UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 June 30, 2015

☐ **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: 000-55353

CAROLCO PICTURES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Florida	**26-4330545**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
5550 Glades Road, Ste. 500, Boca Raton, Florida	**33431**
(Address of Principal Executive Office)	(Zip Code)

(561) 826-9307
(Registrant's Telephone Number, Including Area Code)

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

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

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

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☐

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

As of August 12, 2015, there were 60,651,625 shares of the registrant ' s common stock, par value $.0001 per share, outstanding.

CAROLCO PICTURES, INC.

INDEX

FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this quarterly report on Form 10-Q. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this quarterly report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K, as amended, for the fiscal year ended December 31, 2014, in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this quarterly report on Form 10-Q and in other reports that we file with the Securities and Exchange Commission (the “SEC”). You are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this quarterly report on Form 10-Q.

We file reports with the SEC. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us. You can also read and copy any materials we file with, or furnish to, the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this quarterly report on Form 10-Q, except as required by law. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this quarterly report, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Carolco Pictures, Inc.
Condensed Consolidated Balance Sheets

	June 30, 2015 (Unaudited)	December 31, 2014
ASSETS		
Current Assets:		
Cash	$ 242,344	$ 160,377
Accounts receivable	17,748	11,248
Deposit for project	250,000	-
Debt issuance costs	26,308	-
Prepaid expenses and other current assets	48,755	55,380
Total current assets	585,155	227,005
Computer Equipment		
Computer equipment	14,866	12,217
Accumulated depreciation	(10,076)	(9,697)
Computer equipment, net	4,790	2,520
Other Assets		
Goodwill	319,237	319,237
Total other assets	319,237	319,237
Total Assets	$ 909,182	$ 548,762
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and other current liabilities	$ 144,146	$ 17,328
Accrued interest	1,178	7,292
Accrued interest - related party	17,750	-
Accrued payroll – related party	150,000	150,000
Deferred revenue	-	63,699
Advances from related parties	31,553	110,847
Notes payable	74,258	20,340
Convertible notes payable, net of deposit of $268,547	14,445	-
Notes Payable - related party	505,000	150,300
Derivative liabilities	362,550	-
Total current liabilities	1,300,880	519,806
Total liabilities	1,300,880	519,806
Commitments and contingencies		
Stockholders' Equity (Deficiency):		
Preferred stock, $.0001 par value; 10,000,000 shares authorized; none issued or outstanding at June 30, 2015 or December 31, 2014, respectively	-	-
Common stock, $.0001 par value; 100,000,000 shares authorized; 60,551,125 shares issued and outstanding at June 30, 2015 and 54,239,500 issued and outstanding at December 31, 2014, respectively	6,055	5,424
Additional paid-in capital	4,666,727	4,134,442
Common stock receivable	-	(8,015)
Accumulated deficit	(4,955,879)	(4,016,719)
Total Carolco Pictures stockholders' equity (deficit)	(283,097)	115,132
Noncontrolling Interest in Subsidiaries		
Noncontrolling interest - capital stock in consolidated subsidiaries	250	250
Noncontrolling interest - additional paid-in capital in consolidated subsidiaries	37,500	37,500
Noncontrolling interest - accumulated deficit in consolidated subsidiaries	(146,351)	(123,926)
Noncontrolling Interest in Subsidiaries	(108,601)	(86,176)
Total Equity (deficit)	(391,698)	28,956
Total liabilities and stockholders' equity (deficit)	$ 909,182	$ 548,762

See accompanying notes to condensed consolidated financial statements

Carolco Pictures, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Revenue				
Revenues	$ 400,460	$ 249,303	$ 402,360	$ 270,652
Total revenue	400,460	249,303	402,360	270,652
Cost of goods sold	304,735	140,291	337,234	172,790
Gross margin (loss)	95,725	109,012	65,126	97,862
Operating expenses				
Compensation	(99,597)	1,462,017	387,896	1,502,391
Professional fees	174,797	449,043	289,856	480,426
General and administrative	135,338	15,483	228,440	92,031
Total operating expenses	210,539	1,926,543	906,192	2,074,848
Loss from operations	(114,813)	(1,817,531)	(841,066)	(1,976,986)
Other (income) expense				
Interest expense	120,513	3,703	122,213	5,202
Change in fair value of derivatives	(12,335)	-	(12,335)	-
Interest expense - related party	6,425	-	10,385	-
Bad debt recovery	-	(75,000)	-	(75,000)
Other (income) expense	116,278	-	256	(1,000)
Other (income) expense, net	116,278	(71,297)	120,519	(70,798)
Loss before income tax provision and non-controlling interest	(231,091)	(1,746,234)	(961,585)	(1,906,188)
Income tax provision	-	-	-	-
Net loss				
Net loss before non-controlling interest	(231,091)	(1,746,234)	(961,585)	(1,906,188)
Net income (loss) attributable to non-controlling interest	5,268	(2,550)	(22,425)	(30,232)
Net loss attributable to Carolco Pictures stockholders	$ (236,359)	$ (1,743,684)	$ (939,160)	$ (1,875,956)
Net loss per common share - basic and diluted	$ (0.00)	$ (0.06)	$ (0.02)	$ (0.06)
Weighted-average common shares outstanding - basic and diluted	59,355,545	30,934,716	57,975,771	30,858,403

