

NEW MILLENNIUM MEDIA INTERNATIONAL INC  
Form 10QSB  
November 13, 2003

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.

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

FORM 10-QSB

QUARTERLY REPORT UNDER SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

-----  
For quarter ended September 30, 2003  
Commission File Number 0-29195

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.  
(Name of Small Business Issuer in Its Charter)

Colorado

(7310)

84-1463284

-----  
(State or jurisdiction of (Primary Standard Industrial (I.R.S. Employer  
incorporation or organization) Classification Code Number) Identification No.)

200 9th Avenue North, Suite 210  
Safety Harbor, Florida 34695

(727) 797-6664

-----  
(Address and Telephone Number of Principal Executive Offices  
and Principal Place of Business)

John D. Thatch, President  
New Millennium Media International, Inc.  
200 9th Avenue North, Suite 210  
Safety Harbor, Florida 34695

(Name, Address and Telephone Number of Agent for Service)

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 [X] No [ ]

As of September 30, 2003 there were 11,164,728 shares of the Company's common stock issued and outstanding.

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.

INDEX

	Page
Part I	
Financial Information.....	3
Item 1	
Financial Statements .....	3
Condensed Balance Sheet.....	3
Condensed Statement of Operations.....	4

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

	Condensed Statement of Cash Flows.....	5
	Notes to the Condensed Financial Statements.....	6
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	10
	Overview.....	10
	Critical Accounting Policies.....	11
	Liquidity and Capital Resources.....	11
	Material Changes in Financial Condition.....	11
	Results of Operations.....	11
	Operating Expense.....	12
	Loss From Operations.....	13
	Net Loss.....	13
	Trends and Events.....	14
Item 3	Quantitative and Qualitative Disclosures About Market Risk.....	14
Part II	Other Information.....	14
Item 1	Legal Proceedings.....	14
Item 2	Changes in Securities and Use of Proceeds.....	15
	Common Stock Transferred.....	15
	Use of Proceeds.....	15
Item 3	Defaults Upon Senior Securities.....	15
Item 4	Submission of Matters to a Vote of Security Holders.....	15
Item 5	Other Information.....	15
Item 6	Exhibits and Reports on Form 8-K.....	16
	Signatures.....	16
	Exhibit Index.....	17
	Certifications.....	18

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.  
BALANCE SHEETS

ASSETS

-----

	September 30, 2003 (Unaudited)	December 31, 2002
	-----	-----
CURRENT ASSETS		
Cash	\$ 65,196	\$ 16,335
Accounts receivable, net	30,526	1,006
Other receivables, net	--	2,891
	-----	-----
TOTAL CURRENT ASSETS	95,722	20,232
	-----	-----
PROPERTY AND EQUIPMENT, NET	934,476	1,065,870
	-----	-----
OTHER ASSETS		
Deferred royalty expense	--	75,000
Deposits	21,276	21,276
	-----	-----
TOTAL OTHER ASSETS	21,276	96,276
	-----	-----
TOTAL ASSETS	\$ 1,051,474	\$ 1,182,378

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
-----		
CURRENT LIABILITIES		
Notes and loans payable	551,259	1,297,940
Notes payable, related party	--	303,657
Accounts payable	397,420	449,865
Royalties payable	156,875	83,924
Preferred stock dividends payable	115,303	--
Accrued expenses	350,385	330,707
Accrued compensation	252,609	154,250
Customer deposits	--	28,500
Deferred revenues	62,676	41,609
Deferred gain on sale of future revenues	150,000	150,000
Accrued commitment penalty	100,000	200,000
	-----	-----
TOTAL CURRENT LIABILITIES	2,136,527	3,040,452
	-----	-----
PREFERRED STOCK REDEEMABLE	--	
STOCKHOLDERS' DEFICIENCY		
Preferred stock, par value \$0.001; 10,000,000 shares authorized Convertible Series A, Preferred stock, 5,000,000 shares authorized, 2,095,671 and 12,173 shares issued and outstanding, respectively, September 30, 2003 and December 31, 2002	2,096	12
Common stock, par value \$0.001; 15,000,000 shares authorized, 11,163,728 and 10,253,508 shares issued and outstanding, respectively, September 30, 2003 and December 31, 2002	11,164	10,254
Common stock issuable, at par value. (1,000 shares)	1	1
Preferred stock issuable, at par value	--	--
Additional paid in capital	7,510,413	5,101,664
Accumulated deficit	(8,550,722)	(6,915,826)
	-----	-----
	(1,027,048)	(1,803,895)
Less deferred consulting expense	(31,263)	(44,104)
Less deferred compensation expense	(11,667)	--
Less subscriptions receivable	(15,075)	(10,075)
	-----	-----
TOTAL STOCKHOLDERS' DEFICIENCY	(1,085,053)	(1,858,074)
	-----	-----
TOTAL LIABILITIES, REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIENCY	\$ 1,051,474	\$ 1,182,378
	=====	=====

See accompanying notes to financial statements.

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.  
STATEMENTS OF OPERATIONS  
(UNAUDITED)

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

	FOR THE QUARTER ENDED SEPT 30, 2003 -----	FOR THE QUARTER ENDED SEPT 30, 2002 -----
REVENUES	\$ 72,275	\$ 73,100
COST OF REVENUES	88 -----	-- -----
GROSS PROFIT	72,187	73,100
OPERATING EXPENSES		
Compensation	212,477	--
Bad debt	12,913	--
Consulting fees	19,887	--
Depreciation	43,798	43,729
General and administrative	63,698	512,049
Professional fees	144,630	--
Rent expense	21,239	--
Commitment Penalty Expense - Swartz	100,000	--
Royalties	25,000 -----	-- -----
TOTAL OPERATING EXPENSES	643,642	555,778
Loss from Operations	(571,455) -----	(482,678) -----
OTHER INCOME (EXPENSE)		
Other income	16,650	--
Settlement gain (loss), net	(25,553)	7,989
Interest expense	(34,507) -----	(28,823) -----
TOTAL OTHER EXPENSES, NET	(43,410)	(20,834)
Loss before cumulative effect of change in accounting principle	(614,865)	(503,512)
Cumulative effect of change in accounting principle	-- -----	-- -----
NET LOSS	\$ (614,865)	\$ (503,512)
Preferred Stock Dividends	(46,405) =====	-- =====
NET LOSS AVAILABLE TO COMMON STOCKHOLDERS	\$ (661,270)	\$ (503,512)
Basic and Diluted Loss Per Common Share:		
Loss before cumulative effect of change in accounting principle	(0.06)	(0.049)
Cumulative effect of change in accounting principle	-- -----	-- -----
Net Loss Per Common share-Basic and Diluted	(0.06) =====	(0.049) =====
Weighted average common shares outstanding	10,907,911 =====	10,178,027 =====

See accompanying notes to financial statements.

