

CMG HOLDINGS GROUP, INC.

Form 8-K

April 27, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report: April 5, 2011
(Date of earliest event reported)

CMG HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada

000-51770

87-0733770

(State of Incorporation)

(Commission File Number)

(I.R.S. Employer Identification No.)

5601 Biscayne Boulevard
Miami, FL 33137

(Address of principal executive offices) (Zip Code)

(305) 751-0588

(Registrant's telephone no., including area code)

(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

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Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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SECTION 1 - REGISTRANT'S BUSINESS AND OPERATIONS

Item 1.01. Entry into a Material Definitive Agreement.

This Current report on Form 8-K contains forward-looking statements which include, but are not limited to, statements concerning expectations as to our revenues, expenses, and net income, our growth strategies and plans, the status of evolving technologies and their growth potential, the adoption of future industry standards, expectations as to our financing and liquidity requirements and arrangements, the need for additional capital, and other matters that are not historical facts. These forward-looking statements are based on our current expectations, estimates, and projections about our industry, management's beliefs, and certain assumptions made by it. Words such as "anticipates", "appears", "expects", "intends", "plans", "believes", "seeks", "estimates", "may", "will" and variations of these words expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections, or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual results could differ materially and adversely from those results expressed in any forward-looking statements, as a result of various factors. Readers are cautioned not to place undue reliance on forward-looking statements, which are based only upon information available as of the date of this report. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

On March 23, 2010 the Registrant entered into a share exchange agreement with the former stockholders of AudioEye, Inc. (hereinafter "AudioEye") whereby AudioEye became a wholly owned subsidiary of the Registrant subject to the former stockholders retaining the right to receive cash from the exploitation of the technology of AudioEye. The Registrant has outstanding 13% Senior Secured Convertible Extendable Notes due in 2011 with a current aggregate balance of \$1,075,000 (hereinafter the "Notes"). The Registrant believes that it cannot with its current debt structure raise sufficient working capital to fully exploit and grow the business of AudioEye at this time.

On June 22, 2011 the Registrant entered into a Master Agreement subject to shareholder approval as may be required under applicable law and subject to closing conditions (hereinafter the "Agreement") with AudioEye Acquisition Corp., a Nevada corporation (hereinafter "AudioEye Acquisition") pursuant to which: (i) the shareholders of AudioEye Acquisition will acquire from the Registrant 80% of the capital stock of AudioEye and (ii) the Registrant will distribute to its shareholders, in the form of a dividend, 5% of the capital stock of AudioEye.

On April 5, 2012 the Registrant and AudioEye Acquisition amended their Agreement in order to separate the Spin-off and Share Exchange so as to allow the payment by AudioEye of the outstanding Registrant Note and to cause the release of the Notes to be effected as soon as practicable but no later than the closing of the Share Exchange. The Amendment also removes the requirement of shareholder approval as a prerequisite to the Share Exchange and Spin-off.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

Item 9.01. Financial Statements and Exhibits

(d)Exhibits.

Exhibit Description
No.

- 10.1 Master Agreement dated June 22, 2011 between AudioEye Acquisition Corp. and CMG Holding Group, Inc. incorporated by reference to the Company's Current Report on Form 8K filed with the Securities and Exchange Commission on June 24, 2011.
- 10.2 Amendment No. 1 to Master Agreement dated April 5, 2012 between AudioEye Acquisition Corp. and CMG Holding Group, Inc.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

CMG HOLDINGS, INC.

Date: April 27, 2012

/s/ JAMES ENNIS
Name: James Ennis
Its: Chief Financial
Officer