See accompanying notes to condensed consolidated financial statements

Carolco Pictures, Inc.
Condensed Consolidated Statement of Stockholders' Equity (Deficit)
For the Six Months Ended June 30, 2015
(Unaudited)

	Carolco Pictures, Inc. Stockholders' Equity						Non-controlling Interest				
	Common Shares, $.0001 Par Value Per Share										
	Shares Issued	Amount	Additional Paid-In Capital	Common Stock Receivable	Accumulated Deficit	Carolco Pictures, Inc. Stockholders' Equity (Deficit)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Non Controlling Interest	Total Equity (Deficit)
Balance January 1, 2015	54,239,500	$ 5,424	$ 4,134,442	$ (8,015)	$ (4,016,719)	$ 115,132	$ 250	$ 37,500	$ (123,926)	$ (86,176)	$ 28,956
Common stock issued for cash	4,293,000	430	182,320			182,750					182,750
Common stock issued for non-employee services	1,738,000	173	191,862			192,035					192,035
Warrant issued for non-employee services			8,631			8,631					8,631
Common stock issued in Unit Offering at $0.80 per Unit	30,625	3	24,497			24,500					24,500
Common stock issued in Unit Offering at $0.50 per Unit	250,000	25	124,975			125,000					125,000
Reduction in subscription receivable				8,015		8,015					8,015
Net loss					(939,160)	(939,160)			(22,425)	(22,425)	(961,585)
Balance June 30, 2015	60,551,125	$ 6,055	$ 4,666,727	$ -	$ (4,955,879)	$ (283,097)	$ 250	$ 37,500	$ (146,351)	$ (108,601)	$ (391,698)

See accompanying notes to condensed consolidated financial statements

Carolco Pictures, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Cash flows from operating activities:		
Net loss before noncontrolling interest	$ (961,585)	$ (1,906,188)
Adjustments to reconcile net loss to net cash used in operating activities:		
Change in fair value of derivative liability	(12,335)	-
Amortization of debt discount and debt issuance cost	116,824	-
Depreciation expense	380	2,224
Acquisition payable	-	(50,000)
Share based compensation	192,035	1,746,990
Warrants issued for services	8,631	-
Write-off of subscription receivable	8,015	-
Changes in operating assets and liabilities:		
Other receivable	-	13,936
Accounts receivable	(6,500)	(16,560)
Investment in project	-	
Prepaid expenses and other current assets	6,624	(5,685)
Debt issuance cost	(8,000)	-
Accounts payable	126,818	(51,320)
Accrued interest	(6,114)	-
Accrued interest - related party	17,750	-
Deferred revenue	(63,699)	-
		-
Net cash used in operating activities	(581,156)	(266,603)
Cash flows from investing activities:		
(Purchase) disposal of computer equipment	(2,649)	(1,203)
Investment in project	(250,000)	-
Net cash used in investing activities	(252,649)	(1,203)
Cash flows from financing activities:		
Advances from (repayments to) related parties	(79,294)	50,000
Proceeds from note payable - related party	379,700	-
Repayment of note payable – related party	(25,000)	-
Proceeds from issuance of notes payable	53,918	200,014
Proceeds from issuance of convertible notes payable	254,198	-
Proceeds from private placements of common stock	182,750	40,000
Proceeds from sale of units of common stock and warrants	149,500	
Contribution to capital		10,000
Net cash provided by financing activities	915,772	300,014
Net cash increase (decrease) in cash and cash equivalents	81,967	32,208
Cash and cash equivalents - beginning of period	160,377	135,612
Cash and cash equivalents - end of period	$ 242,344	$ 167,820
Supplemental disclosures of cash flow information:		
Interest paid in cash	$ 4,211	$ -
Taxes paid in cash	$ -	$ -
Non Cash Investing and Financing Activities		
Common stock issued for services	$ 192,035	$ -
Warrants issued for services	$ 8,631	$ -
Legal services paid in stock	$ 12,495	$ -
Debt discount due to convertible feature	$ 278,160	$ -

See accompanying notes to condensed consolidated financial statements

Note 1 - Organization and Operations

Carolco Pictures, Inc. (f/k/a Brick Top Productions, Inc.)

Carolco Pictures, Inc. (formerly "Brick Top Productions, Inc" or the "Company") was incorporated under the laws of the State of Florida on in February 2009 under the name "York Entertainment, Inc." The Company changed its name to Brick Top Productions, Inc. in October 2010. In January 2015, the Company changed its name from Brick Top Productions, Inc. to Carolco Pictures, Inc. In addition, in January 2015, the Company changed its stock symbol from "BTOP" to "CRCO."