NEW MILLENNIUM MEDIA INTERNATIONAL, INC.  
Statements of Cash Flows  
(Unaudited)

Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

	NINE MONTHS ENDED 2003	SEPTEMBER 30, 2002
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (1,512,059)	\$ (1,683,269)
Adjustments to reconcile net loss to net cash used in operating activities:	--	--
Cumulative effect of change in accounting principle	--	565,095
Gain (Loss) on conversion of debt to equity	--	7,989
Stock and options for services	230,567	358,299
Stock based settlement gain (loss), net	16,435	--
Expense of option grants to noteholders	53,125	--
Fair value of options issued	--	--
Fair value of warrants issued	--	--
Gain on forgiveness of accrued penalties	(300,000)	--
Bad Debt	99,945	--
Depreciation	131,394	130,726
Other non-cash income	(354)	--
(INCREASE) DECREASE IN ASSETS:	--	--
Accounts receivable	(129,465)	8,200
Other receivables	2,891	--
Deferred royalty expense	75,000	--
Deferred compensation expense	1,174	--
Intangible assets	--	5,000
Other assets	--	(57,216)
INCREASE (DECREASE) IN LIABILITIES:	--	--
Loans payable - accrued interest	9,407	--
Notes payable - related party - accrued interest	(3,922)	--
Accounts payable and accrued expenses	36,898	(101,910)
Royalties payable	72,951	--
Accrued expenses	19,678	--
Accrued compensation	138,834	--
Preferred stock dividends payable	--	--
Customer deposits	(28,500)	--
Deferred revenues	21,067	--
Accrued commitment penalty	200,000	--
(Increase) decrease in prepaid expenses	--	25,500
Increase (decrease) in related party payables	--	245,512
	-----	-----
NET CASH USED IN OPERATING ACTIVITIES	(864,934)	(496,074)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	--	(7,940)
	-----	-----
NET USED IN INVESTING ACTIVITIES	--	(7,940)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	(7,534)	--
Proceeds from notes and loans payable	101,329	341,198
Proceeds from notes payable - related party	--	5,000
Equity proceeds	820,000	--
Proceeds from common stock transactions	--	140,000
Proceeds from exercise of common stock options	--	1,300
	-----	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	913,795	487,498
	-----	-----
EFFECT OF EXCHANGE RATE CHANGES ON CASH		
Net Increase (Decrease) in cash	\$ 48,861	\$ (16,516)
Cash beginning of year	16,335	47,239
	-----	-----

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

CASH END OF YEAR	\$ 65,196	\$ 30,723
	=====	=====

### SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

Convertible notes and accrued compensation converted to 1,021,655 preferred shares	\$ 1,021,655	--
Notes converted to 27,500 preferred shares	\$ 27,500	--
Accrued expenses settled for 338,880 preferred shares	\$ 49,000	--
Accounts payable settled for 89,343 preferred shares	\$ 89,343	--

### NOTE 1 BASIS OF PRESENTATION AND RECENT ACCOUNTING PRONOUNCEMENTS

-----

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information and footnotes necessary for a comprehensive presentation of financial position and results of operations and should be read in conjunction with the Company's Annual Report Form 10-KSB for the year ended December 31, 2002.

It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

Certain amounts in the 2002 financial statements have been reclassified to conform with the 2003 presentation.

In November 2002, the FASB issued FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" (FIN 45). FIN 45 requires that upon issuance of a guarantee, a guarantor must recognize a liability for the fair value of an obligation assumed under a guarantee. FIN 45 also requires additional disclosures by a guarantor in its interim and annual financial statements about the obligations associated with guarantees issued. The recognition provisions of FIN 45 are effective for any guarantees issued or modified after December 31, 2002. The disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002. . The adoption of this pronouncement does not have a material effect on the earnings or financial position of the Company.

In January 2003, the FASB issued Interpretation No. 46 ("FIN 46"), "Consolidation of Variable Interest Entities.: FIN 46 requires that if an entity has a controlling financial interest in a variable interest entity, the assets, liabilities and results of activities of the variable interest entity should be included in the financial statements of the entity. FIN 46 requires that its provisions are effective immediately for all arrangements entered into after January 31, 2003. The Company does not have any variable interest entities created after January 31, 2003. For those arrangements entered into prior to January 31, 2003, the FIN 46 provisions are required to be adopted at the beginning of the first interim or annual period beginning after June 15, 2003. The Company has not identified any variable interest entities to date and will continue to evaluate whether it has variable interest entities that will have a significant impact on its balance sheet and results of operations.

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

### NOTE 2 NOTES PAYABLE, CONVERSION AND REDEEMABLE PREFERRED STOCK

-----

The company borrowed \$65,000 from 3 individuals during the 1st quarter 2003 of which \$50,000 was converted to stock in January 2003. (See Note 3)

In January 2003 certain note holders converted their \$1,021,655 of loans to Series A convertible preferred stock. For financial accounting purposes, the preferred shares were valued at \$1.00 per share based on the common stock quoted trading price of \$0.25 per share on the conversion date and the 4 for 1 conversion ratio of the preferred stock to common stock. Accordingly, no gain or loss on conversion of the loans was recognized except for an \$882 loss from an overissuance which was not refunded since it was not material. The conversion is contingent on the Company raising \$1,000,000 by the sale of Series A, Convertible Preferred Stock by May 15, 2003. If the Company does not raise such funds, the creditors may cancel the conversion agreement at any time prior to September 25, 2003 by written notice to the Company. As of September 30, 2003 no notice was received and accordingly the preferred shares were reclassified to permanent equity.

