

Mainstream Entertainment, Inc.
Form S-1/A
October 27, 2011

As filed with the Securities and Exchange Commission on October 27, 2011

Registration No. 333-172924

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-1/A
Amendment No. 5

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MAINSTREAM ENTERTAINMENT, INC.

(Exact Name of Registrant as specified in its charter)

| | | |
|---|--|---|
| Florida (State or other jurisdiction of incorporation or organization) | 7380 (Primary Standard Industrial Classification Code Number) | 20-3687391 (I.R.S. Employer Identification No.) |
|---|--|---|

11637 Orpington Street
Orlando, FL 32817
Attn: Karen Aalders
(407) 207-0400
(Address and telephone number of
principal executive office)

11637 Orpington Street
Orlando, FL 32817
Attn: Karen Aalders
(Address of principal place of business)

Charles Camorata, President
11637 Orpington Street
Orlando, FL 32817

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(407) 207-0400

(Name, address and telephone number of agent for service)

COPIES TO:

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Approximate Date of Proposed Sale to the Public

As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis under Rule 415 under the Securities Act of 1933, as amended, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering."

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering."

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large Accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

CALCULATION OF REGISTRATION FEE

| Title of Each Class of Securities to be Registered | Number of Shares to be Registered | Proposed Maximum Offering Price Per Share | Proposed Maximum Aggregate Offering Price | Amount of Registration Fee |
|--|-----------------------------------|---|---|----------------------------|
| Common | 848,370 | \$0.05 | \$42,418 | \$4.91 |
| Total Registration and Fee | 848,370 | \$0.05 | \$42,418 | \$4.91 |

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of these securities in any state in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state.

MAINSTREAM ENTERTAINMENT, INC.

848,370

Common Shares

MAINSTREAM ENTERTAINMENT, INC.

11637 Orpington Street
Orlando, FL 32817

The Resale of Shares of Common Stock

This prospectus relates to the sale, transfer or distribution of up to 848,370 shares of the common stock, par value \$0.001 per share, of Mainstream Entertainment, Inc. by the Selling Security Holders described herein. The price at which the Selling Security Holders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions.

This offering is not being underwritten. This prospectus relates to the offer and sale by some of our shareholders during the period in which the registration statement containing this prospectus is effective up to 848,370 common shares. The selling shareholders may sell their shares at \$0.05 per share when our Company shares are quoted, at a future date, on the OTC Electronic Bulletin Board, and thereafter at prevailing market prices in negotiated transactions with a broker-dealer or market maker as a principal or agent, or in privately negotiated transactions not involving a broker or dealer. We determined this initial offering price arbitrarily.

We will receive no proceeds from the sale of the shares by the selling shareholders.

No exchange or over-the-counter market exists for our shares. The offering price was established by management and does not reflect market value, assets or any established criteria of valuation.

Investing in the common stock involves a high degree of risk. You should not invest in the common stock unless you can afford to lose your entire investment. **See "Risk Factors" beginning on page 7 of this prospectus.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should rely only on the information contained or incorporated by reference in this prospectus to make your investment decision. We have not authorized anyone to provide you with different information. The selling shareholders are not offering these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front page of this prospectus.

Brokers or dealers effecting transactions in the Shares should confirm the registration of the Shares under the securities laws of the states in which such transactions occur or the existence of an exemption from such registration, or should cause such registration to occur in connection with any offer or sale of the Shares.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Preliminary Prospectus Subject to Completion Dated October 27, 2011

The following table of contents has been designed to help you find important information contained in this prospectus.

We encourage you to read the entire prospectus.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

In this prospectus we make a number of statements, referred to as forward-looking statements, which are intended to convey our expectations or predictions regarding the occurrence of possible future events or the existence of trends and factors that may impact our future plans and operating results. These forward-looking statements are derived, in part, from various assumptions and analyses we have made in the context of our current business plan and information currently available to us and in light of our experience and perceptions of historical trends, current conditions and expected future developments and other factors we believe to be appropriate in the circumstances. You can generally identify forward-looking statements through words and phrases such as seek, anticipate, believe, estimate, expect, intend, plan, budget, project, may be, may continue, may likely result, and similar expressions. When a forward looking statement you should remain mindful that all forward-looking statements are inherently uncertain as they are based on current expectations and assumptions concerning future events or future performance of our company, and that actual results or developments may vary substantially from those expected as expressed in or implied by that statement for a number of reasons or factors, including those relating to:

·
whether or not markets for our products develop and, if they do develop, the pace at which they develop;

·
our ability to attract the qualified personnel to implement our growth strategies,

·
our ability to develop sales, marketing and distribution capabilities;

·
the accuracy of our estimates and projections;

·
our ability to fund our short-term and long-term financing needs;

changes in our business plan and corporate strategies; and

other risks and uncertainties discussed in greater detail in the sections of this prospectus, including those captioned Risk Factors and Management's Discussion And Analysis Of Financial Condition And Results Of Operations .