Acquisition of a Majority Equity Interest of York Productions, LLC

York Productions, LLC ("York") was organized under the laws of the State of Florida in October 2008. On June 1, 2010, the Company acquired 6,000 Class A units of York for $75,000, representing a 60% equity interest. York is currently inactive.

Formation of York Productions II, LLC

York Productions II, LLC ("York II") was organized under the laws of the State of Florida in June 2013. The Company owns 6,000 Class A units of York II, representing a 60% equity interest. York II is currently inactive.

Acquisition of a Majority Equity Interest of S&G Holdings, Inc.

S&G Holdings, Inc., doing business as High Five Entertainment ("S&G"), was organized under the laws of the State of Tennessee in January 2005. On December 24, 2013, the Company acquired 75% of the issued and outstanding shares of common stock of S&G for $235,000 including $210,000 to the stockholders of S&G and $25,000 to a brokerage firm in connection with the acquisition. The Company also agreed to make a capital contribution of $100,000 to S&G at closing as well as an additional $365,000 capital contribution prior to September 2014.

S & G Holdings, Inc.

S & G Holdings, Inc. ("S & G") was incorporated in Tennessee in January 2005. It was formed for the sole purpose of acquiring all of the assets, rights and properties of HFE Holdings, LLC, a limited liability company organized under the laws of the State of Tennessee ("HFE"). HFE produces programming for television and other media.

On December 31, 2004, S & G, an unincorporated company, completed the acquisition of HFE. The Company acquired the accounts receivable, inventories, prepaid expenses, contract rights, tangible and intangible property of HFE and 100% of the equity interest of High Five Television, LLC ("Television"), a limited liability company organized under the laws of the State of Tennessee. In connection with the consummation of the acquisition of HFE the Company agreed to pay (i) $18,800 in cash at closing and (ii) a royalty in the amount of $1,200,000; $81,200 of which was paid at closing and the remaining balance of $1,118,800 to be paid with (a) 3% of all gross billing to be paid quarterly based on the prior quarter's receipts and (b) $6,500 as a royalty for one specific series. Television is inactive.

Note 2 - Summary of Significant Accounting Policies

The Management of the Company is responsible for the selection and use of appropriate accounting policies and the appropriateness of accounting policies and their application. Critical accounting policies and practices are those that are both most important to the portrayal of the Company's financial condition and results and require management's most difficult, subjective, or complex judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The Company's significant and critical accounting policies and practices are disclosed below.

Basis of presentation- Unaudited Interim Financial Information

The Company's condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The condensed consolidated financial statements as of June 30, 2015 and for the six month periods ended June 30, 2015 and 2014 are unaudited and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the financial position as of June 30, 2015, and the results of operations for the three and six month periods ended June 30, 2015 and 2014, the statement of shareholders' equity (deficiency) for the six months ended June 30, 2015 and the statements of cash flows for the six month periods ended June 30, 2015 and 2014. The condensed consolidated results of operations for the six months ended June 30, 2015 are not necessarily indicative of the results to be expected for the entire year. The condensed consolidated balance sheet as of December 31, 2014 has been derived from the Company's audited financial statements for the year ended December 31, 2014. Certain prior year balances have been reclassified to conform with the current year presentation. While management of the Company believes that the disclosures presented are adequate to make the information not misleading, these condensed consolidated financial statements should be read in conjunction with our audited financial statements and the footnotes thereto for the fiscal year ended December 31, 2014 as filed with the Securities and Exchange Commission as part of the Company's Form 10-K/A which was filed on April 3, 2015.

<u>*Reclassification*</u>

Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses.

<u>*Use of Estimates and Assumptions and Critical Accounting Estimates and Assumptions*</u>

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s).

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material. The Company's critical accounting estimates and assumptions affecting the financial statements were:

(i) Assumption as a going concern : Management assumes that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business;

(ii) Fair value of long-lived assets : Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

(iii) Valuation allowance for deferred tax assets : Management assumes that the realization of the Company's net deferred tax assets resulting from its net operating loss ("NOL") carry–forwards for Federal income tax purposes that may be offset against future taxable income was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry-forwards are offset by a full valuation allowance. Management made this assumption based on (a) the Company has incurred recurring losses, (b) general economic conditions, and (c) its ability to raise additional funds to support its daily operations by way of a public or private offering, among other factors.

(iv) Estimates and assumptions used in valuation of equity instruments : Management estimates expected term of share warrants and similar instruments, expected volatility of the Company's common shares and the method used to estimate it, expected annual rate of quarterly dividends, and risk free rate(s) to value share options and similar instruments.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly.

Actual results could differ from those estimates.

