of June 30, 2012 and December 31, 2011.

NOTE 5 - Acquisitions

In April 2009, the Company entered an agreement to acquire 100 % of the assets of Hot Web Properties, Inc. ("HWP"). HWP owns and operates various internet domains. Under the terms of the acquisition, the Company agreed to issue the shareholders of HWP 60,000,000 post-split common shares. With the issuance of the 60,000,000 post-split shares, the Company had a fully diluted post-split capitalization of approximately 75,000,000 shares outstanding. On June 5, 2009, the Board of Directors of the Company executed resolutions, which authorized an amendment to the Company's Certificate of Incorporation. The amendment changed the name of the Company to Max Media Group, Inc., increased the authorized common stock to 750,000,000 shares, increased the authorized preferred stock to 100,000,000 shares and reverse split the Company's common stock by a ratio of one (1) share for each 200 shares issued and outstanding. In August 2009, the Company's 200-1 proposed reverse split became effective.

In June, 2011, the Company and BlackBook2 Holdings Corp., a privately held Florida corporation ("BB2"), entered into an agreement whereby the Company acquired substantially all of the assets of BB2 in exchange for a Convertible Promissory Note (the "Note") in the amount of \$20,000,000. The assets acquired by the Company include computer hardware and software, license agreements, URL's, a database of approximately 25,000,000 unique users of the BB2 website, together with email addresses and the template of the proprietary communications social network platform that formed the basis of the BB2 interactive website. A portion of the Note, \$5,000,000, was issued to BB2 in the form of the Company's common stock, valued at \$.02 per share or a total of 250,000,000 common shares. The remaining balance of the Note, (\$15,000,000) was by its terms not payable in cash and convertible beginning one (1) year from the closing date, into the Company's common stock on a conversion ratio based upon the average price of the Company's common stock for a period thirty (30) days prior to the conversion date. The Company and BB2 have agreed to amend that unexercised portion of the Note such that the timing and the conversion ratio of the shares to be issued thereunder will be dependent upon the realization by the Company of levels of sales and earnings to be determined by the Board of Directors.

NOTE 6 - Commitments and Contingencies

Leases

At June 30, 2012 and December 31, 2011, the Company was not obligated under any non-cancelable operating or capital lease agreements.

Litigation

At June 30, 2012 and December 31, 2011, the Company was not party to any legal proceedings. To the knowledge of management, no federal, state or local governmental agency is presently contemplating any proceeding against the Company

NOTE 7 - Related Parties

There were no related party transactions in the periods ended June 30, 2012 and December 31, 2011 other than previously disclosed stock and compensation transactions.

NOTE 8 - Income Taxes

The Company has adopted FASB 109 to account for income taxes. The Company currently has no issue that creates timing differences that would mandate deferred tax expense. Net operating losses could create possible tax assets in future years. Due to the uncertainty as to the utilization of net operating loss carry forwards, a valuation allowance has been made to the extent of any tax benefit that net operating losses may generate. No provision for income taxes has been recorded due to the net operating loss carry forwards of \$22,777,168 and \$22,775,360 as of June 30, 2012 and December 31, 2011, respectively that will be offset against further taxable income (see below). No tax benefit has been reported in the financial statements.

Deferred tax assets and the valuation account as of June 30, 2012 and December 31, 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Net Operating Loss Carryforward	\$ (22,777,168)	\$ (22,775,360)
Valuation Allowance	<u>22,777,168</u>	<u>22,775,360</u>
Net Deferred Tax Asset	<u>\$ -</u>	<u>\$ -</u>

The components of income tax expense are as follows:

	<u>2012</u>	<u>2011</u>
Curret Federal Tax	\$ -	\$ -
Current State Tax	-	-
Change in Net Operating Loss Benefit	-	-
Change in Valuation Allowance	-	-

The Company has incurred losses that can be carried forward to offset future earnings if conditions of the Internal Revenue Codes are met (see below). These losses are as follows:

	<u>Amount</u>	<u>Expiration Date</u>
Year of Loss (Year Ended December 31)		
2005 and prior	\$ 2,810,756	2025
2010	46,056	2030
2011	<u>19,815,834</u>	2031
Total Net Operating Losses	<u>\$ 22,672,646</u>	

These net operating losses generally can be carried over to offset income in future years. However, if changes of control over certain thresholds occur within certain time periods, the ability of the Company to utilize these losses may be limited. The Company has not yet consulted tax counsel regarding this situation, so, the amounts listed above may be subject to certain limitations.