Each forward-looking statement should be read in context with, and with an understanding of, the various other disclosures concerning our company and our business made elsewhere in this prospectus as well as other public reports filed with the United States Securities and Exchange Commission (the "SEC"). You should not place undue reliance on any forward-looking statement as a prediction of actual results or developments. We are not obligated to update or revise any forward-looking statement contained in this prospectus to reflect new events or circumstances unless and to the extent required by applicable law.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the more detailed information and the Financial Statements (including the notes thereto) appearing elsewhere in this Prospectus. Unless otherwise specifically referenced, all references to dollar amounts refer to United States dollars.

The Company

Mainstream Entertainment, Inc. is a Florida Corporation (herein "MEI" or the "Company") organized on October 7, 2005 as Skreem Studios, Inc. On August 2, 2010 its name was changed to Mainstream Entertainment, Inc. Our offices are located at: 11637 Orpington Street Orlando, FL 32817. Our telephone number is: (407) 207-0400.

We are a development stage company, which leases a recording studio equipped to provide all of the services necessary for recording and editing finished audio products. Our finished audio products will be compact disks and digital music files. We anticipate that we will publish hard copies of music on compact disks which we will produce. Our manufacturing process will entail recording music onto compact disks and other forms of digital media. We intend to offer these products for sale through traditional music distribution channels. The Studio, known locally as Gettings Studio, is located at 275 North Bayshore Dr. Ococee, FL 34761. It provides four recording studios, a live recording space that measures over 650 square feet, large enough for a 25-piece orchestra. It also has a client lounge, a conference room, wet bar, and shower accommodations.

We also act as a producer. Our role as a producer includes identifying and contracting with musical groups and individual artists to promote their talent. This involves student coaching and guiding musicians, conducting recording sessions, overseeing the mixing and mastering process, and planning and directing the promotion and sale of the work product. Revenue will be initiated through prior industry contacts of the officers, internet advertising via a company web page and direct contact, and traditional print marketing. Company cannot guarantee that any revenues will be generated. The Company and its predecessors have been unprofitable since 2005. To date, all revenues have been generated from a company named NRJ, a company located in France. The company related revenues were paid for music group "3 Wish", a music group whom Justin Martin is a member. Justin Martin is the 27 year old son of Jeff Martin. The Company is completely dependent on Jeff Martin for its present and future funding. Mr. Martin is not obligated to fund the Company and the Company cannot provide any assurance that Mr. Martin's funding will continue in the future.

Our monthly "burn rate" consists of professional fees (which include legal and accounting fees) of approximately \$2,800 and interest expense of approximately \$1,100, for a total of \$3,900 in monthly expenses. The Company is dependent upon loans made by the majority shareholder, Jeffrey Martin. (See "Debt Financing and Related Party Notes") The

Company is completely dependent on Jeff Martin for its present and future funding. Mr. Martin is not obligated to fund the Company and the Company cannot provide any assurance that Mr. Martin's funding will continue in the future. The cash available to the Company at June 30, 2011 is not sufficient to cover any of the average monthly expenditures before requiring additional capital. As of August 29, 2011, we had \$45 of cash available for operations. Since June 30, 2011, Mr. Martin has advanced \$4,100 to the Company for operations.

We require at least \$90,000 of additional funding to execute our current business strategy. For the year ending, September 30, 2010, we had a net loss of \$78,122 and for the year-to-date quarter ending June 30, 2011, we had a net loss of \$52,749. Our independent certifying accountant has expressed doubt about our ability to continue as a "going concern".

The Offering

This prospectus relates to the offer and sale by some of our shareholders during the period in which the registration statement containing this prospectus is effective up to 848,370 common shares

The selling shareholders may sell their shares at \$0.05 per share when our Company shares are quoted, at a future date, on the OTC Electronic Bulletin Board, and thereafter at prevailing market prices or privately negotiated prices. We determined this offering price arbitrarily.