Principles of Consolidation

The Company applies the guidance of FASB Accounting Standards Codification ("ASC") 810— *Consolidation* to determine whether and how to consolidate another entity. Pursuant to this guidance, with certain exceptions, all majority-owned or all entities in which a parent has a controlling financial interest shall be consolidated. Pursuant to ASC 810, the usual condition for a controlling financial interest is ownership of a majority voting interest, and, therefore, as a general rule ownership by one reporting entity, directly or indirectly, of more than 50% of the outstanding voting shares of another entity is a condition pointing toward consolidation. The power to control may also exist with a lesser percentage of ownership, for example, by contract, lease, agreement with other stockholders, or by court decree.

The Company's consolidated subsidiaries are as follows:

Name of consolidated subsidiary or entity	**State or other jurisdiction of incorporation or organization**	**Date of incorporation or formation (date of acquisition, if applicable)**	**Attributable interest**
York Productions, LLC	The State of Florida	October 22, 2008 (June 1, 2010)	60%
York Productions II, LLC	The State of Florida	June 13, 2013	60%
S&G Holdings, Inc.	The State of Tennessee	January 4, 2005 (December 24, 2013)	75%

The consolidated financial statements include all accounts of the Company, S&G and York as of the reporting period ending date(s) and for the reporting period(s) then ended.

All inter-company balances and transactions have been eliminated in consolidation.

Business Combinations

The Company applies ASC 805— *Business Combinations* for transactions that represent business combinations to be accounted for under the acquisition method. Pursuant to ASC 805 in order for a transaction or other event to be considered as a business combination it is required that the assets acquired and liabilities assumed constitute a business. Upon determination of transactions representing business combinations the Company then (i) identifies the accounting acquirer; (ii) identifies and estimates the fair value of the identifiable tangible and intangible assets acquired, separately from goodwill; (iii) estimates the business enterprise value of the acquired entities; (iv) allocates the purchase price of acquired entities to the tangible and intangible assets acquired and liabilities assumed, based on their estimated fair values at the date of acquisition. The excess of the liabilities assumed and the purchase price over the assets acquired was recorded as goodwill and the excess of the assets acquired over the liabilities assumed and the purchase price was recorded as a gain from bargain purchase.

Inherent Risk in the Estimates

Management makes estimates of fair values based upon assumptions believed to be reasonable. These estimates are based on historical experience and information obtained from the management of the acquired companies. Critical estimates in valuing certain of the intangible assets include but are not limited to: future expected cash flows from revenues, customer relationships, key management and market positions, assumptions about the period of time the acquired trade names will continue to be used in the Company's combined portfolio of products and/or services, and discount rates used to establish fair value. These estimates are inherently uncertain and unpredictable. Assumptions may be incomplete or inaccurate, and unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results.

Fair Value of Financial Instruments

FASB ASC 820— *Fair Value Measurements* establishes a framework for measuring the fair value of financial instruments and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, ASC 820 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three (3) broad levels. The three levels of fair value hierarchy defined are as follows:

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure the financial assets and liabilities fall within more than one level described above, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, deposit for project, debt issuance cost, prepaid expenses, accounts payable, accrued interest, deferred revenues and accrued payroll, approximate their fair values because of the short maturity of these instruments.

Transactions involving related parties cannot be presumed to be carried out on an arm's-length basis, as the requisite conditions of competitive, free-market dealings may not exist. Representations about transactions with related parties, if made, shall not imply that the related party transactions were consummated on terms equivalent to those that prevail in arm's-length transactions unless such representations can be substantiated.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted ASC 360— *Property, Plant and Equipment* for its long-lived assets. The Company's long-lived assets, which include computer equipment and goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

Management will periodically review the recoverability of the capitalized movie pilot costs. Management takes into consideration various information. If it is determined that a project or property will be abandoned, or its carrying value impaired, a provision will be made for any expected loss on the project or property.

The impairment charges, if any, is included in operating expenses in the accompanying statements of operations.

Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation of property and equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful lives of five (5) years. Upon sale or retirement of computer equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statements of operations.

Capitalized Movie Pilot Costs - Film Property and Screenplay Rights

The Company capitalizes costs it incurs to buy film or transcripts that will later be marketed or be used in the production of films according to ASC 926— *Entertainment – Films* . The Company will begin to amortize capitalized film cost when a film is released and it begins to recognize revenue from the film.

Goodwill

Goodwill represents the excess of the cost of an acquired entity over the fair value of the net assets at the date of acquisition. Under the provisions of ASC 350— *Intangibles—Goodwill and Other* , goodwill acquired in a business combination with indefinite useful lives are not amortized; rather, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate the asset might be impaired.

