

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2010

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from      to

Commission File Number:



**ZUMA BEACH ENTERTAINMENT, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**16-1675853**

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

**3420 N. San Fernando Blvd.**

**Burbank, CA**

(Address of principal executive offices)

**91504**

(Zip Code)

**(818) 333-2620**

(Registrant's telephone number, including area code)

**N/A**

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

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

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:**

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

**APPLICABLE ONLY TO CORPORATE ISSUERS:**

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.  
Common Stock \$0.001 Par Value --- 394,297,243 shares outstanding as of March 31, 2010.

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**ZUMA BEACH ENTERTAINMENT, INC.**

**FORM 10-Q FOR THE QUARTER ENDED MARCH 31, 2010**

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**PART I – FINANCIAL INFORMATION**

**Item 1. CONSOLIDATED FINANCIAL STATEMENTS**

**Zuma Beach Entertainment, Inc. and Subsidiaries**  
**(A Development Stage Company)**  
**Consolidated Balance Sheets**  
**For the quarter ended March 31, 2010**  
**(Unaudited, Prepared by Management)**

	March 31, 2010	December 31, 2009
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ (7,669)	\$ (4,577)
Other current assets	578,318	525,774
Total current assets	570,649	521,197
<b>Property and equipment (net of accumulated depreciation)</b>	14,646	15,574
<b>Goodwill &amp; intangible assets</b>	10,227,193	10,227,193
<b>Long term investments</b>	972,667	303,375
<b>Other Assets</b>	178,866	178,030
<b>TOTAL ASSETS</b>	<b>11,964,021</b>	<b>11,245,369</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)</b>		
<b>Current liabilities</b>		
Current portion of convertible notes payable of \$5,000 (Note 1)	5,000	5,000
Accounts payable	760,678	807,626
Accrued expenses (Note 1)	1,086,306	979,267
Total current liabilities	1,851,984	1,791,893
<b>Long Term Liabilities</b>		
Loan payable	348,414	266,025
Due to related party	332,501	297,224
Other long-term liabilities	77,598	-
Total long-term liabilities	758,513	563,249
<b>Total Liabilities</b>	2,610,497	2,355,142
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$ 0.001 par value, 750,000,000 shares authorized, issued and outstanding - 394,297,243 and 379,044,803 respectively	396,083	380,831
Additional paid-in capital	17,199,018	16,455,648
Deficit accumulated during development stage	(8,240,087)	(7,944,762)
	9,355,014	8,891,717
Cost of 1,395,281 shares of common stock held by the Company	(1,490)	(1,490)
<b>Total Equity</b>	9,353,524	8,890,227
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$11,964,021</b>	<b>\$11,245,369</b>

See accountant's report on financial statements

**ZUMA BEACH ENTERTAINMENT, INC.**  
(A Development Stage Company)  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the quarter ended March 31, 2010**  
**(Unaudited, Prepared by Management)**

	Cumulative from the beginning of development state (January 1, 2003)	Three-Month Period ended March 31, 2010	Three-Month Period ended March 31, 2009
<b>REVENUE</b>	\$ 1,131,507	\$ 320,402	\$ -
<b>COST OF GOODS SOLD</b>	244,224	7,649	-
<b>GROSS PROFIT</b>	887,283	312,753	-
<b>EXPENSES</b>			
General and Administrative	547,152	75,705	2,861
Advertising/Promotion Expense	491,467	4,237	-
Interest Expense	178,061	-	863
Professional Fees	2,431,879	21,999	20,034
Management Fee	250,000	-	-
Syndication Cost	1,003,580	1,135	-
Rent	104,766	23,435	-
Telephone	69,947	2,004	332
Travel & Entertainment	153,652	4,963	1,500
Salaries & Wages	4,030,138	474,760	30,000
<b>Total Expenses</b>	9,260,642	608,238	55,590
Loss before income taxes	(8,373,359)	(295,485)	(55,590)
<b>OTHER INCOME AND EXPENSES</b>			
Other income and expenses	134,072	160	-
Provision for income taxes	(800)	-	-
<b>NET LOSS</b>	\$ (8,240,087)	\$ (295,325)	\$ (55,590)
<b>Basic and diluted loss per common share</b>		\$ (0.001)	\$ (0.000)
<b>Basic and diluted weighted average number of common shares outstanding</b>		380,820,052	148,195,953
<b>See accountants' report on financial statements</b>			

**Zuma Beach Entertainment, Inc. and Subsidiaries**  
(A Development Stage Company)  
**Consolidated Statements of Stockholders' Equity (Capital Deficit)**  
**Period from April 10, 2003 (Inception) to March 31, 2010**  
(Unaudited, Prepared by Management)