We anticipate that the common shares offered under this prospectus may be sold by the selling shareholders on the public market, in negotiated transactions with a broker-dealer or market maker as principal or agent, or in privately negotiated transactions not involving a broker or dealer. Information regarding the selling shareholders, the common shares they are offering to sell under this prospectus, and the times and manner in which they may offer and sell those shares is provided in the sections of this prospectus captioned "Selling Shareholders" and "Plan of Distribution". We will not receive any of the proceeds from those sales. The registration of common shares pursuant to this prospectus does not necessarily mean that any of those shares will ultimately be offered or sold by the selling shareholders.

Information on Outstanding Shares

The number of shares of our common stock outstanding before and after this offering is set forth below:

Common shares issued and outstanding before this Offering: 3,051,870

Common shares issued and outstanding after this Offering: 3,051,870

The number set forth above for the shares of common stock outstanding before this offering is the number of shares of our common stock outstanding on October 27, 2011 ..

Based upon the proposed offering price of \$0.05 per share, the aggregate market price of our common stock is \$152,593. As of June 30, 2011, we had a stockholder s deficit balance of \$235,319.

Use of Proceeds

We will not realize any of the proceeds from the sale of the shares offered by the selling stockholders. See "Use of Proceeds".

RISK FACTORS

An investment in the Securities offered in this Prospectus involves a high degree of risk and should only be made by persons who can afford the loss of their entire investment. Accordingly, prospective investors should consider carefully the following factors, in addition to the other information concerning the Company and its business contained in this Prospectus, before purchasing the Securities offered hereby. An investment in the common stock the selling shareholders are offering to resell is risky. You should be able to bear a complete loss of your investment. Before purchasing any of the common stock, you should carefully consider the following risk factors. This report contains various forward looking statements that involve risk and uncertainties. Our actual results may differ materially from the results discussed in the forward looking statements.

Risks Related our Company

We will continue to lose money, and if we do not achieve profitability, we may not be able to continue our business.

We have, in our history, generated limited revenues from operations, have incurred substantial expenses and have sustained losses. In addition, we expect to continue to incur significant operating expenses. As a result, we will need to generate significant revenues to achieve profitability, which may not occur.

We have a history of financial losses. We had no revenue during 2010 and only \$471 of revenue during 2009. To date, all revenues have been generated from relatives or groups containing a relative, of Jeff Martin.

We had a net loss of \$78,122 for the year ending September 30, 2010 and a net loss of \$52,749 for the nine months ending June 30, 2011. We had a net loss of \$232,723 for the year ending September 30, 2009.

The Company is completely dependent on Jeff Martin for its present and future funding. Mr. Martin is not obligated to fund the Company and the Company cannot provide any assurance that Mr. Martin's funding will continue in the future.

Even if we do achieve profitability, we may be unable to sustain or increase profitability on a quarterly or annual basis in the future. We expect to have quarter-to-quarter fluctuations in revenues, expenses, losses and cash flow, some of which could be significant. Results of operations will depend upon numerous factors, some beyond our control, including regulatory actions, market acceptance of our products and services, new products and service introductions, and competition.

Our independent registered public accounting firm issued a report for the year ended September 30, 2010 that contained a going concern explanatory paragraph.

Our independent registered public accounting firm issued a report on their audit of our financial statements as of and for the year ended September 30, 2010 containing a going concern paragraph. Our notes to the financial statements disclose that Mainstream Entertainment, Inc.'s (formerly Skreem Studios, Inc.) cash flows have been absorbed in operating activities and we have incurred net losses for the period ended September 30, 2010, and have a working capital deficiency. In the event that funding from internal sources or from public or private financing is insufficient to fund the business at current levels, we will have to substantially cut back our level of spending which could substantially curtail our operations. The independent registered public accounting firm's report contains an explanatory paragraph indicating that these factors raise substantial doubt about our ability to continue as a going concern. Our going concern uncertainty may affect our ability to raise additional capital, and may also affect our relationships with suppliers and customers. Investors should carefully read the independent registered public accounting firm's report and examine our financial statements.

Our management has limited experience in managing the day to day operations of a public company and, as a result, we may incur additional expenses associated with the management of our company.