Derivatives/Liabilities

The Company evaluates its convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, “Derivatives and Hedging.” The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date. We analyzed the derivative financial instruments (the Convertible Notes), in accordance with ASC 815. The objective is to provide guidance for determining whether ran equity-linked financial instrument is indexed to an entity’s own stock. This determination is needed for a scope exception which would enable a derivative instrument to be accounted for under the accrual method. The classification of a non-derivative instrument that falls within the scope of ASC 815-40-05 “Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company’s Own Stock” also hinges on whether the instrument is indexed to an entity’s own stock. A non-derivative instrument that is not indexed to an entity’s own stock cannot be classified as equity and must be accounted for as a liability. There is a two-step approach in determining whether an instrument or embedded feature is indexed to an entity’s own stock. First, the instrument’s contingent exercise provisions, if any, must be evaluated, followed by an evaluation of the instrument’s settlement provisions. The Company utilized multinomial lattice models that value the derivative liability with the notes based on a probability weighted discounted cash flow model. The Company utilized the fair value standard set forth by the Financial Accounting Standards Board, defined as the amount at which the assets (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

The derivative liabilities result in a reduction of the initial carrying amount (as unamortized discount) of the Convertible Notes. This derivative liability is marked-to-market each quarter with the change in fair value recorded in the income statement. Unamortized discount is amortized to interest expense using the effective interest method over the life of the Convertible Note. If the Note is converted or the warrants are exercised, the derivative liability is released and recorded as additional paid in capital.

Related Parties

The Company follows the provisions of ASC 850— *Related Party Transactions & Disclosures* relating to the identification of related parties and disclosure of related party transactions.

Our financial statements include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. The disclosures include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Commitment and Contingencies

The Company follows the guidance of ASC 450— *Contingencies* when accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Non-Controlling Interest

The Company reports the non-controlling interest in its majority owned subsidiaries in the consolidated balance sheets within the equity section, separately from the Company's stockholders' equity. Non-controlling interest represents the non-controlling interest holders' proportionate share of the equity of the Company's majority-owned subsidiaries. Non-controlling interest is adjusted for the non-controlling interest holders' proportionate share of the earnings or losses and other comprehensive income (loss) and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition to the aforementioned general policy, the following is the specific revenue recognition policy.

Revenues from the sale of programming for television and other media are recognized when

- Persuasive evidence of an arrangement exists;
- The show/episode is complete, and in accordance with the terms of the arrangement, has been delivered or is available for immediate and unconditional delivery;
- The price to the customer is fixed and determinable; and
- Collectability is reasonably assured.

Stock-Based Compensation for Obtaining Employee Services

The Company accounts for its stock based compensation in which the Company obtains employee services in share-based payment transactions under the recognition and measurement principles of the fair value recognition provisions of ASC 718— *Stock-based Compensation* . Accordingly, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: The expected life of options and similar instruments represents the period of time the option and/or warrant are expected to be outstanding. The expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and employees' expected exercise and post-vesting employment termination behavior into the fair value (or calculated value) of the instruments. The Company uses the simplified method to calculate expected term of share options and similar instruments as the company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.
- Expected volatility of the entity's shares and the method used to estimate it. Pursuant to ASC 718, a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for it to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the option and similar instruments.
- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the option and similar instruments.

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of ASC 505-50.

Accordingly, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model.

Pursuant to ASC paragraph 505-50, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of paragraph 505-50) depends on the specific facts and circumstances. Under the guidance, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services.

Consistent with ASC 505-50, share-based payment transactions with nonemployees shall be measured at the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. The issuer shall measure the fair value of the equity instruments in these transactions using the stock price and other measurement assumptions as of the earlier of the following dates, referred to as the measurement date: (a) The date at which a commitment for performance by the counterparty to earn the equity instruments is reached (a performance commitment); or (b) The date at which the counterparty's performance is complete. If the Company's common shares are traded in one of the national exchanges the grant-date share price of the Company's common stock will be used to measure the fair value of the common shares issued, however, if the Company's common shares are thinly traded the use of share prices established in the Company's most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

Deferred Tax Assets and Income Tax Provision

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns pursuant to the provisions of ASC 740— *Income Taxes* . Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. 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 the Statements of Operations in the period that includes the enactment date.

Uncertain Tax Positions

The Company did not take any uncertain tax positions and had no adjustments to the unrecognized tax liabilities or benefits pursuant to the provisions of ASC 740 for the three or six month reporting periods ended June 30, 2015 or December 31, 2014, respectively.

Net Income (Loss) per Common Share

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially dilutive outstanding shares of common stock during the period to reflect the potential dilution that could occur from common shares issuable through contingent share arrangements, stock options and warrants.

Contingent shares issuance arrangement, warrants

	For the Reporting Period Ended June 30, 2015	**For the Reporting Period Ended June 30, 2014**
Warrant Shares	2,452,600	1,491,350
Convertible Notes Payable Shares	1,885,863	-
Total contingent share issuance arrangements or warrants	4,338,463	1,491,350

For the three and six month reporting periods ended June 30, 2015 and 2014, the Company had 2,449,475, 2,446,350 and 1,149,350 and 1,149,350 potentially dilutive warrants outstanding, respectively, which were not included in our income (loss) per share calculations as they were anti-dilutive.