	<u>Common Stock</u>			
	Number of Shares	Amount	Deficit	Total
<b>Balance at April 10, 2003</b>	172,422	\$ -	\$ -	\$ -
Net loss			(2,512,353)	(2,512,353)
Shares spun off via Carry Walker acquisition	3,002,000	-	-	-
Shares issued in 2003 pursuant to allotment by Dan Cannon	32,394,500	-	-	-
Shares issued for debt	1,500,000	-	-	-
Shares issued for treasury	(1,395,181)	-	-	-
Shares issued for services	2,783,000	1,959,400	-	1,959,400
Shares issued for cash	982,062	491,031	-	491,031
<b>Balance at December 31, 2003</b>	39,438,803	\$ 2,450,431	\$ (2,512,353)	\$ (61,922)
Net loss			(1,295,710)	(1,295,710)
Shares issued for debt	1,000,000	-	-	-
Shares issued for services	830,200	593,465	-	593,465
Shares issued for cash	536,150	268,075	-	268,075
Shares issued for cash	2,750,000	110,000	-	110,000
<b>Balance at December 31, 2004</b>	44,555,153	\$ 3,421,971	\$ (3,808,063)	\$ (386,092)
Net loss			(1,994,169)	(1,994,169)
Shares issued for debt	3,500,000	315,000	-	315,000
Shares issued for services	9,962,000	860,580	-	860,580
Shares issued for salaries	21,385,586	809,267	-	809,267
Shares issued for cash	8,622,744	344,910	-	344,910
<b>Balance at December 31, 2005</b>	88,025,483	\$ 5,751,728	\$ (5,802,231)	\$ (50,504)
Net loss			(661,838)	(661,838)
Shares issued for treasury	(100)	-	-	-
Shares issued for cash	125,000	5,000	-	5,000
<b>Balance at December 31, 2006</b>	88,150,383	\$ 5,756,728	\$ (6,464,069)	\$ (707,341)

Net loss			(485,660)	(485,660)
Shares issued for services	90,200	45,100	-	45,100
<b>Balance at December 31, 2007</b>	88,240,583	\$ 5,801,828	\$ (6,949,729)	\$ (1,147,901)
Net loss			(237,546)	(237,546)
Shares investment/acquisition	56,750,171	624,551		624,551
Shares issued for services	3,300,000	99,000		99,000
Shares issued for services	(90,200)	(45,100)		(45,100)
Shares issued for treasury	(4,601)	-		-
<b>Balance at December 31, 2008</b>	148,195,953	\$ 6,480,279	\$ (7,187,275)	\$ (706,996)
Net loss			(757,486)	(757,486)
Shares issued for cash	10,506,000	520,300		520,300
Shares issued for investment	170,000,000	8,500,000		8,500,000
Shares issued for debt	180,000	9,000		9,000
Shares issued for services	50,162,850	1,325,411		1,325,411
<b>Balance at December 31, 2009</b>	379,044,803	\$ 16,834,989	\$ (7,944,762)	\$ 8,890,229
Net loss			(295,325)	(295,325)
Shares issued for cash	3,540,000	177,000		177,000
Shares issued for investment	11,712,440	581,622		581,622
<b>Balance at March 31, 2010</b>	394,297,243	\$ 17,593,611	\$ (8,240,087)	\$ 9,353,524

**ZUMA BEACH ENTERTAINMENT, INC.**  
(A Development Stage Company)  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the quarter ended March 31, 2010**  
**(Unaudited, Prepared by Management)**

	Cumulative from the beginning of development stage (January 1, 2003)	Three-Month Period ended March 31, 2010	Three-Month Period ended March 31, 2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net loss from operations	\$ (8,240,086)	\$ (295,325)	\$ (55,590)
Adjustments to reconcile net loss to net cash used in operating activities			
Depreciation	4,434	928	330
(Increase) decrease in:			
Employee advances	(220,485)	-	-
Other current assets	(330,251)	(47,544)	-
Other assets	(14,087)	(5,836)	-
Due from related party	(22,583)	-	-
Increase (decrease) in:			
Bank overdraft	(1)	-	-
Accounts payable	760,678	(46,948)	5,358
Accrued expenses	1,086,306	107,039	863
Due to related party	(938,673)	35,277	47,500
Loan payable	348,414	82,389	-
Other long-term liabilities	77,598	77,598	-
Net cash used by operating activities	\$ (7,488,736)	\$ (92,422)	\$ (1,539)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of asset net of liabilities	(319,080)	-	-
Trademarks	(310,091)	-	-
Long-term investments	(91,045)	(87,670)	-
Other investments	(169,780)	-	-
Net cash used in investing activities	\$ (889,996)	\$ (87,670)	\$ -
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceed from issuance of debt note	5,000	-	-
Proceed from issuance of common stock for cash	7,177,579	177,000	-
Advances from related parties	1,188,484	-	-
Net cash provided in financing activities	\$ 8,371,063	\$ 177,000	\$ -
<b>Net decrease in cash</b>	<b>\$ (7,669)</b>	<b>\$ (3,092)</b>	<b>\$ (1,539)</b>
<b>Cash at the beginning of the year</b>	<b>-</b>	<b>(4,577)</b>	<b>1,665</b>
<b>Cash at the end of the year</b>	<b>\$ (7,669)</b>	<b>\$ (7,669)</b>	<b>\$ 126</b>
<b>SUPPLEMENTAL DISCLOSURES</b>			
Schedule of Noncash Investing and Financing Transactions			
Common stock issued for services	\$ 3,458,545	\$ -	\$ -
Common stock issued for debt	324,000	-	-
Common stock issued for salaries	809,267	-	-
Common stock issued for FNIN	170,000	-	-
Interest paid	\$ 178,061	\$ -	\$ -

**ZUMA BEACH ENTERTAINMENT, INC.**  
**(A Development Stage Company)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2010**  
**(Unaudited)**

**1. Basis of Presentation**

Unless the context otherwise requires, the use of the terms “Zuma”, “We”, “Us” and “Our” in this Note to Condensed Consolidated Financial Statements refers to Zuma Beach Entertainment, Inc. and its consolidated subsidiaries. We are a diversified company operating in the entertainment and information industries.