The management team, including Charles Camorata, President, Chief Executive Officer and Director; Justin Martin, Vice President and Director; and Karen Aalders, Secretary/Treasurer and Director, is responsible for the operations and reporting of the Company. The requirements of operating as a small public company are new to the management team. This may require us to obtain outside assistance from legal, accounting, investor relations, or other professionals that could be more costly than anticipated. We may also be required to hire additional staff to comply with additional SEC reporting requirements and compliance under the Sarbanes-Oxley Act of 2002. Our failure to comply with reporting requirements and other provisions of securities laws could negatively affect our stock price and adversely affect our results of operations, cash flow and financial condition. Presently, given our limited operations, we estimate (this is a forward-looking statement) that our annual costs to comply with SEC reporting requirement between \$50,000 and \$100,000. Our executive officers will spend a limited amount of time working for the Company. We expect that their efforts will be limited to no more than 10 hours per week each.

Our Officers and Directors devote limited time to our business, which may negatively impact upon our plan of operations, implementation of our business plan and our potential profitability.

Our officers and directors are involved in other businesses and dedicate a limited amount of time to our business. The limited amount of time our management devotes to our business activities in the future may be inadequate to implement our plan of operations and develop a profitable business.

We intend to become subject to the periodic reporting requirements of the Securities Exchange Act of 1934 which will require us to incur audit fees and legal fees in connection with the preparation of such reports. These additional costs could reduce or eliminate our ability to earn a profit.

Following the effective date of our registration statement of which this prospectus is a part, we will be required to file periodic reports with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder. In order to comply with these requirements, once this registration statement is effective, our independent registered public accounting firm will have to review our financial statements on a quarterly basis and audit our financial statements on an annual basis. Moreover, our legal counsel will have to review and assist in the preparation of such reports.

The costs charged by these professionals for such services cannot be accurately predicted at this time because factors such as the number and type of transactions that we engage in and the complexity of our reports cannot be determined at this time and will have a major affect on the amount of time to be spent by our auditors and attorneys. However, the incurrence of such costs will obviously be an expense to our operations and thus have a negative effect on our ability to meet our overhead requirements and earn a profit. We may be exposed to potential risks resulting from any new requirements under Section 404 of the Sarbanes-Oxley Act of 2002. If we cannot provide reliable financial reports or prevent fraud, our business and operating results could be harmed, investors could lose confidence in our reported financial information, and the trading price of our common stock, if a market ever develops, could drop significantly.

Presently, given our limited operations, we estimate (this is a forward-looking statement) that our annual costs to comply with SEC reporting requirement between \$50,000 and \$100,000.

Our internal controls may be inadequate, which could cause our financial reporting to be unreliable and lead to misinformation being disseminated to the public.

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. As defined in Exchange Act Rule 13a-15(f), internal control over financial reporting is a process designed by, or under the supervision of, the principal executive and principal financial officer and effected by the board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and/or directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Our internal controls may be inadequate or ineffective, which could cause our financial reporting to be unreliable and lead to misinformation being

disseminated to the public. Investors relying upon this misinformation may make an uninformed investment decision.

Having only three directors limits our ability to establish effective independent corporate governance procedures and increases the control of our president.

We have only three directors (including our president). Accordingly, we cannot establish board committees comprised of independent members to oversee functions like compensation or audit issues. In addition, a tie vote of board members is decided in favor of the chairman, which gives him significant control over all corporate issues. Until we have a larger board of directors that would include some independent members, if ever, there will be limited oversight of our president's decisions and activities and little ability for minority shareholders to challenge or reverse those activities and decisions, even if they are not in the best interests of minority shareholders.

Current Economic Conditions May Impact Our Commercial Success and Ability to Obtain Financing.

The current economic conditions could have a serious impact on the ability of the Company to sustain its viability. Due to the decrease in overall spending, there is a possibility that music production levels will decrease for the foreseeable future, resulting in less economic activity for the Company. Since we are a very small operation, we may not be able to attract enough music recording to sustain ourselves. In addition, due to the severe difficulty in obtaining credit in the current economic crisis, we may have trouble seeking out and locating additional funds if we so desire or require financing of our operations. Current economic conditions may severely limit our access to traditional sources of capital. If necessary, we may seek loans or additional equity from our majority shareholder, or officer/directors or other outside sources of capital. Wherever possible, our board of directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of restricted shares of our common stock. Our board of directors has authority, without action or vote of the shareholders, to issue all or part of the remaining unissued 96,948,130 authorized shares. In addition, if a trading

market develops for our common stock, we may attempt to raise capital by selling shares of our common stock, possibly at a discount to market. These actions will result in dilution of the ownership interests of existing shareholders which may further dilute common stock book value, and that dilution may be material.