The company entered into a promissory note in the amount of \$22,500 with a non-employee for services rendered on April 17, 2003. The note, along with a previous loan from this individual in the amount of \$5,000 was converted to 27,500 Series A convertible preferred shares in April 2003. For financial accounting purposes, the preferred shares were valued at \$1.00 per share based on the contemporaneous sales of Series A preferred stock resulting in no gain or loss on conversion.

### NOTE 3 COMMITMENTS

-----

The Company executed a six-month consulting agreement on February 17, 2003 whereby the consultant will provide public relations services. The Company agreed to issue 100,000 free trading shares under their ESOP, 100,000 restricted shares, and warrants to purchase 150,000 common shares (50,000 at an exercise price of \$0.50; 50,000 at \$0.75 and 50,000 at \$1.00), which vest 1/3 every 30 days. The resulting estimated expense will be recognized over the contract term. (See Notes 5 and 6)

The Company executed a one-year consulting agreement on February 28, 2003 whereby the consultant will provide management and financial consulting services to the Company. The consultant was granted 30,000 common shares as compensation which were issued immediately. The resulting expense will be recognized over the contract term. (See Note 5)

The company executed an agreement on May 21, 2003 for the creation of a Phase II prototype demonstrating the Company's OnScreen LED display technology. The anticipated cost of this prototype is \$100,000, with payments to be made at various stages of completion. The estimated time to complete the prototype is three months.

In May 2003, the Company executed a six-month employment agreement (the "Agreement") for a Director of Research and Development. The employee will received \$10,000 per month accrued but deferred until such time the Company's technical division has sufficient cash on hand to pay the salary. At the employee's option, such accrued salary may be converted to common or preferred shares of the Company at the current bid price. In addition, the employee is granted, upon execution of the employment agreement, three-year options for 500,000 common shares at an exercise price of \$0.25 per share; three-year

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

options for 750,000 shares at \$0.35 per share upon completion of Phase II prototype as defined in the Agreement; three-year options for 500,000 shares at \$0.40 per share upon receipt by the Company of any Next Stage ONScreen funding in excess of \$150,000 as defined in the Agreement and three-year options for 250,000 shares at \$0.50 per share upon receipt by the Company of payment for commercial orders in excess of \$200,000. The expense relating to the initial 500,000 shares is recognized over the six-month term. (See Note 6)

In June 2003 the Company received a waiver of \$300,000 of accrued commitment penalties and recognized a gain on settlement of \$300,000. Subsequent to June 2003, the Company must continue to accrue the stipulated penalties and accordingly recognized a \$100,000 penalty expense and accrual in the three months ended September 30, 2003.

### NOTE 4 PREFERRED STOCK ISSUANCES AND DIVIDENDS

-----

The Company has not yet filed with the State a certificate of designations and preferences for the Series A preferred stock, however, management has represented to preferred stock investors that the preferred stock pays 10% cumulative dividends, payable quarterly. The Company has paid dividends of \$7,534 to certain holders of the preferred stock and has accrued dividends payable of \$115,303 as of September 30, 2003.

In January 2003, the Company granted 100,000 Series A convertible preferred shares in exchange for \$100,000 of loans. 50,000 shares were valued at \$1.00 per share based on the quoted trading price of the common stock on January 6, 2003 and the 4-for-1 conversion ratio for the preferred shares which were immediately convertible, 50,000 shares were valued at \$0.80 per share based on the quoted trading price of the common stock on January 23, 2003 and the 4-for-1 conversion ratio for the preferred shares which were immediately convertible. Accordingly, the Company recorded a settlement gain of \$10,000.

During the quarter ended March 31, 2003, the Company sold Series A preferred shares for cash. In January, the Company sold 50,000 preferred shares to one investor for \$50,000. In February, the Company sold 75,000 preferred shares for two investors for \$75,000. In March 2003 the Company sold 50,000 preferred shares to one investor for \$50,000. The latter 50,000 shares were reflected as issuable at March 31, 2003 and issued in April 2003.

In April 2003, the company issued 25,000 shares Series A preferred stock for services rendered by a non-employee. The shares were valued at \$1.00 per share based on the contemporaneous sales of Series A preferred stock at \$1.00 per share resulting in a contract labor expense of \$25,000.

During the quarter ended June 30, 2003, the company sold Series A preferred shares for cash at \$1.00 per share. In April 2003, the company sold 125,000 shares to two investors for \$125,000. In May 2003, the company sold 250,000 shares to one investor for \$250,000.

During the quarter ended September 30, 2003, the company sold Series A preferred shares for cash at \$1.00 per share. In August 2003, the company sold 205,000 shares to five investors for \$205,000. In September 2003, the company sold 65,000 shares to two investors for \$65,000.

In September 2003, the company issued 89,343 Series A preferred shares for settlement of accounts payable of \$89,343. The shares were valued at \$1.00 per share based on contemporaneous cash sales and thus no gain or loss was recognized on the settlement.



## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

### NOTE 5 COMMON STOCK ISSUANCES

-----

On January 1, 2003 the Company issued 77,640 shares to an employee under his employment agreement, requiring \$25,000 worth of stock using the 30-day average price prior to fiscal 2002 year-end. For financial accounting purposes, the stock was valued on the earned date of December 31, 2002 resulting in a value of \$21,739 and a settlement gain of \$3,261 in January 2003. The \$25,000 compensation expense had been expensed and accrued in December 2002.

During the quarter ended March 31, 2003, the Company issued 100,000 common shares pursuant to exercises of options granted under the default provisions of certain promissory notes. The issuance resulted in subscriptions receivable of \$2,500 for an exercise price of \$.025 per share.

During the quarter ending March 31, 2003, the Company issued 293,700 shares for services rendered to various non-employee consultants and service providers. On January 6, 2003, 23,700 shares were issued for services rendered and valued at the \$0.25 per share quoted trading price on the grant date resulting in a consulting expense of \$5,925. On February 18, 2003, 200,000 shares were issued under a February 17, 2003 six-month consulting agreement. The shares were valued at the quoted trading price of \$0.23 on the grant date which was the measurement date since the shares were contractually fully vested at the grant date.