Subsequent Events

The Company will evaluate and disclose if indicated, subsequent events through the date when the financial statements were issued. Pursuant to ASU 2010-09, the Company as an SEC filer considers its financial statements issued when they are widely distributed to users, such as through filing them on EDGAR.

Accounting Standards Update

There have been no recent accounting pronouncements or changes in accounting pronouncements during the six month period ended June 30, 2015, as compared to the recent accounting pronouncements described in the Company's audited 2014 financial statements that are of material significance, or have potential material significance to the Company.

Note 3 – Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying consolidated financial statements, the Company had an accumulated deficit at June 30, 2015 and December 31, 2014, a net loss and net cash used in operating activities for the reporting periods then ended. These conditions raise substantial doubt about its ability to continue as a going concern.

The Company is attempting to produce sufficient revenue; however, the Company's cash position may not be sufficient to support its daily operations. While the Company believes in the viability of its strategy to produce sufficient revenue and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds.

The audit report of our independent registered public accounting firm, dated March 31, 2015, included an explanatory paragraph about the existence of substantial doubt concerning the Company's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4 - Business Acquisitions

Acquisition of S&G Holdings, Inc.

On December 24, 2013, the Company acquired 75% of the issued and outstanding shares of common stock of S&G for $210,000. The Company also agreed to make a capital contribution of $100,000 to S&G at closing as well as an additional $365,000 capital contributions prior to September 2014. In addition, the Company paid $25,000 to a third party as commission for bringing in the acquisition.

Identification of the Accounting Acquirer

The Company used the existence of a controlling financial interest to identify the acquirer—the entity that obtains control of the acquiree in accordance with ASC 805 and identifies the acquisition date, which is the date on which it obtains control of the acquiree. The management of the Company specifically addressed (i) the ownership interest of each party after the acquisition; (ii) the members of the board of directors from both companies; and (iii) senior management from both companies and determined that Carolco Pictures Inc. was the accounting acquirer for the merger between Carolco Pictures Inc. and S&G.

Intangible Assets Identification, Estimated Fair Value and Useful Lives

The Company determined that there were no separate recognizable intangible assets that possessed economic value from S&G.

Business Enterprise Valuation

The Company determined that the business enterprise value of S&G approximates its net book value.

Allocation of Purchase Price

The acquisition was accounted for using the purchase method of accounting in accordance with ASC 805 by allocating the purchase price over the assets acquired, including intangible assets and liabilities assumed, based on their estimated fair values at the date of acquisition. The excess of the liabilities assumed and the purchase price over the net assets acquired was recorded as goodwill. The purchase price has been allocated to the assets and liabilities as follows:

Total assets acquired	$	42,457
Goodwill		319,237
Total liabilities assumed		(126,694)
Acquisition price	$	235,000

Note 5 – Deposit for Project

In April 2015, the Company entered into an agreement with Mr. Mario Kassar, the Chairman of the Company, initially providing the $250,000 in funding provided for future projects be allocated to the production of the Company's "Audition" project.

Note 6 – Property and Equipment

Depreciation and amortization expense for the six month periods ended June 30, 2015 and 2014 totaled $380 and $2,224, respectively.

Note 7 – Goodwill

Goodwill, stated at cost, less accumulated impairment consisted of the following:

		June 30, 2015 Unaudited		December 31, 2014
Acquisition of S&G				
Goodwill	$	319,237	$	319,237
Accumulated impairment		(-)		(-)
	$	319,237	$	319,237

Impairment

The Company completed the annual impairment test of goodwill and determined that there was no impairment as the fair value of goodwill exceeded their carrying values at December 31, 2014.

Note 8 – Notes Payable

The Company maintains two lines of credit with local financial institutions. The lines carry a variable interest rate. The balance due on these lines of credit totaled $74,258 and $20,340 at June 30, 2015 and December 31, 2014, respectively. Accrued interest payable on these agreements totaled approximately $310 and $85 at June 30, 2015 and December 31, 2014, respectively.

Note 9- Convertible Notes

On May 6, 2015, the Company issued an unsecured convertible promissory note in the principal amount of $91,242 to St. George Investments, LLC (the "Lender"). The note bears interest at 10% per annum and matures eleven months from the effective date of the agreement. Under the terms of the note, there was an original issue discount ("OID") of $8,022 withheld at funding and the Company agreed to pay $3,000 to the Lender to cover the Lender's legal fees and other transaction related costs. The Company recognized the OID as a note discount and the $3,000 fee as debt issuance costs. Both the note discount and issuance costs recognized in the transaction are being accreted to interest expense over the life of the note. In addition, the Company paid an $8,022 finders' fee in the transaction which has been recorded in debt issuance costs and is being accreted to interest expense of the life of the note.