If we fail to develop new or expand existing customer relationships, our ability to grow our business will be impaired.

Our growth depends to a significant degree upon our ability to develop new students and customer relationships and to expand existing relationships with current customers. We cannot guarantee that new customers will be added, or that any such new relationships will be successful when they are in place, or that we will obtain students or that business with current customers will increase. Failure to develop and expand such relationships could have a material adverse effect on our business, results of operations and financial condition. Our music purchasing customers are individuals who view music products via YouTube and iTunes and purchase those music products through iTunes.

Some of our competitors may be able to use their financial strength to dominate the market, which may affect our ability to generate revenues.

Some of our competitors are much larger companies and better capitalized. They could choose to use their greater resources to finance their continued participation and penetration of this market, which may impede our ability to generate sufficient revenue to cover our costs. Their better financial resources could allow them to significantly outspend us on song writing and recording, as well as marketing and production. We might not be able to maintain our ability to compete in this circumstance.

We will need additional capital to allow us to expand our business plan to increase capacity to produce the music of our customers and such financing may be unavailable or too costly.

Our ability to continue to develop the programs and products that we are planning to utilize is dependent on our ability to secure financing and allocate sufficient funds required to support our marketing activity. Additional financing may not be available on favorable terms or even at all. If we raise additional funds by selling stock, the percentage ownership of our then current stockholders will be reduced. If we cannot raise adequate funds to satisfy our capital requirements, we may have to limit our operations significantly. Our ability to raise additional funds may diminish if the public equity markets become less supportive of the industry. We estimate that we will need approximately \$20,000 of additional capital to support our marketing activity in the next six months. Jeff Martin has recently loaned the company \$10,000 in support of this activity.

Risks Related to Our Common Stock and Its Market

Jeffrey Martin owns directly and indirectly through related parties approximately 73% of our outstanding common stock, and has significant influence over our corporate decisions, and as a result, his interest could conflict with yours.

Jeffrey Martin holds directly and indirectly 2,228,500 shares of our common stock, representing approximately 73% of the outstanding shares of our common stock. Accordingly, Mr. Martin will have significant influence over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, as well as determining the outcome of all corporate transactions or other matters, including mergers, consolidations and the sale of all or substantially all of our assets, and also the power to prevent or cause a change in control, as Mr. Martin will likely continue to be our largest shareholder. Additionally, Mr. Martin and management own a combined total of approximately 90% of shares outstanding. Such concentration of ownership may also have the effect of delaying or preventing a change in control, which may be to the benefit of the directors and executive officers but not in the interest of the shareholders. As a result, Mr. Martin and Management have absolute control over all matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions. The interests of Mr. Martin may differ from the interests of the other stockholders and thus result in corporate decisions that are adverse to other shareholders. Additionally, potential investors should take into account the fact that any vote of shares purchased will have limited effect on the outcome of corporate decisions.

We expect to issue additional stock in the future to finance our business plan and the potential dilution caused by the issuance of stock in the future may cause the price of our common stock to drop.

As of October 27, 2011, there were 3,051,870 issued and outstanding shares of Common Stock. Beyond the effective date of this resale, we may need to raise additional capital, which may then result in the issuance of additional shares of common stock, or debt instruments. Shares may be issued under an available exemption, a later registration statement, or both. If and when additional shares are issued, it may cause dilution in the value of shares purchased in this offering and may cause the price of our common stock to drop. These factors could also make it more difficult to raise funds through future offerings of common stock.

We have not, and currently do not anticipate, paying dividends on our common stock.

We have never paid any dividend on our common stock and do not plan to pay dividends on our common stock for the foreseeable future. We currently intend to retain future earnings, if any, to finance operations, capital expenditures and to expand our business.

There will be a limited market for our common stock which will make it difficult for investors to engage in transactions in our securities.