Accordingly, the Company recognized an expense through September 30, 2003 of \$36,415 and a deferred expense of \$9,585 at September 30, 2003. On February 21, 2003, 40,000 shares were issued for services rendered and valued at the \$0.37 quoted trading price on the grant date resulting in a consulting expense of \$14,800. On March 4, 2003, 30,000 shares were issued to a consultant under a February 28, 2003 one-year consulting agreement. The shares were valued at the \$0.25 quoted trading price on the grant date which was the measurement date since the shares were considered fully vested at the grant date. Accordingly, an expense through September 30, 2003 of \$4,375 was recognized and a deferred expense of \$3,125 was recorded at September 30, 2003.

During the quarter ended June 30, 2003, the Company issued 50,000 common shares pursuant to exercises of options granted under the default provisions of certain promissory notes. The issuances resulted in subscriptions receivable of \$1,250 based on an exercise price of \$0.025 per share.

During the quarter ended September 30, 2003, the Company issued 50,000 common shares pursuant to exercises of options granted under the default provisions of certain promissory notes. The issuances resulted in subscriptions receivable of \$1,250 based on an exercise price of \$0.025 per share. Total subscriptions receivable related to exercised options under default provisions of promissory notes through September 30, 2003 were \$15,075 at September 30, 2003.

During the quarter ended September 30, 2003, the Company issued common shares for debt settlement. In August 2003, the Company issued 200,000 common shares as collateral for amounts due to the Company's landlord. For accounting purposes, according to FASB 128 the shares are not considered outstanding and not included in the computation of loss per share. In September 2003, the Company issued 338,880 common shares for debt settlement. The shares were valued at the quoted trading price of \$0.22 on the grant date. The issuance resulted in a decrease in notes payable of \$49,000 and a settlement loss of \$25,553.

### NOTE 6 WARRANT AND OPTIONS GRANTS

-----

On January 2, 2003, the Company granted 62,500 5-year warrants with an exercise price of \$0.25 per share to its Scientific Advisory Board members. The warrants

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

were valued at \$0.28 per warrant or an aggregate \$17,432 for these non-employees using the Black-Scholes Options Pricing Model with the following assumptions; expected life of 5 years, volatility of 253%, zero expected dividends and a discount rate of 3.05%. Based on the members' service term of three years, the Company recognized an expense through September 30, 2003 of \$4,307 and a deferred consulting expense of \$13,124 at September 30, 2003.

On January 6, 2003, the Company granted to an employee 5,000 warrants with an exercise price based on the 5-day average prior to the date of exercise and expiring January 6, 2006. These variable warrants were valued under the intrinsic value method of APB 25 at the balance sheet date of March 31, 2003 resulting in a value of \$0.10 per warrants or a total of \$500.

On February 18, 2003, the Company granted 150,000 warrants (50,000 at an exercise price of \$0.50; 50,000 at \$0.75 and 50,000 at \$1.00) expiring April 20, 2004 to a consultant for a service period through August 17, 2003. The warrants were valued at \$0.0065, \$0.0039 and \$0.1253 respectively per warrant or an aggregate \$6,785 using the Black-Scholes Options Pricing Model with the following assumptions; expected life of 30 to 428 days, volatility of 161% to 214%, zero expected dividends and a discount rate of 1.2% to 1.3%. Accordingly, the Company recorded a consulting expense of \$3,753 through September 30, 2003 and deferred consulting expense/liability of \$3,032 at September 30, 2003. (see Note 3)

During the quarter ended June 30, 2003, the company granted options to purchase 50,000 common shares pursuant to the default provisions of certain promissory notes. The options were valued at the \$0.22 quoted trading price on the grant date resulting in an interest expense of \$9,750.

On May 1, 2003, the company granted to an employee 500,000 shares options pursuant to his employment contract. These options were valued under the intrinsic value method of APB 25 at the grant date resulting in a value of \$0.14 per option. Accordingly, the company recorded a compensation expense of \$58,333 through September 30, 2003 and a deferred compensation of \$11,667.

During the quarter ended September 30, 2003, the company granted options to purchase 75,000 common shares pursuant to the default provisions of certain promissory notes. 25,000 options were granted valued at the \$0.175, \$0.195 and \$0.245 quoted trading prices on the grant dates resulting in an interest expense of \$15,375.

On August 8, 2003 the Company granted 12,500 warrants with an exercise price of \$0.25 per share to a Scientific Advisory Board member. Pursuant to SFAS 123 the warrants were valued at \$0.203 per warrant or an aggregate \$2,537.50 for this non-employee using the Black-Scholes Options Pricing Model with the following assumptions: expected life of 5 years, volatility of 249%, interest rate of .95% and zero expected dividends. Based on the member's service term of three years, the Company recognized an expense through September 30, 2003 of \$141 and a deferred consulting expense of \$2,397 at September 30, 2003.

### NOTE 7 GOING CONCERN

-----

As reflected in the accompanying financial statements, the Company has a net loss to common stockholders of \$1,634,896 and cash used in operations of \$864,934 in the nine months ended September 30, 2003 and an accumulated deficit, stockholders' deficit and working capital deficit of \$8,550,722, \$1,085,053 and \$2,040,805, respectively, at September 30, 2003. The ability of the Company to continue as a going concern is dependent on the Company's ability to further generate sales and raise additional capital.

The Company is working towards re-filing its Form SB-2 with the United States

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Securities and Exchange Commission in order for it to become effective. The Swartz \$25,000,000 equity line should then become available for the Company to obtain the necessary funding to expand its operations.

### NOTE 8 SUBSEQUENT EVENTS

-----

On October 30, 2003 ("Settlement Date") the Company executed a settlement agreement relating to alleged royalties due. The Company will issue 150,000 common shares and pay \$75,000 in four equal quarterly payments starting December 1, 2003. If any payment is not made on the scheduled date, the cash payment in total increases to \$150,000 less amounts already paid. The 150,000 shares are valued at the quoted trading price of \$0.90, or \$135,000, on the Settlement Date. The Company had accrued \$156,875 in royalties payable as of the Settlement Date. Accordingly, the Company recognized a settlement loss of \$53,125.

### ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

#### GENERAL

Management's discussion and analysis contains various "forward looking statements." Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward-looking terminology such as "may," "expect," "anticipate," "estimate," or "continue" or use of negative or other variations or comparable terminology.