In the opinion of management, the accompanying condensed consolidated financial statements contain all adjustments necessary for a fair presentation as prescribed by accounting principles generally accepted in the United States. All adjustments comprised of normal recurring adjustments, except as noted in these Notes to Condensed Consolidated Financial Statements.

Historically, we have not realized any revenue since the last quarter of 2009. Since inception of the business, the company generated consolidated revenue of \$811,105 in 2009 of which 7% represents business services and 93% represents revenue from leads generation. Since we created a revenue stream for the company, interim results are not necessarily indicative of results for the entire fiscal year. The interim financial statements and the related notes in the Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

**Going-concern**

Our consolidated financial statements are prepared in conformity with generally accepted accounting principles in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, as shown in the accompanying consolidated financial statements, we have sustained substantial losses from operations since inception, and as of March 31, 2010, had an accumulated deficit of \$8,239,224 and a working capital deficit of \$1,285,472. We have very little source of revenue. In addition, we have used, rather than provided, cash in our operations. These factors, among others, raise substantial doubt that we will be able to continue as a going concern for a reasonable amount of time. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should we be unable to continue operations. Our continuation as a going concern is contingent upon its ability to obtain additional financing, and to generate revenue and cash flow to meet its obligations on a timely basis. It is management’s plan in this regard to obtain additional working capital through borrowing or raise capital through private placement memorandums. Our stock currently trades in a grey market and we cannot provide investors with any assurance that a true market whereby market makers have received clearance to quote our shares will ever develop. If no market develops, the holders of our common stock may find it difficult to sell their shares. Further, even if a market develops, our common stock may be subject to price fluctuations and volatility. We cannot apply directly to be quoted on the OTC Bulletin Board. Additionally, the stock can be listed or traded only to the extent that there is interest by broker/dealers in acting as a market maker in our stock. Despite our best efforts, we have not been able to retain a broker/dealer to act as market-maker and make quotations on the OTC Bulletin Board.

**New Accounting Standards**

In September 2006, the FASB issued SFAS No. 157, “Fair Value Measurements”. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosure about fair value measurements. The statement does not require any new fair value measurements, but for some entities, the application of the statement will change current practice. This statement is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company does not expect the adoption of SFAS No. 157 to have a material impact on its financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158, “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of PASS Statements No. 87, 106, and 132(R)” (SFAS No. 158). SFAS No. 158 requires companies to recognize a net liability or asset and an offsetting adjustment to accumulate other comprehensive income to report the funded status of defined benefit pension and other postretirement benefit plans. SFAS No. 158 requires prospective application, recognition and disclosure requirements effective for the company’s fiscal year ending December 31, 2008. Additionally, SFAS No. 158 requires companies to measure plan assets and obligations at their year-end balance sheet date. This requirement is effective for the company’s fiscal year ending December 31, 2010. The company is currently evaluating the impact of the adoption of SFAS No. 158 and does not expect that it will have a material impact on its financial statements.

In February 2007, the FASB issued SFAS No. 159, the “Fair Value Option for Financial Assets and Financial Liabilities”. SFAS 159 provides entities with an option to report selected financial assets and liabilities at fair value and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that select different measurement attributes. SFAS 159 is effective for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of SFAS No. 159 to have a material impact on its financial statements.

In June 2007, the Emerging Issues Task Force (“EITF”) issued Issue No. 07-3, “Accounting for Nonrefundable Advance Payments for Goods or Services To Be Used in Future Research and Development Activities” (“EITF 07-3”) which concluded that nonrefundable advance payments for goods or services to be received in the future for use in research and development activities should be deferred and capitalized. The capitalized amounts should be expensed as the related goods are delivered or services are performed. Such capitalized amounts should be charged to expense if expectations change such that the goods will not be delivered or services will not be performed. The provisions of EITF 07-3 are effective for new contracts entered into during fiscal years beginning after December 15, 2007. The consensus on EITF 07-3 may not be applied to earlier periods and early adoption is not permitted. The Company is currently evaluating the effect of this pronouncement on its financial statements.

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations - Revised 2007”. SFAS 141 (R) provides guidance on improving the relevance, representational faithfulness, and comparability of information that a reporting entity provides in its financial reports about a business combination and its effects. SFAS 141R applies to business combinations where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company does not expect the adoption of SFAS No. 141 to have a material impact on its financial statements.

In December 2007, the FASB issued SFAS No. 160, “Noncontrolling Interests in Consolidated Financial Statements - an Amendment of Accounting Research Bulletin No. 51” (“SFAS No. 160”), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent’s ownership interest and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company is currently evaluating the effect of this pronouncement on its financial statements.

In March 2008, the FASB issued SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities”, an amendment of SFAS No. 133. SFAS 161 applies to all derivative instruments and non-derivative instruments that are designated and qualify as hedging instruments pursuant to paragraphs 37 and 42 of SFAS 133 and related hedged items accounted for under SFAS 133. SFAS 161 requires entities to provide greater transparency through additional disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, results of operations, and cash flows. SFAS 161 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2008. The Company does not expect the adoption of SFAS 161 will have a material impact on its financial condition or results of operation.