Our common stock is not quoted on an exchange or automated quotation system. We intend to acquire a common stock quotation on the Over-the-Counter Electronic Bulletin Board (OTCBB). There is no guarantee that our common stock will be accepted for quotation on the OTCBB or any other OTC market. If public trading of our common stock does not commence it will be difficult for our stockholders to sell our common stock. If a market were to develop in our common stock, it is highly likely that it would be an illiquid market because it will be classified as a penny stock. We have insignificant revenues, and a history of financial losses. As a result, investors in our company may never be able to sell their shares or realize a profit on their investment.

If our stock is quoted, it is likely to be an illiquid market which can lead to price volatility and difficulty liquidating your investment.

The trading volume of our stock will likely be low, which can cause the trading price of a stock to change substantially in response to relatively small orders. Both stock volume and price could also be subject to wide fluctuations in response to various factors, many of which are beyond our control, including actual or anticipated variations in quarterly and annual operating results and general market perception. An absence of an active trading market could adversely affect our stockholders' ability to sell their common stock in short time periods, or possibly at all. In addition, we believe that factors such as changes in the overall economy or the condition of the financial markets could cause the price of our common stock to fluctuate substantially. These fluctuations may also cause short sellers to enter the market from time to time in the belief that we will have poor results in the future. We cannot predict the actions of market participants and, therefore, can offer no assurances that the market for our stock will be stable or appreciate over time.

A sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

In the future when our stock is quoted on the OTCBB, if our stockholders were to sell substantial amounts of our common stock in the public market, the market price of our common stock could fall. These sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

Our common stock is deemed to be penny stock, which may make it more difficult for investors to sell their shares due to suitability requirements.

Our common stock is deemed to be penny stock as that term is defined in Rule 3a51-1 promulgated under the Securities Exchange Act of 1934, as amended (the Exchange Act). These requirements may reduce the potential market for our common stock by reducing the number of potential investors. This may make it more difficult for investors in our common stock to sell shares to third parties or to otherwise dispose of them. This could cause our stock price to decline. Penny stocks are stock:

§With a price of less than \$5.00 per share;

§That are not traded on a “recognized” national exchange;

§Whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ listed stock must still have a price of not less than \$5.00 per share); or

§In issuers with net tangible assets less than \$2.0 million (if the issuer has been in continuous operation for at least three years) or \$10.0 million (if in continuous operation for less than three years), or with average revenues of less than \$6.0 million for the last three years.

Broker-dealers dealing in penny stocks are required to provide potential investors with a document disclosing the risks of penny stocks. Moreover, broker-dealers are required to determine whether an investment in a penny stock is a suitable investment for a prospective investor. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. In the event that we remain subject to the penny stock rules for any significant period, there may develop an adverse impact on the market, if any, for our securities. Because our securities are subject to the penny stock rules, investors will find it more difficult to dispose of our securities.

Shares eligible for public sale in the future could decrease the price of our shares of common stock and reduce our future ability to raise capital.

Sales of substantial amounts of shares of our common stock in the public market could decrease the prevailing market price of our common stock. If this were the case, investors in our shares of common stock may be forced to sell such shares at prices below the price they paid for their shares. In addition, a decreased market price may result in potential future investors losing

confidence in us and failing to provide needed funding. This will have a negative effect on our ability to raise equity capital in the future.

We will require additional funds to achieve our current business strategy, which we may not be able to obtain which would affect our ability to operate.

Mainstream Entertainment is a relatively new business entity with limited capital resources. Its future plans may require significant capital, which may not be available on an as needed basis. We estimate that we will need approximately \$90,000. If the Company's capital is insufficient to reach and impact their targeted market, they may not be able to achieve the intended goals and objectives, or succeed in its industry.

Risks of leverage and debt service requirements may hamper our ability to operate and grow our revenues.

Mainstream Entertainment's debt to equity ratio is likely to be high at the commencement of operations due to the requirement of borrowing funds to continue operations. Currently the total outstanding debt against the Company, as of June 30, 2011 is \$154,489 and this is owed to the majority shareholder, Jeffrey Martin. This amount is the total from various amounts loaned to the Company by Mr. Martin. The terms of the amounts can be found under Certain Relationships and Related Transactions .

Though currently there are no other lenders, high leverage creates risks, including the risk of default as well as operating and financing constraints likely to be imposed by prospective lenders. The interest expense associated with the Company's anticipated debt burden may be substantial and may create a significant drain on the Company's future cash flow, especially in the early years of operation. Any such operating or financing constraints imposed by the Company's lenders as well as the interest expense created by the Company's debt burden could place the Company at a disadvantage relative to other better capitalized service providers and increase the impact of competitive pressures within the Company's markets.