We caution that these statements are further qualified by important factors that could cause actual results to differ materially from those contained in the forward-looking statements, that these forward-looking statements are necessarily speculative, and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements.

#### OVERVIEW

New Millennium Media International, Inc. (NMMI) is engaged in activities in the advertising business. The primary activity of the Company currently involves several types of visual advertising: The IllumiSign-EyeCatcher front-lit motion display boards, the IllumiSign-EyeCatcher back-lit motion display boards, plasma screens and LED display boards. NMMI sells advertising space on these display boards on a contractual basis, payable monthly or in the case of the LED boards, on an event basis. In certain instances we sell motion display boards. The criteria that determines the sale rather than leasing the displays is two fold: (i) sales in foreign countries where recovery of the displays in the event of non-payment would be a major expense and recovery of the display economically impractical and (ii) sales to customers in large quantity where leasing the displays is determined to be nearly impossible and the customer retains the displays for its own benefit and the customer intends to place the displays in non-competition with the business model of the Company. The Company is continuing to devote substantially all of its present efforts to implementing its operational and marketing plans designed to establish new business accounts for its mobile LED boards and the motion display boards.

On July 23, 2001, NMMI signed an exclusive licensing agreement with the inventor of a new technology that allows the manufacture of large-scale LED (light emitting diode) video displays with dramatic improvements in cost and performance (hereafter referred to as "OnScreen"). Under this agreement, NMMI will continue to participate in the research and development of this new technology and will have the exclusive worldwide marketing rights to sell or

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

license the technology. The initial working prototype model for this technology has been completed and successful and the larger, true-to-scale, prototype of the OnScreen display technology has been completed and operationally successful. In further support of ongoing research and development of this innovative technology, NMMI formed an OnScreen Scientific Advisory Board consisting of seven nationally recognized scientific technologic individuals in the field of science and technology headed by David Pelka, most of whom have earned at least one Doctor of Philosophy degree in a scientific discipline relating to LED. The Company appointed Stephen K. Velte as Director of Research and Development for the OnScreen technology project. Mr. Velte holds a Bachelor's degree in Electrical Engineering with a special focus on mathematical systems. He spent 18 years with Hewlett Packard and Agilent Technologies.

NMMI continues to incur significant losses from operations. We incurred net losses of \$661,270 for the quarter ended September 30, 2003 compared to \$503,512 for the same term of 2002 a loss increase of \$157,758. As of June 30, 2003, we had an accumulated deficit of \$8,550,722.

### CRITICAL ACCOUNTING POLICIES

Our financial statements and related financial information are based on the application of accounting principles generally accepted in the United States (GAAP). The preparation of financial statements under GAAP requires management to make estimates and assumptions that affect the reported amount of revenue and expenses during the periods. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently and conservatively applied. Estimates have been made by management in several areas including, but not limited to, accounts receivable allowances and valuation of long-lived and intangible assets including goodwill. We have based our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances and review valuations based on estimates for reasonableness and conservatism on a consistent basis. Actual results may differ materially from these estimates under different assumptions or conditions.

### LIQUIDITY AND CAPITAL RESOURCES

Since inception, we have funded our operations and investments in equipment primarily through equity financings and borrowing from related parties that are not necessarily isolated transactions; however, there is no assurance that there will be proceeds from such transactions in the future.

### MATERIAL CHANGES IN FINANCIAL CONDITION

As shown on the attached Balance Sheet, the PROPERTY AND EQUIPMENT has decreased to \$934,476 September 30, 2003 from \$1,065,870 at December 31, 2002. This decrease is principally due to depreciation. The TOTAL CURRENT Assets shows an increase of \$75,490, primarily due to increased cash partly from cash raised from the sale of preferred shares and, to a lesser extent, from loans. The ACCOUNTS RECEIVABLE increased \$29,520 as well from sales. The Company shows no DEFERRED ROYALTY EXPENSE for the third quarter of 2003 compared to \$75,000 for the corresponding 2002 quarter. This Royalty Expense is the royalty paid to the inventor of the OnScreen technology. Payment of the recurring expense has been assumed by an investor in exchange for shares of company Series A Convertible Preferred stock. The net result of these asset changes is stated as Total Assets that decreased by \$130,904 from September 30, 2003 compared to December 31, 2002.

NOTES AND LOANS PAYABLE decreased by \$746,681 from December 31, 2002 to September 30, 2003. This decrease is principally a result of the conversion of debt to shares of Series A Convertible Preferred stock as discussed in Notes to the Financial Statement, Note 2, Notes Payable, Conversion and Redeemable Preferred Stock). NOTES PAYABLE, RELATED PARTY has decreased from \$303,657 to zero also as a result of conversion to Series A Convertible Preferred Stock. The

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

ACCRUED EXPENSES account, which shows an accumulated increase of \$19,678 for the third 2003 quarter, generally includes expense items that have accrued over the past years.

ACCOUNTS PAYABLE decreased by \$52,445 from \$449,865 at December 31, 2002 to \$397,420 as of September 30, 2003. A major contributing factor for this decrease is the settlement of a \$89,343 payable for the issuance of Series A Convertible Preferred shares as noted in the last paragraph of Notes to the Financial Statement, Note 4, PREFERRED STOCK ISSUANCE AND DIVIDENDS.

ROYALTIES PAYABLE increased from \$83,924 At December 31, 2002 to \$156,875 at September 30, 2003. This \$72,951 increase is the result of continuing accrual for a disputed royalty arrangement. This dispute was settled subsequent to September 30, 2003 for \$75,000 and 150,000 common shares.

PREFERRED STOCK DIVIDENDS PAYABLE notes a current increase from zero to \$115,303. The Company has paid dividends of \$7,534 to certain holders of the preferred stock and has accrued dividends payable of \$115,303 as of September 30, 2003. See Notes to the Financial Statement, Note 4, PREFERRED STOCK ISSUANCE AND DIVIDENDS.

ACCRUED COMPENSATION increased by \$98,359 from December 31, 2002 compared to September 30, 2003. This amount represents accrued salary of the Company president/CEO. When the Company does not have sufficient funds to pay the salary of the Company president/CEO, it was orally agreed to accrued unpaid salary.