In May 2008, the FASB issued SFAS No. 163, “Accounting for Financial Guarantee Insurance Contracts – an interpretation of FASB Statement No. 60.” SFAS 163 requires that an insurance enterprise recognize a claim liability prior to an event of default (insured event) when there is evidence that credit deterioration has occurred in an insured financial obligation. This

Statement also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities. Those clarifications will increase comparability in financial reporting of financial guarantee insurance contracts by insurance enterprises. This Statement requires expanded disclosures about financial guarantee insurance contracts. The accounting and disclosure requirements of the Statement will improve the quality of information provided to users of financial statements. SFAS 163 will be effective for financial statements issued for fiscal years beginning after December 15, 2008. The Company does not expect the adoption of SFAS 163 will have a material impact on its financial condition or results of operation.

In May 2009, the FASB issued SFAS No. 165, Subsequent Events. SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard also includes a required disclosure of the date through which the entity has evaluated subsequent events and whether the evaluation date is the date of issuance or the date the financial statements were available to be issued. The standard is effective for interim or annual periods ending after June 15, 2009. The Company has complied with the disclosure requirements.

In June 2009, the FASB issued SFAS No. 166 “Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140” (“SFAS 166”). SFAS 166 improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement, if any, in transferred financial assets. SFAS 166 is effective as of the beginning of each reporting entity’s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. The Company does not expect the adoption of SFAS No. 166 to have a material impact on its financial statements.

In June 2009, the FASB issued SFAS No. 168 “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162”. The FASB Accounting Standards Codification (“Codification”) will be the single source of authoritative nongovernmental U.S. generally accepted accounting principles. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in SFAS 168. All other accounting literature not included in the Codification is non authoritative.

### **Use of Estimates**

The preparation of our financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the amounts reported in these financial statements and accompanying notes. Actual results could differ from those estimates.

### **Unaudited Cumulative Financial Statements**

The financial information included on the accompanying consolidated statements of operations and comprehensive loss, consolidated statements of changes in stockholders' equity (capital deficit) and consolidated statements of cash flows for the cumulative period from the beginning of the development stage (April 10, 2002) to March 31, 2010 is considered unaudited. The financial information included in this cumulative period for the years ended March 31, 2010 were never audited by an independent auditor.

### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents consist of time deposits and all liquid instruments with original maturities of three months.

### **Property and Equipment**

Property and equipment are recorded at costs and consists of furniture and fixtures, computers and office equipments. We compute depreciation using the straight-line method over the estimated useful lives of the assets. Expenditures for major

betterments and additions are charged to the property accounts, while replacements, maintenance, and repairs that do not improve or extend the lives of the respective assets are charged to expense.

### **Goodwill and Intangible Assets**

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the purchase method. We do not amortize goodwill but test it for impairment annually or when indications of potential impairment exist. These indicators would include a significant change in operating performance, the business climate, legal factors, competition or a planned sale or disposition of a significant portion of the business, among other factors.

As of March 31, 2010, we posted goodwill and intangible assets of \$10,227,192 in the balance sheet as a result of an equity purchase of First National Information Network on May 27, 2009 and an asset purchase of World Arena Rugby Union, LLC. We will complete our impairment evaluation by performing internal valuation analyses, considering other publicly available market information and using an independent valuation firm, as appropriate by the year end December 31, 2010.

### **Long-term Investments**

Our long-term investments are comprised of a 5% participating ownership interest in a slate of films from Deco Entertainment, LLC (“Deco”) and C. Julian Productions, Inc. (“Julian”).

1. Ownership interest in the film “Sea of Darkness (USA) (working title) (known as “Dark Tracks” in European Film” from Deco Entertainment, LLC whose principal is Freddy Braidy;
2. Ownership interest in additional film titles that comprise the entire slate of films (Note: The titles of such additional films remains undetermined at this time); and
3. Investment in URL ([www.exchangemall.com](http://www.exchangemall.com)) are carried at fair value.
4. Investment in Hey Mike Industries, LLC.

On March 31, 2010, we entered into an asset purchase agreement (the “Agreement”) between Zuma Beach Entertainment, Inc., a Nevada corporation (“Buyer”), and HeyMike!! Industries, LLC, (“HMI”) a Limited Liability Company formed pursuant to the Limited Liability Company Act of the Commonwealth of Massachusetts (“Seller”). The agreement consists of all of the assets, tangible and intangible, owned by Seller that are used in, or necessary for the conduct of its online gaming/toy business, including, without limitation: i) the patents and/or trademarks (either registered or non-registered) of Seller, including but not limited to, G. I. GERM FIGHTERS (Serial Number: 77730290), all related websites including URL’s, usernames and passwords, the GIGO Beta Site all character representations, including related character models, videos, image, artwork, sound clips, voices, music, themes, slogans, catch phrases etc., all related products and intellectual property; the fixed assets of Seller, if any; all customer lists, if any; and the goodwill associated therewith, all free and clear of any security interests, mortgages or other encumbrances, collectively defined as (the “Assets”).

As consideration for the sale, conveyance, assignment, transfer and delivery of the Seller’s Assets to Buyer, Buyer agrees to issue 6,000,000 Shares of restricted common stock of Buyer (the “Shares”) to be issued and registered to the interest holders of Seller based upon corresponding ownership percentage in Seller.

We entered into this transaction as we believe HMI has the potential to generate revenue while Zuma is raising capital to fund its projects. The amount we paid in excess of the fair value of the net assets acquired was to obtain FNIN’s vast customer database and repurpose those data to generate revenue for Zuma. We believe the combined capabilities of our two companies will allow us to build stronger relationship with customers and expand both of our services.

