

Lateral Media, Inc.
Form 10-Q
November 16, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
FOR THE QUARTERLY PERIOD ENDED September 30, 2009

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from ___ to ___

Commission File Number 333-136806

LATERAL MEDIA, INC.
(Exact name of registrant as specified in its charter)

DELAWARE
(State of other jurisdiction of incorporation or
organization)

98-0539032
(IRS Employer Identification
Number)

2121 Avenue of the Stars Suite 2550 Los Angeles,
CA
(Address of principal executive offices)

90067
(Zip Code)

(310) 601- 2500

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer
(do not check if smaller reporting company)

Smaller reporting company

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

As of November 13, 2009, the Company had 9,493,836 shares of common stock par value \$0.001 per share issued and outstanding.

LATERAL MEDIA, INC.

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ITEM 1. FINANCIAL STATEMENTS

LATERAL MEDIA INC.

BALANCE SHEET

	September 30, 2009	June 30, 2009
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	\$ 46,357	\$ 363,771
Accounts receivable	6,943	23,751
Prepaid expenses	95,333	99,562
Total Current Assets	148,633	487,084
PROPERTY AND EQUIPMENT - net	60,541	78,507
OTHER ASSETS		
Technology software, net	419,905	445,100
Covenant not-to-compete, net	346,860	367,670
Domain names	208,069	190,000
Deferred financing costs	7,357	8,461
Security deposits	5,005	5,005
Total Other Assets	987,196	1,016,236
Total Assets	\$ 1,196,370	\$ 1,581,827
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 619,664	\$ 577,793
Related party loan payable	1,060,000	850,000
Note payable - insurance	1,422	5,918
Total Current Liabilities	1,681,086	1,433,711
LONG-TERM LIABILITIES		
Note payable	861,892	846,547
Convertible note payable	576,552	558,612
Total Long-Term Liabilities	1,438,444	1,405,159
Total Liabilities	3,119,530	2,838,870
STOCKHOLDERS' DEFICIT		
Preferred Stock 5,000,000 shares authorized at par value \$0.001 - none outstanding	-	-
	9,494	9,144

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Common stock 75,000,000 shares authorized at \$0.001 par value; 9,493,836 and 9,143,836 shares issued and outstanding at September 30, 2009 and June 30, 2009, respectively

Additional paid - in capital	1,300,892	1,295,552
Accumulated deficit	(3,233,546)	(2,561,739)
Total Stockholders' Deficit	(1,923,160)	(1,257,043)
Total Liabilities and Stockholders' Deficit	\$ 1,196,370	\$ 1,581,827

See notes to unaudited financial statements.