CUSTOMER DEPOSITS diminished to zero from \$28,500 from December 31, 2002 compared to September 30, 2003. This account represents money paid to the Company to reserve advertising space and/or EyeCatcherPlus display placement. Currently, there are no such reservations.

DEFERRED REVENUES increased by 34%, an increase of \$21,067, from \$41,609 at December 31, 2002 to \$62,676 at September 30, 2003. Advertising revenue is recognized pro-rata over the term of the customer contract or arrangement and customer prepayments received are recorded as a deferred revenue liability until revenue recognition is proper. Territory fees from distributors are recorded as a deferred revenue liability and then recognized over the term of the distributor contract.

DEFERRED GAIN ON SALE OF FUTURE REVENUES remained constant at \$150,000. During 2001, the Company purchased an exclusive license in a patent for the manufacture, sale, and marketing of the OnScreen technology. The license is valid for the entire patent term to be amortized over a patent life of 17 years, from the earlier of the date the patent is granted, or the Company obtains a product ready for resale. The license agreement requires minimum annual royalty payments, payable quarterly, as follows; \$50,000 in year one of contract, \$100,000 in year two, and \$250,000 in years three and each year thereafter after production of a prototype, which was completed in October 2001. Accordingly, the Company recorded royalty expense of \$75,000 in 2002 and deferred another \$75,000. In order to satisfy the minimum royalty obligation, in August and December 2002, the Company sold a total 15% of its license rights to a third party in exchange for that third party paying the first \$150,000 of royalties. The Company has recorded a deferred gain liability of \$150,000 as of December 31, 2002 to be recognized as revenues pro-rata over the term of the license once product sales begin.

TOTAL CURRENT LIABILITIES decreased by \$903,925 from December 31, 2002 to September 30, 2003. This is principally the result of the conversion of \$1,021,655 of debt to redeemable shares of Series A Convertible Preferred stock (See Notes and Loans Payable above.) and the decrease of Notes Payable, Related

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Party (See above). This decrease in liabilities is offset by liability increases of Preferred Stock Dividends Payable and Accrued Compensation. The other Liabilities remained constant or increased by insignificant amounts.

The Company raised \$270,000 during the third quarter of 2003 from the sale of preferred stock. The money received by the Company was used to fund the ongoing operations of the Company, royalty expense and the development of the OnScreen technology (See the Overview above for a brief description of the OnScreen) . .

ADDITIONAL PAID IN CAPITAL increased by \$2,408,749 from \$5,101,664 at December 31, 2002 to \$7,510,413 at September 30, 2003. This is principally the result of sale of Series A Convertible Preferred shares. The ACCUMULATED DEFICIT increased by \$1,634,896 for the same comparative nine months periods yielding a TOTAL STOCKHOLDERS' DEFICIENCY of \$1,085,053 at September 30, 2003, a decrease of \$773,020 from December 31, 2002. Much of this capital is used for development of the OnScreen technology and operational expenses relating to the EyeCatcherPlus displays.

### RESULTS OF OPERATIONS

#### Revenue

The comparative revenue for the third quarter of 2003 compared to the same period for 2002 shows a decrease of \$825,011 and a decrease of \$256,895 for the nine months comparison for 2003 to 2002. This decrease is due primarily to the Company redirecting its focus on the development of the OnScreen technology and, in some instances, replacing the EyeCatcherPlus with the more technically advanced plasma screens. Presently, the EyeCatcherPlus and the mobile LED truck rental are the primary sources of revenue for the Company. The Cost of Revenue relates to the graphics for the EyeCatcherPlus displays. The net result of the Revenue decrease and the Cost of Revenue is a 62.5% decrease in Gross Profit from \$532,347 for the nine months ending September 30, 2002 to \$199,543 for the same period of 2003. Notwithstanding this decrease, the Company continues to lease the motion displays and to sell the displays on a limited basis, see the section captioned "Overview" above. The Graphic Arts Department continues to be a revenue source for the Company for both the leased and sold motion displays. The Company retains the rights to print the display posters for the motion displays whether they are leased or sold. As the Company installs additional display boards, additional advertisements are sold. Generally, this is cumulative, i. e., as the display boards are placed, the advertisements are sold for a term of several months or yearly. Even though the advertisement contracts expire, many are renewed with a minimal amount of sales effort so long as the display board continues to produce revenue with no additional effort. No additional effort is generally necessary to place the display board because it remains in place at the host venue. Additionally, the Company continues to develop the innovative OnScreen technology and to redirect, in some instances, replacing the EyeCatcherPlus with the more technically advanced plasma screens.

#### Operating Expenses

Compensation, Bad Debt, Consulting Fees, Professional Fees, Rent Expense, Commitment Penalty Expense-Swartz and Royalties in 2002 were all classified within General and Administrative. These expense items in 2003 have been reclassified to their own individual accounts in order to provide a more effective and complete financial picture of the operations of the Company. A reasonable comparison can be made in comparing the \$512,049 General and Administrative expense for the quarter ending September 30, 2002 to the sum of the reclassified expenses for the same period, \$599,844, an increase if

17%. Using the same method of calculation for the nine months comparison the

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

increase is \$231,776, an increase of 16%. The Total Operating Expenses comparison for the quarter ending September 30, 2003 compared to 2002 shows an increase of \$87,864 (16%) which is in accord with the improvised calculation mentioned above. The nine months calculation shows an increase of \$370,271 (23%) Total Operating Expenses over the nine months ending September 30, 2002 compared to 2003. This increase is primarily the result of Professional Fee and Compensation payments paid to management on a "when available" basis that heretofore was accumulated as debt. The Professional Fees expense is principally accounting and legal fees for the day to day operation of the Company. Additionally, the Company continues to fund development of the OnScreen technology which is presently in phase 2 of a three phase business plan.