Again, the previous funds for operations came from our largest shareholder, Jeffrey Martin. There is no guarantee that the Shareholder will continue to provide additional funds if the Company needs them to operate. In such case, the Company may be forced to cease operations and liquidate.

Competition may have a material impact on our ability to sell our Technology, Products and Services.

The Company faces substantial competition from a number of providers of similar services and producer of music products. Many of the Company's competitors, particularly those competitors which are large, have substantially

greater financial, studio manufacturing, marketing and technical resources; have greater name recognition and customer allegiance than the Company. This may affect our ability to attract business and limit the opportunities to generate revenues.

Reliance on Management.

The investors will have no rights to participate in the management decisions of the Company; the shareholder will only have such rights as other shareholders.

USE OF PROCEEDS

The Selling Stockholders are selling shares of common stock covered by this prospectus for their own accounts. We will not receive any proceeds from the sale of the shares by the selling shareholders.

DETERMINATION OF OFFERING PRICE

There is no established public market for the shares of common stock being registered. As a result the offering price of the shares of common stock offered hereby has been arbitrarily determined by us and set at \$0.05 per share, and does not necessarily bear any relationship to assets, earnings, book value or any other objective criteria of value. In addition, no investment banker, appraiser or other independent third party has been consulted concerning the offering price for the shares or the fairness of the offering price.

SELLING SECURITY HOLDERS

The following table provides certain information about the selling shareholder's beneficial ownership of our common stock as of October 27, 2011, and as adjusted to give effect to the sale of all of the shares being offered by this prospectus.

The following table identifies the selling stockholders and indicates (i) the nature of any position, office or other material relationship that each selling stockholder has had with us during the past three years (or any of our predecessors or affiliates) and (ii) the number of shares and percentage of our outstanding shares of common stock owned by the selling stockholder prior to the offering, the number of shares to be offered for the selling stockholder's account and the number of shares and percentage of outstanding shares to be owned by the selling stockholder after completion of the offering.

Table 1.

| Name of Selling Shareholder | Shares Beneficially Owned Before Offering (A) | Percent of Class of Shares Owned Before the Offering | Maximum Number of Shares to be Sold in this Offering | Shares Beneficially Owned After the Offering | Percent of Class of Shares Owned After this Offering |
|-----------------------------|--|---|--|---|--|
| KAREN AALDERS | 183,000 | 5.996% | 183,000 | 0 | 0% |
| AM-PAC INVESTMENTS INC (1) | 11,000 | 0.36% | 11,000 | 0 | 0% |
| RICHARD J BOLLHOFFER | 1,000 | 0.03% | 1,000 | 0 | 0% |
| CHARLES CAMORATA | 20,000 | 0.65% | 20,000 | 0 | 0% |
| BOBBY CLARK | 37,000 | 1.21% | 37,000 | 0 | 0% |
| MICHAEL CLARKE | 100 | 0.003% | 100 | 0 | 0% |
| MEGAN CRUTCHER | 1,000 | 0.03% | 1,000 | 0 | 0% |
| OTHA DAVIS | 2,000 | 0.06% | 2,000 | 0 | 0% |
| JOSHUA DODD | 5,000 | 0.16% | 5,000 | 0 | 0% |
| DOMINIC DAD, INC (1) | 1,000 | 0.03% | 1,000 | 0 | 0% |
| JEANETTE M DUBRULE | 1,250 | 0.04% | 1,250 | 0 | 0% |
| ROCHELLE J DUBRULE | 1,250 | 0.04% | 1,250 | 0 | 0% |
| TIMOTHY G GIROUX | 8,850 | 0.28% | 8,850 | 0 | 0% |
| DEXTER KING | 5,620 | 0.18% | 5,620 | 0 | 0% |
| BEAU KINYON & MANDY KINYON | 5,000 | 0.16% | 5,000 | 0 | 0% |
| MANDY KINYON C/F ETHAN | 500 | 0.01% | 500 | 0 | 0% |
| ETHAN KINYON UGMA/FL | | | | | |
| MICHAEL KROME | 10,000 | 0.32% | 10,000 | 0 | 0% |
| NANCY M LAMONTE | 1,000 | 0.03% | 1,000 | 0 | 0% |
| CHESTER LUZIER | 1,000 | 0.03% | 1,000 | 0 | 0% |