The Company may, at its option, prepay the note at 125% of the then outstanding balance.

The note is convertible by the Lender into common stock of the Company at the lesser of $0.45 per share or, in the event the Company's market capitalization falls below $15 million, at a defined Lender conversion price.

On May 12, 2015, the Company issued a convertible promissory note in the principal amount of $104,000 to the Vis Viris Group, Inc. ("VVG"). The note bears interest at 8% per annum, increased to 22% in the event of default, and matures February 14, 2016. VVG deducted $2,000 from the proceeds to cover their legal and other transaction related costs which was recorded as debt issuance costs and is being accreted to interest expense over the life of the note.

The note is convertible by VVG into common stock of the Company through the later of the note maturity date or the payment of the defined amount in the event of default. The note carries a variable conversion price defined as 61% of the market price (representing a 39% discount), with market price being defined as the average of the lowest three trading days for the Company's common stock during the 10 day period prior to the conversion date. The Company may, at its option, prepay the note, given three trading days' notice at 109% to 134% of the then outstanding balance. The prepayment penalty is calculated based on the period of time the note was outstanding.

On June 22, 2015, the company issued a convertible promissory note in the amount of $87,750 to the Auctus Fund, LLC ("Auctus"). The note bears interest at 8% per annum, increased to 24% in the event of default, and matures on March 22, 2016. Auctus deducted $7,750 from the proceeds to cover their legal and other transaction related costs which were recorded as debt issuance costs and is being accreted to interest expense over the life of the note. In addition, the Company paid an $8,000 finders' fee in this transaction which has been recorded in debt issuance costs and is being accreted to interest expense over the life of the note.

The note is convertible by Auctus into common stock of the Company through the later of the note maturity date or the payment of the defined default amount in the event of default. The note carries a variable conversion price defined as 50% of the market price (representing a 50% discount), with market price being defined as the lowest trading price of our common stock during the 25 trading day period prior to the conversion date.

Note 10- Derivative Liabilities

In connection with the sale of debt or equity instruments, the Company may sell options or warrants to purchase its common stock. In certain circumstances, these options or warrants may be classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as embedded derivative features which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

The Company's derivative instrument liabilities are re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income in the period in which the changes occur. For options, warrants and bifurcated embedded derivative features that are accounted for as derivative instrument liabilities, the Company estimates fair value using either quoted market prices of financial instruments with similar characteristics or other valuation techniques. The valuation techniques require assumptions related to the remaining term of the instruments and risk-free rates of return, our current common stock price and expected dividend yield, and the expected volatility of our common stock over the life of the option.

The following table summarizes the convertible debt derivative activity for the period March 31, 2015 to June 30, 2015:

Description		Convertible Notes
Fair value at March 31, 2015	$	-
Change due to debt issuance		374,885
Change in fair value		(12,335)
Fair value at June 30, 2015	$	362,550

The lattice methodology was used to value the convertible notes issued, with the following assumptions.

Assumptions	June 30, 2015
Dividend yield	0.00%
Risk-free rate for term	0.11-0.28%
Volatility	265%
Maturity dates	0.63-0.92 years
Stock price	0.031

See footnote 9 detailing the terms of the convertible debt subject to derivative treatment.

Note 11 - Related Party Transactions

Advances from Stockholders

From time to time, the Chairman, CEO and significant stockholder of the Company advance funds to the Company for working capital purpose. Those advances are unsecured, non-interest bearing and due on demand.

Advances from stockholder consisted of the following:

	June 30, 2015	December 31, 2014
Advances from chairman, chief executive officer and stockholder	$ 31,553	$ 110,847
	$ 31,553	$ 110,847

Notes Payable - Related Party

On October 1, 2014, the Company's CEO loaned the Company $150,000, in consideration for which the Company issued to its CEO a Promissory Note in the principal amount of $150,000, with interest at 5.0% per annum maturing on October 1, 2015, at which time a balloon payment of all outstanding principal and interest shall be due.

During the quarter ended March 31, 2015, the Company's CEO made a series of additional loans to the Company for working capital purposes totaling $335,000. In connection with these loans, the Company issued promissory notes with interest at 5% per annum maturing on October 1, 2015.

In April 2015, the Company's CEO made three additional advances to the Company for working capital purposes totaling $45,000. In connection with these loans, the Company issued a promissory note which bears interest at 5% per annum, maturing October 1, 2015. On May 18, 2015, the Company repaid $25,000 under the notes.

Interest accrued under these note agreements in 2015 totaled $6,425 and $10,385 for the three and six month periods ended June 30, 2015, respectively.

Notes payable-related party totaled $505,000 and $150,300 at June 30, 2015 and December 31, 2014, respectively.

Note 12 - Stockholders' Equity (Deficit)

Shares Authorized

The Company is authorized to issue 110,000,000 shares, of which 10,000,000 shares are preferred stock, par value $0.0001 per share, and 100,000,000 shares are common stock, par value $0.0001 per share.