The Consulting Fees expense relates principally to consulting services outside the Company relating to the OnScreen project and relate to warrants issued to consultants in consideration for services rendered. The Depreciation expense is consistent with the prior comparative quarter. This depreciation expense reflects the depreciation of the Company owned equipment. Rent Expense is the rent and rent related expenses for the Company offices and warehouse space. The office and warehouse rental remains constant. The \$100,000 Commitment Penalty Expense carried on the Company books of account is the balance due after June 3, 2003. All prior penalties have been forgiven by Swartz Private Equity, LLC. The details of the Investment Agreement between the Company and Swartz Private Equity, LLC can be seen on EDGAR as Exhibit 4.1 attached to the Form SB-2 filed by the Company on September 13, 2000. The Royalty expense is money paid pursuant to a contract between the Company and the inventor of the OnScreen technology. This contract provides for periodic quarterly payments that are made by the Company out of operating capital or by borrowing money from third parties. It is anticipated that the Company will continue to be responsible for payment of royalties for the OnScreen technology through the development and licensing phases of the OnScreen.

### Loss From Operations

Loss From Operations is a function of Gross Profit versus Total Operating Expenses. There was an increase of operating loss of 18% and 68% for the three and nine months ended September 30, 2003, respectively, compared to the same periods in 2002. As the Company continues to grow, the current staffing of the Company is expected to be sufficient to carry the Company through its growth during the next six months at the present rate of growth.

### Other Income (Expenses)

Other Income is rental income from office space that the Company rents to third parties.

Settlement Gain for the nine months 2002 to 2003 comparison increased from \$7,989 to \$286,942. This increase is the direct result of settling Company debt obligations including a waiver of \$300,000 of Swartz commitment penalties and some current operating expenses in exchange for issuance of Company equity. See Notes to the Financial Statement, Note 5, COMMON STOCK ISSUANCES.

Interest Expense increased by \$5,684 for the third quarter comparison and \$14,435 for the nine months comparison. This recurring interest expense results from debt obligations including a gain relating to the waiver of \$300,000 of cumulative penalties to Swartz offset by a stock based settlement loss. See Notes to the Financial Statement, Note 6, WARRANTS AND OPTIONS GRANTS.

Total Other Expenses, Net is a net function of Other Income. For the three months ending September 30 comparison there was an increase of \$22,576 and for the nine months comparison there was a net increase of \$309,190 that was the result of Settlement gains as noted above.

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

### Net Loss

The Net Loss increased \$111,353 (22%) from the third quarter of 2002 (\$503,512) compared to the third quarter of 2003 (\$614,865); however, the net loss decreased by \$171,210 (10%) from the three quarters of 2002 (\$1,683,269) compared to the first three quarters of 2003 (\$1,512,059). The major contributing factors to this decrease in loss are the comparative effect of the Loss Before Cumulative Effect of Change in Accounting Principle and the Settlement Gain.

Preferred Stock Dividends of \$46,405 were accrued for the quarter ended September 30, 2003 and \$122,837 for the nine months ended September 30, 2003. No Preferred Stock Dividends were accrued in 2002. These cumulative dividends are recognized pursuant to contracts with preferred shareholders who purchased Series A Convertible Preferred shares in 2003. For a more complete discussion of the Preferred Stock Dividends, see Notes to the Financial Statement, Note 4, Preferred Stock Issuance and Dividends.

### Basic and Fully Diluted Net Loss Per Common Share

The Basic Loss Per Common Share before cumulative effect of change in accounting principle for the third quarter of 2003 compared to the same quarter of 2002 increased from \$(0.049) to \$(0.06), a comparative Basic Loss Per Common Share increase of approximately 22%. For the nine months comparison the increase is 29%, \$(0.116) at September 30, 2002 compared to \$(0.15) for the same period of 2003. This increase in loss per common share is a function of the increase in the net loss offset by the increase in weighted average shares. We are continuing to concentrate on establishing new business and increasing sales relating to the IllumiSign EyeCatcher backlit and frontlit display boards as well as introducing plasma screens to our advertisers and host venue locations. The LED display sign truck continues to generate revenue. This net loss per share in 2003 also takes into account the preferred stock dividends which are added from net loss when computing net loss per share.

### TRENDS AND EVENTS

Over the past approximately eighteen months we have been engaged in a slight change in our operations model primarily in that we have agreed to sell IllumiSign-EyeCatcher motion displays in limited circumstances. This change in Company policy is described above in the section entitled "Overview". Management feels that this is a positive change in that the Company now has the opportunity to earn additional revenue in foreign countries as well as certain United States based advertising entities that otherwise would purchase from competitors of the Company or not use motion displays at all. Thus far, all purchasers of the displays have agreed to purchase all of the advertising posters from the Company. This sale of in-house printed posters is an additional source of Company revenue. As stated above, in some instances, the Company continues to redirect the advertisers and host venues toward the more technically advanced plasma screens. This will be a gradual transition that is anticipated to take several years to complete.

Although forward looking with no real assurance that the future will unfold as anticipated by management, the Company management certainly feels that the current trend of the

Company is toward an increased number of motion displays, both EyeCatcherPlus and plasma screens, in place and a continuing increase in the number of bookings for the mobile LED unit. In the opinion of management, the cumulative effect of these events is a positive trend. Thus far the Company has continued to grow at a slow, but steady pace, there is, however, no real assurance that this positive trend will continue.

Although the OnScreen technology is still in development, the OnScreen



## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Scientific Advisory Board advises Company management that the second prototype is now complete and fully operational. The Company has retained Principia Partners, San Francisco, to assist market segmentation, OnScreen technology valuation and licensing strategy for the "OnScreen". Principia Partners is an industrial business-consulting firm with extensive experience in materials and related manufactured goods markets. In the agreement with Principia, Principia offers a comprehensive range of services to support strategy development and industrial marketing research. The services are designed for all facets of strategic planning, market analysis and segmentation, OnScreen product assessment/pricing assistance, among other services. The engagement with Principia Partners is divided into several phases, including:

- o Intellectual Property analysis
- o Market segmentation, net present value determination and licensing strategy development
- o Strategy implementation.

The first two phases of the program, market segmentation and technology valuation, are complete.

NMMI management feels that it is critical to have this third party confirmation of the value of the OnScreen technology coupled with a well thought out licensing strategy that combines a value for geographic and vertical markets for license fees and ongoing royalties. The intellectual property practice of Principia Partners is the requisite experience necessary to successfully assist NMMI in the commercialization of the OnScreen technology.