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| | | | | | |
|--|---------|--------|---------|---|----|
| JUSTIN J MARTIN C/F JETT | 2,500 | 0.08% | 2,500 | 0 | 0% |
| RYLEE MARTIN | | | | | |
| JUSTIN MARTIN | 300,000 | 9.83% | 300,000 | 0 | 0% |
| KRISTIN MARTIN | 2,500 | 0.08% | 2,500 | 0 | 0% |
| JEFFREY D MARTIN C/F | 5,000 | 0.16% | 5,000 | 0 | 0% |
| LAURIN MARTIN | | | | | |
| UGMA/FL(5) | | | | | |
| JAMES MCDANIEL | 15,000 | 0.49% | 15,000 | 0 | 0% |
| ROSE N NDWIGAH-MWANGI | 8,200 | 0.26% | 8,200 | 0 | 0% |
| OXFORD STREET PARTNERS (2) | 20,000 | 0.65% | 20,000 | 0 | 0% |
| GREG REYNOLDS | 2,000 | 0.06% | 2,000 | 0 | 0% |
| BRIAN ROBINSON | 8,000 | 0.26% | 8,000 | 0 | 0% |
| JOHN S SHELLEY | 10,000 | 0.32% | 10,000 | 0 | 0% |
| ANDRE SMALL | 25,000 | 0.81% | 25,000 | 0 | 0% |
| STERLING LLC (3) | 110,000 | 3.60% | 110,000 | 0 | 0% |
| TRIFINITY INC (4) | 100 | 0.003% | 100 | 0 | 0% |
| EDDIE D WHITE & AMISSA M WHITE JTEN | 5,000 | 0.16% | 5,000 | 0 | 0% |
| AMISSA WHITE C/F SIERRA | 500 | 0.01% | 500 | 0 | 0% |
| SIERRA WHITE UGMA/FL | | | | | |
| LYNN WINEKEN | 9,000 | 0.29% | 9,000 | 0 | 0% |
| Total | 848,370 | 100% | 848,370 | 0 | 0% |

(A)

The number and percentage of shares beneficially owned is determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rule, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire within 60 days of the date of this prospectus through the exercise of any stock option or other right. Unless otherwise indicated in the footnotes, each person has sole voting and investment power (or shares such powers with his or her spouse) with respect to the shares shown as beneficially owned. Percentage of beneficial ownership is based on 3,051,870 shares of common stock outstanding as of October 27, 2011 ..

(1)

The natural person who exercises voting and dispositive authority over Dominic Dad, Inc is Joshua Dodd.

(2)

The natural person who exercises voting and dispositive authority over Oxford Street Partners is Tom Tedrow.

(3)

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The natural person who exercises voting and dispositive authority over Sterling LLC is Tyler Tedrow.

(4)

The natural person who exercises voting and dispositive authority over Trifinity, Inc. is Dan DeYoung.

(5)

Laurin Martin is the minor daughter of Jeffery Martin.

PENNY STOCK CONSIDERATIONS

Broker-dealer practices in connection with transactions in penny stocks are regulated by certain penny stock rules adopted by the SEC. Penny stocks generally are equity securities with a price of less than \$5.00 (other than securities registered on certain national securities exchanges or quoted on the NASDAQ system). Penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document that provides information about penny stocks and the risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction, and monthly account statements showing the market value of each penny stock held in the customer's account. The broker-dealer must also make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These requirements may have the effect of reducing the level of trading activity, if any, in the secondary market for a security that becomes subject to the penny stock rules.

PLAN OF DISTRIBUTION

Each Selling Stockholder of the common stock of Mainstream Entertainment, Inc., a Florida corporation (the Company) and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their shares of Common Stock on the Trading Market or any other stock exchange, market or trading facility on which the shares are traded or in private transactions. Until our securities are quoted on the Over-the-Counter Electronic Bulletin Board or are listed on an exchange, the selling shareholders will sell at fixed prices. Once our securities are quoted on the Over-the-Counter Electronic Bulletin Board or are listed on an exchange, they will sell at prevailing market prices or at privately negotiated prices.

A Selling Stockholder may use any one or more of the following methods when selling shares:

ordinary brokerage transactions and transactions in which the bro