We have not consolidated HMI in our financial results as part of our information management business segment from the date of acquisition. We accounted for the acquisition pursuant to SFAS No. 141, Business Combinations, using the purchase method. We recorded the net assets acquired at their estimated fair values and allocated the purchase price on a preliminary basis using information currently available.

In accordance with SFAS No. 115, Accounting for Certain Investments in Debt and Equity Securities, we classify these investments as investment in equity securities using the fair value method and have no maturity date.

## Other Assets

Other assets comprised of capitalized expenses from various slate of projects currently under production and a loan receivable from a related company.

Other Assets	
Angel Babies Production	\$ 169,780
Winged Angels Production	3,251
Loan Receivable from a related entity	5,000
	<u>\$ 178,030</u>

## Income Taxes

In accordance with ASC Topic 740, "Income Taxes", we account for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We have adopted ASC Topic 740, Accounting for Uncertainty in Income Taxes as of August 1, 2007. ASC Topic 740 clarifies the accounting for uncertainty in income taxes recognized in companies' financial statements in accordance with ASC Topic 740, Accounting for Income Taxes. As a result, we applied a more-likely-than-not recognition threshold for all tax uncertainties. ASC Topic 740 only allows the recognition of those tax benefits that have a greater than fifty percent likelihood of being sustained upon examination by the taxing authorities. As a result of implementing ASC Topic 740, we reviewed our tax position and determined there were no outstanding, or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities, therefore the implementation of this standard has not had a material affect on our financial statements.

Based on its evaluation, we have concluded that there are no significant uncertain tax positions requiring recognition in its financial statements. Our evaluation was performed for the tax years ended December 31, 2005 through 2009 for U.S. Federal Income Tax and for the State of California Income Tax, the tax years which remain subject to examination by major tax jurisdictions as of December 31, 2009.

Our policy is to recognize interest and penalties related to income tax issues as components of income tax expense. We did not recognize or incur any accrual for interest and penalties relating to income taxes as of December 31, 2009.

## Basic and Diluted Net Loss Per Share

ASC Topic 260, Earnings Per Share, provides for the calculation of "Basic" and "Diluted" earnings per share. Basic net loss per common share includes no dilution and is computed by dividing the net loss by the weighted average number of common shares outstanding during each period. All potentially dilutive securities have been excluded from the computations since they would be antidilutive. As of March 31, 2010 and 2009, there are no outstanding warrants, options or other potentially dilutive Securities outstanding.

## Concentrations of Credit Risk

We maintain all cash in bank accounts, which at times may exceed federally insured limits. We have not experienced any loss in such accounts.

We have adopted all recently issued accounting pronouncements. The adoption of the accounting pronouncements including those not yet effective is not anticipated to have a material effect on our operations.

## Current Liabilities

### Convertible Promissory Notes

We made an offering of a minimum of two (2) and up to a maximum of twenty (20) notes at twenty five thousand \$25,000 dollars per note, with a minimum subscription of one (1) note (the “offering”). The funds generated from this Offering were used to promote the growth of the company by assisting in the funding of film production, acquisitions, and distribution. As of March 31, 2010, the current portion of the convertible promissory note payable is \$5,000. No change since the initial offering on February 7, 2008.

### Related Party Transactions

During the three-month period ended March 31, 2010, we entered into the following related party transactions:

The following table sets forth the total liability amount to all related parties between our related entities and due to directors, former directors and officers, and related parties for services provided, expenses incurred on behalf of the Company. These amounts are unsecured, without interest and have no specific terms of repayment. The change of \$25,000 in our directors and officers is a result of accrued wages during the quarter. Due to historical operating losses, operations have not been a source of liquidity.

Related Party Transactions	March 31, 2010	December 31, 2009	Change
Related Entities	\$ 71,771	\$ 71,566	\$ (205)
Directors & Officers	250,657	225,657	(25,000)
	<u>\$ 322,429</u>	<u>\$ 297,224</u>	<u>\$ (25,205)</u>

### Revenue Recognition

Our revenue arises from two sources, one from business services and two from leads sales. Our business services record revenue from sales of service contracts. We recognize revenue when the sales price is fixed and determinable and the customer takes possession of the merchandise. Lead sales are all done online and paid by credit cards. Since all lead sales are made online, the receipt of leads are available to clients immediately. Revenue is recognized at the time we estimate the customer received the product.

Revenue from lead sales is reported net of estimated sales returns. We estimate our sales returns based on historical return rates. However, the returns are immaterial and were recorded as a reduction of revenue.

### Subsequent Events

None

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

Unless the context otherwise requires, the use of the terms “Zuma”, “we”, “us” and “our” in the following refers to Zuma Beach Entertainment, Inc. and its consolidated subsidiaries.

Management’s Discussion and Analysis of Financial Condition and Results of Operation (“MD&A”) is intended to provide a reader of our financial statements with a narrative from the perspective of the management on our financial condition, results of operations, liquidity and certain other factors that may affect our future results. Our MD&A is presented in seven sections:

1. Overview
2. Plan of Operations
3. Results of Operations
4. Liquidity and Capital Resources
5. Off-Balance-Sheet Arrangements and Contractual Obligations
6. Critical Accounting Estimates
7. New Accounting Standards

Our MD&A should be read in conjunction with our other quarterly filings on Pink OTC Markets and other publicly available information.