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Registrant is a Small business issuer as defined by these Regulations and need not provide the information required by this Item 3.

## PART II - OTHER INFORMATION

### ITEM 1. LEGAL PROCEEDINGS.

None.

### ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS.

#### COMMON STOCK TRANSFERRED

The company relied on Section 4(2) of the Securities Act of 1933 as the basis for an exemption from registration regarding the following transfers to accredited investors because they did not involve a public offering.

During August 2003 the Company issued 50,000 common shares pursuant to exercises of options granted under the default provisions of certain promissory notes and 200,000 common shares in lieu of office rent.

During September 2003 the Company issued 338,880 common shares in settlement of a debt obligation valued at \$338,880.

#### SERIES A CONVERTIBLE PREFERRED STOCK TRANSFERRED

Series A Convertible Preferred Stock converts to four shares of common stock and pays a 10% annual dividend.

During August 2003 the Company issued 205,000 shares of Series A Convertible Preferred Stock in consideration for \$205,000.

During September 2003 the Company issued 154,343 shares of Series A Convertible

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

Preferred Stock in consideration for \$89,343 debt forgiveness plus \$65,000 cash payment.

### USE OF PROCEEDS

The proceeds from these transactions (Common Stock and Series A Convertible Preferred Stock Transferred) were used for working capital and general corporate purposes, including acquisitions, funding anticipated operating losses, sales and marketing expenses, purchase of additional inventory, working capital, new product development and to fund payment obligations for contemplated acquisitions, corporate partnering arrangements and lawsuit settlement. We reserve the right to vary the use of proceeds among these categories because our ability to use the proceeds is dependent on a number of factors, including the extent of market acceptance of our variety of display boards, unexpected expenditures for further technical development, sales and marketing efforts and the effects of competition.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

### ITEM 5. OTHER INFORMATION.

On March 19, 2002 the Company filed an amended Form 10-KSB/A for year-end 2001 and filed a second amended Post Effective Amendment to Form SB-2 Registration Statement for Small Business Issuers the original of which was filed September 13, 2000. On April 22, 2002 the Securities and Exchange Commission commented on the second amended Post Effective Amendment. A third amended Post Effective Amendment to Form SB-2 Registration Statement for Small Business Issuers is currently in process.

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

#### (a) Exhibits

Exhibit  
Number

Description

- |     |   |
|-----|---|
| 3.1 | *Amended Articles of Incorporation of the Company (Incorporated by reference from our registration statement on Form SB-2/A filed with the commission on October 26, 2001).   |
| 3.2 | *Bylaws of the Company (Incorporated by reference from our registration statement on Form SB-2/A filed with the commission on October 26, 2001).  |
| 4.1 | *Investment Agreement dated May 19, 2000 by and between the Registrant and Swartz Private Equity, LLC. (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).   |
| 4.2 | *Form of "Commitment Warrant" to Swartz Private Equity, LLC for the purchase of 1,000,000 shares common stock in connection with the offering of securities. (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001). |

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

- 4.3 \*Form of "Purchase Warrant" to purchase common stock issued to Swartz Private Equity, LLC from time to time in connection with the offering of securities (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.4 \*Warrant Side-Agreement by and between the Registrant and Swartz Private Equity, LLC (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.5 \*Registration Rights Agreement between NMMI and Swartz Private Equity, LLC related to the registration of the common stock to be sold pursuant to the Swartz Investment Agreement (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 13.1 \* Form 10-KSB filed April 15, 2003 for year end December 31, 2002.
- 13.2 \* Form 10-KSB/A filed April 17, 2003 for year end December 31, 2001.
- 31 CEO/CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32 CEO/CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* Incorporated herein by reference as indicated.

(b) Reports on Form 8-K

The Company filed a Form 8-K on February 4, 2003 giving notice of a change in Company independent auditors from Richard J. Fuller, C.P.A., P.A. to Salberg & Company, P.A. This change was approved by the Board of Directors on February 3, 2003

### SIGNATURES

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 thereunto duly authorized.

Signed and submitted this \_\_\_\_ day of November 2003.

New Millennium Media International, Inc.  
(Registrant)

by: /s/\_\_\_\_\_  
John Thatch as President/CEO/Director

### EXHIBIT INDEX

Exhibit Number	Description
3.1	* Amended Articles of Incorporation of the Company (Incorporated by reference from our registration statement on Form SB-2/A filed with the commission on October 26, 2001).

## Edgar Filing: NEW MILLENNIUM MEDIA INTERNATIONAL INC - Form 10QSB

- 3.2 \* Bylaws of the Company (Incorporated by reference from our registration statement on Form SB-2/A filed with the commission on October 26, 2001).
- 4.6 \*Investment Agreement dated May 19, 2000 by and between the Registrant and Swartz Private Equity, LLC. (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.7 \*Form of "Commitment Warrant" to Swartz Private Equity, LLC for the purchase of 1,000,000 shares common stock in connection with the offering of securities. (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.8 \*Form of "Purchase Warrant" to purchase common stock issued to Swartz Private Equity, LLC from time to time in connection with the offering of securities (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.9 \*Warrant Side-Agreement by and between the Registrant and Swartz Private Equity, LLC (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 4.10 \*Registration Rights Agreement between NMMI and Swartz Private Equity, LLC related to the registration of the common stock to be sold pursuant to the Swartz Investment Agreement (Incorporated by reference from our registration statement on form SB-2A filed with the Commission on October 26, 2001).
- 13.1 \* Form 10-KSB filed April 15, 2003 for year end December 31, 2002.
- 13.2 \* Form 10-KSB/A filed April 17, 2003 for year end December 31, 2001.
- 16 Form 8-K filed February 4, 2003 giving notice of a change in Company independent auditors from Richard J. Fuller, C.P.A., P.A. to Salberg & Company, P.A, incorporated herein by reference.
- 31 CEO/CFO Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32 CEO/CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

\* Incorporated herein by reference as indicated.

### (b) Reports on Form 8-K

The Company filed a Form 8-K on February 4, 2003 giving notice of a change in Company independent auditors from Richard J. Fuller, C.P.A., P.A. to Salberg & Company, P.A. This change was approved by the Board of Directors on February 3, 2003