## 1. Overview

Zuma was incorporated in May of 2001 as Princeton Capital by its legal counsel David B. Stocker (“Mr. Stocker”) and its effective control person Michael Paloma (“Mr. Paloma”). In February of 2003, our name was changed to Carry Walker Inc. and we issued 6,000,000 Shares of its common stock to Gary Heath (“Mr. Heath”) as compensation for his services as Director, President, Secretary and Treasurer of Company. On June 27, 2003, Mr. Heath resigned such positions, which were then filled by Daniel P. Cannon (“Mr. Cannon”). Concurrently, the 6,000,000 Shares that had been issued to Mr. Heath were cancelled and reissued to Mr. Cannon. In July of 2003, Mr. Cannon executed a certificate of amendment to our Articles of Incorporation, changing our name to Zuma Beach Entertainment, Inc.

On April 2, 2007 Zuma formally signed an exclusive distribution agreement with Angel Babies, LLC. The terms of the agreement grant Zuma exclusive rights to license and distribute Angel Babies and all related products for up to 20 years.

On February 8, 2008 Zuma entered into an agreement to purchase all of the assets of World Arena Rugby Union, LLC (“WAR”) in exchange for newly issued Shares of Zuma representing forty-six 46% of the issued and outstanding Shares at the effective time of the transaction.

On March 27, 2008 Zuma acquired a 5% participating ownership interest in a slate of films from Deco Entertainment, LLC (“Deco”) and C. Julian Productions, Inc. (“Julian”).

On May 27, 2009 Zuma closed an asset purchase transaction to acquire the assets of Exchangemall.com, Inc. (“Exchangemall”) including First National Network, Inc., (“FNIN”) along with SalesRide.com, Investor Concepts, Fast Info 1 and the URL of Exchangemall, an asset purchase transaction valued at \$8.5M.

On March 31, 2010, Zuma closed an asset purchase agreement with HeyMike!! Industries, LLC, (“HMI”) a Limited Liability Company formed pursuant to the Limited Liability Company Act of the Commonwealth of Massachusetts (“Seller”). The agreement consists of all of the assets, tangible and intangible, owned by Seller that are used in, or necessary for the conduct of its online gaming/toy business, including, without limitation: i) the patents and/or trademarks (either registered or non-registered) of Seller, including but not limited to, G. I. GERM FIGHTERS (Serial Number: 77730290), all related websites including URL’s, usernames and passwords, the GIGO Beta Site all character representations, including related character models, videos, image, artwork, sound clips, voices, music, themes, slogans, catch phrases etc., all related products and intellectual property; the fixed assets of Seller, if any; all customer lists, if any; and the goodwill associated therewith, all free and clear of any security interests, mortgages or other encumbrances, collectively defined as (the “Assets”).

## 2. Plan of Operations

Following is our plan of operations for the next twelve months:

1. We do not have any available credit, bank financing, or other external sources of liquidity. Due to historical operating losses, operations have not been a source of liquidity. In order to obtain capital and to satisfy our cash needs for the next twelve months, we may need to sell additional Shares or to borrow funds from private lenders. There can be no assurance that we will be successful in obtaining additional funding to meet our cash needs for the next twelve months.
2. No extensive product research and development is necessarily expected to be performed over the term of the plan.
3. For the calendar year 2010, we are not anticipating any purchase or sale of plant or significant equipment.
4. We have significantly increased the number of employees in the first quarter of 2010 compared to the number of employees as of the year end December 31, 2009. As of March 31, 2010, we have forty three (43) employees.

### 3. Results of Operations

The following information was extracted from our unaudited consolidated statement of income to reflect changes in our financial condition.

For the quarter ended

	March 31, 2010	March 31, 2009	Change	
			Amount	Percentage
Revenue	\$ 320,402	\$ -	\$ -	0.0%
Cost of Goods Sold	7,649	-	-	0.0%
Gross Profit	312,753	-	-	-
Operating expenses	608,238	\$ 152,588	\$ (455,650)	-298.6%
Income before other income (expense)	(295,485)	(152,588)	455,650	298.6%
Other income (expenses)				
Interest, net	160	-	160	0.0%
Other, net	-	-	-	-
Total	160	-	-	-
Income before income taxes and minority interests	(295,325)	(152,588)	455,650	-298.6%
Provision for income taxes	-	-	-	-
Net income before minority interest	(295,325)	(152,588)	455,650	-298.6%
Minority interest in net loss of consolidated entity	-	-	-	-
Net income (loss)	\$ (295,325)	\$ (152,588)	\$ 455,650	-298.6%

#### Revenue

The following table presents unaudited consolidated revenue mix percentages by revenue category as of the quarter ended March 31, 2010 and March 31, 2009.

	Revenue Mix Summary	
	March 31	
	2010	2009
Business Services	28%	-
Leads Generation	72%	-
Total	100%	-

Since inception of the business, we have generated consolidated revenue of \$1,131,507. As of March 31, 2010, our revenue mix was 28% business services or \$89,495 and 72% leads generation or \$230,907 less cost of goods sold of \$7,649. The company has continued to incur expenses and has very little internal or external sources of liquidity as of the year ended.

#### Operating Expenses

Total operating expenses increased significantly in the first quarter of 2010. Our operating expenses for the first quarter were \$608,238 compared to \$55,590 the same period last year. The increase of \$454,787 was primarily due to a significant increase in salaries and wages. The result in increase in salaries and wages for the quarter was \$474,760 compared to \$30,000 the same period last year. In the beginning of the year, we hired 20 additional employees in First National Information Network, Inc to generate leads for specific service bureaus. In addition we added additional services to complement our other leads services to generate more revenue for the company. General administrative (“G&A”) expenses also increase pretty significant from \$2,861 to \$74,842. G&A consists of expenses such as rent, bank charges, utilities and other administrative expenses necessary for the operations of the business. Rent expense for the quarter was \$23,435 compared to zero to the same period last year. Zuma has been dormant for several years and only began operations last quarter 2009.

#### 4. Liquidity and Capital Resources

##### SUMMARY OF CASH FLOWS (Unaudited) (in thousands)

	For the Quarter Ended March 31		Amount	Change	
	2010	2009		Percentage	
Cash provided by or (used in):					
Operating activities	\$ (92,422)	\$ (1,539)	\$ 90,883	-5905%	
Investing activities	(87,670)	-	87,670	-	
Financing activities	177,000	-	(177,000)	-	
Net change in cash & cash equivalents	\$ (3,092)	\$ (1,539)	\$ (4,631)	301%	

Operating Activities. Cash used in operating activities in the first three months of fiscal year 2010 totaled \$92,422, compared with cash provided by operating activities of \$1,539 in the first three months of fiscal 2009. The decrease in cash provided by operations was due primarily to an increase in net loss and changes in accounts payable, accrued expenses, due to related party, loan payable, long-term liabilities and income tax.

Investing Activities. Cash used in investing activities in the first three months of fiscal 2010 was \$87,670 compared with cash provided by investing activities of \$0 in the first three months of fiscal 2009. The change was due primarily to our investment in Hey Mike Industries, LLC.

Financing Activities. Cash provided by financing activities was \$177,000 in the first three months of fiscal 2010, compared with cash used in financing activities of \$0 in the first three months of fiscal 2009. The increase in cash provided by financing activities was primarily the result of our stocks issued for cash for the quarter.

#### Other Credit Lines and Liquidity Requirements

We do not have any available credit, bank financing, or other external sources of liquidity. There can be no assurance that we will be successful in obtaining additional funding to meet our cash needs for the next twelve months.

#### Note regarding projections and forward looking statements

Except for historical information contained herein, this report contains express or implied forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. We may make written or oral forward-looking statements from time to time, in press releases, quarterly conference calls or otherwise. The words “believes,” “expects,” “anticipates,” “intends,” “forecasts,” “project,” “plans,” “estimates” and similar expressions identify forward-looking statements. These statements reflect our current views with respect to future events and financial performance or operations and speak only as of the date the statements are made.

Forward-looking statements involve risks and uncertainties and readers are cautioned not to place undue reliance on forward-looking statements. Our actual results may differ materially from such statements. Factors that cause or contribute to such differences include, but are not limited to, those discussed elsewhere in this report.

Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate with the result that there can be no assurance the results contemplated in such forward-looking statements will be realized. The inclusion of such forward-looking information should not be regarded, as a representation that the future events, plans, or expectations contemplated will be achieved. We undertake no obligation to publicly update, review, or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions, or circumstances on which any such statements are based.

## **5. Off-Balance-Sheet Arrangement and Contractual Obligations**

We have not entered into any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources and would be considered material to investors.

## **6. Critical Accounting Estimates**

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include the accounting for income taxes, and uncertainty in income taxes and depreciation and amortization.

### **Goodwill and Intangible Assets**

We evaluate goodwill and other intangible assets for impairment annually and whenever events or changes in circumstances indicate the carrying value of the goodwill or other intangible assets may not be recoverable. As of March 31, 2010, we posted goodwill of \$9,917,102 in the balance sheet as a result of an equity purchase of First National Information Network on May 27, 2009.

We will complete our impairment evaluation by performing internal valuation analyses, considering other publicly available market information and using an independent valuation firm, as appropriate by the year end December 31, 2010.

### **Revenue Recognition**

See Note 1, Summary of Significant Accounting Policies, to the Notes to the Consolidated Financial Statements, included in Item 8, Financial Statements and Supplementary Data, of this Annual Report of Form 10-K, for a complete discussion of our revenue recognition policies.

We recognize revenue, after the customer receives services. Zuma provides business services to other related and unrelated entities for handling bookkeeping, mailing, janitorial, purchasing, payroll and consulting services.

### **Acquisitions – Purchase Price Allocation**

In accordance with accounting for business combinations, we allocate the purchase price of an acquired business to its identifiable assets and liabilities based on estimated fair values. Minority interests' proportionate ownership of assets and liabilities are recorded at historical carrying values. The excess of the purchase price over the amount allocated to the assets and liabilities, if any, is recorded as goodwill.

As of March 31, 2010 we completed one significant transaction:

Zuma closed an asset purchase agreement with HeyMike!! Industries, LLC, ("HMI") a Limited Liability Company formed pursuant to the Limited Liability Company Act of the Commonwealth of Massachusetts ("Seller"). The agreement consists of all of the assets, tangible and intangible, owned by Seller that are used in, or necessary for the conduct of its online gaming/toy business, including, without limitation: i) the patents and/or trademarks (either registered or non-registered) of Seller, including but not limited to, G. I. GERM FIGHTERS (Serial Number: 77730290), all related websites including URL's, usernames and passwords, the GIGO Beta Site all character representations, including related character models, videos, image, artwork, sound clips, voices, music, themes, slogans, catch phrases etc., all related products and intellectual property; the fixed assets of Seller, if any; all customer lists, if any; and the goodwill associated therewith, all free and clear of any security interests, mortgages or other encumbrances, collectively defined as (the "Assets").

We do not believe there is a reasonable likelihood that there will be a material change in the future estimates or assumptions we use to complete the purchase price allocation and estimate the fair value of acquired assets and liabilities. However, if actual results are not consistent with our estimates or assumptions, we may be exposed to losses or gains that could be material.

## 7. New Accounting Standards

In December 2007, the FASB issued SFAS No. 141 (Revised 2007), “Business Combinations - Revised 2007”. SFAS 141 (R) provides guidance on improving the relevance, representational faithfulness, and comparability of information that a reporting entity provides in its financial reports about a business combination and its effects. SFAS 141R applies to business combinations where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. The Company does not expect the adoption of SFAS No. 141 to have a material impact on its financial statements.

In December 2007, the FASB issued SFAS No. 160, “Non-controlling Interests in Consolidated Financial Statements - an Amendment of Accounting Research Bulletin No. 51” (“SFAS No. 160”), which establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the non-controlling interest, changes in a parent’s ownership interest and the valuation of retained non-controlling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes reporting requirements that provide sufficient disclosures that clearly identify and distinguish between the interests of the parent and the interests of the non-controlling owners. SFAS No. 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. The Company is currently evaluating the effect of this pronouncement on its financial statements.

In May 2008, the FASB issued Statement of Financial Accounting Standards (“SFAS”) No. 162, *The Hierarchy of Generally Accepted Accounting Principles*. This standard is intended to improve financial reporting by identifying a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with generally accepted accounting principles in the United States for non-governmental entities. SFAS No. 162 is effective 60 days following approval by the U.S. Securities & Exchange Commission (“SEC”) of the Public Company Accounting Oversight Board’s amendments to AU Section 411, *The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles*. We do not expect SFAS No. 162 to have a material impact on the preparation of our consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, Subsequent Events. SFAS 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Although there is new terminology, the standard is based on the same principles as those that currently exist in the auditing standards. The standard also includes a required disclosure of the date through which the entity has evaluated subsequent events and whether the evaluation date is the date of issuance or the date the financial statements were available to be issued. The standard is effective for interim or annual periods ending after June 15, 2009. The Company has complied with the disclosure requirements.

In June 2009, the FASB issued SFAS No. 166 “Accounting for Transfers of Financial Assets — an amendment of FASB Statement No. 140” (“SFAS 166”). SFAS 166 improves the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor’s continuing involvement, if any, in transferred financial assets. SFAS 166 is effective as of the beginning of each reporting entity’s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. The Company does not expect the adoption of SFAS No. 166 to have a material impact on its financial statements.

In June 2009, the FASB issued SFAS No. 168 “The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162”. The FASB Accounting Standards Codification (“Codification”) will be the single source of authoritative nongovernmental U.S. generally accepted accounting principles. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. SFAS 168 is effective for interim and annual periods ending after September 15, 2009. All existing accounting standards are superseded as described in SFAS 168. All other accounting literature not included in the Codification is non authoritative.

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

Not applicable.

### ITEM 4. DISCLOSURE CONTROLS AND PROCEDURES

As of the end of the period covered by this report, our management, consisting of our Chief Executive Officer, has evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, as of October 31, 2009, our CEO believes that the Company's disclosure controls and procedures do not adequately ensure that material information relating to the Company is made known to him by others, particularly during the period in which this report is being prepared, so as to allow timely decisions regarding required disclosure.

#### **Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II – OTHER INFORMATION**

### ITEM 1. LEGAL PROCEEDINGS

N/A

### ITEM 1A. RISK FACTORS

Not applicable. For information on Risk Factors involved in an investment in our common shares, see our annual report filed on form 10-K.

### ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

No matters were submitted to a vote of the security holders during the first quarter ended March 31, 2010.

### ITEM 5. OTHER INFORMATION

None.

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

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

**Zuma Beach Entertainment, Inc.**  
(Registrant)

By: /s/ Mark Savoy  
Mark Savoy, Chief Executive Officer  
Date: June 10, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/Mark Savoy</u> Mark Savoy	Chief Executive Officer ( <i>principal executive officer</i> ) and Director	June 10, 2010
<u>/s/Jason Spasaro</u> Jason Spasaro	Chief Operations Officer & Corporate Sec ( <i>principal financial officer</i> ) and Director	June 10, 2010
<u>/s/Roy Escosar</u> Roy Escosar	Chief Financial Officer ( <i>principal accounting officer</i> ) and Director	June 10, 2010

Item 15. (5.1)

CERTIFICATIONS

I, Mark Savoy, Chief Executive Officer of Zuma Beach Entertainment, Inc. (“the Company”), certify that:

1. I have reviewed this annual disclosure statement of the Company for the period ended March 31, 2010 and December 31, 2009.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

Date: June 10, 2010

/s/ Mark Savoy  
Mark Savoy  
Chief Executive Officer

Item 15. (5.2)

CERTIFICATIONS

I, Roy A Escosar, Chief Financial Officer of Zuma Beach Entertainment, Inc. (“the Company”), certify that:

4. I have reviewed this annual disclosure statement of the Company for the period ended March 31, 2010 and December 31, 2009.
5. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
6. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

Date: June 10, 2010

/s/ Roy A Escosar  
Roy A Escosar  
Chief Financial Officer