Sale of Common Stock or Equity Unit Inclusive of Common stock and Warrants

At June 30, 2015 and December 31, 2014, the Company had 60,551,125 and 54,239,500 shares issued and outstanding, respectively. Holders are entitled to one vote for each share of common stock held.

During the six month period ended June 30, 2015, the Company sold 4,293,000 common shares for $182,750 at purchase prices ranging from $0.0005 to $0.10 per share.

During February 2015, the Company sold 15,000 units at $0.80 per unit, for a total of $12,000. Each unit consisted of one share of common stock, one Class A warrant and one Class B warrant. The warrants are exercisable for two years from issuance at $3.00 and $6.00 per common share, respectively.

During March 2015, the Company sold an additional 12,500 units at $0.80 per unit and 250,000 units at $0.50 per unit for a combined total of $135,000. Each unit consisted of one share of common stock, one Class A warrant and one Class B warrant. The warrants are exercisable for two years from issuance at $3.00 and $6.00 per common share, respectively.

During April 2015, the Company sold 5,000 units at $0.80 per unit for a total of $2,500. Each unit consisted of one share of common stock, one Class A warrant and on Class B warrant. The warrants are exercisable for two years from issuance at $3.00 and $6.00 per share, respectively.

Stock-Based Compensation for Obtaining Employee Services

Effective as of February 13, 2015, the Company's Board of Directors appointed Mario Kassar as the Chairman of the Board of Directors of the Company. In consideration for his services, the Company irrevocably issued 500,000 shares of the Company's unregistered Common Stock, $0.0001 par value per share, and the option to purchase all or any part of 400,000 shares of the Company's common stock at an exercise price of $1.00 per share, exercisable until 10 years after the Effective Date.

Under the provisions of ASC 505 and the terms of the agreement with Mr. Kassar, the measurement date was determined to be the contract date, with no vesting or forfeiture provisions or significant disincentives for non-performance. Accordingly, the fair value of the issuance of $0.08 per share based on market price, was charged to compensation expense on the effective date of the agreement.

In addition, the 400,000 options issued to Mr. Kassar were fair valued on the date of grant using the Black-Scholes option pricing valuation model. The fair value of the options granted totaled $8,631. Assumptions and inputs used included expected term of 10 years, risk-free interest rate of 1.68%, expected dividends of 0.00%, and volatility of 62.9%. The options fully vested on the grant date absent forfeiture or performance criteria. Accordingly, the entire fair value of the grant, based on a fair value of $0.02 per share was charged to compensation expense on the effective date of the agreement.

In April 2015, the Company entered into an agreement with Mr. Mario Kassar, the Chairman of our Board of Directors. The agreement addressed funding of the Company's "Audition" film project and provided for the issuance of 100,000 common shares to Mr. Kassar under the terms of the agreement. Under the provisions of ASC 505 and the terms of the agreement, the measurement date was determined to be the contract date, with no vesting or forfeiture provisions or significant disincentives for non-performance. Accordingly, the fair value of the issuance of $0.08 per share based on market price, or $8,000, was charged to stock-based compensation on the effective date of the agreement.

Issuance of Common Stock to Parties Other Than Employees for Acquiring Goods or Services

In March 2015, the Company issued 50,000 common shares to a financial consulting firm with a fair value of $44,500 on the date of issuance.

In April 2015, the Company entered into five investor relations related consulting agreements issuing 1,088,000 shares of common stock. Under the provisions of ASC 505 and the terms of the agreements, the measurement date was determined to be the contract date, with no vesting or forfeiture provisions or significant disincentives for non-performance. Accordingly, the fair value of the issuance of $0.08 per share based on marked price, or $xxx, was charged to expense on the effective date of the agreements.

Warrants Issued for Obtaining Employee Services

On January 10, 2014, the Company awarded S&G's President a warrant to purchase 1,491,350 common shares with an exercise price at $0.01 per share expiring five years from the date of issuance.

The Warrant vested as follows: (i) on March 31, 2014, the right to exercise the Warrant and to receive 50% of the Warrant Shares vested; (ii) on June 30, 2014, the right to exercise the Warrant and to receive an additional 25% of the Warrant Shares vested; and (iii) on September 30, 2014, the right to exercise the Warrant and to receive the remaining 25% of the Warrant Shares vested.

The Company estimated the fair value of the stock warrants on the date of grant using the Black-Scholes Option Pricing Model with the following weighted-average assumptions:

	January 10, 2014
Expected life (year) – Simplified method	5
Expected volatility (*)	68.32%
Expected annual rate of quarterly dividends	0%
Risk-free interest rate(s)	0.77%

* As a newly formed entity it is not practicable for the Company to estimate the expected volatility of its share price. The Company selected five (5) comparable public companies listed on NYSE MKT and NASDAQ Capital Market within nutritional supplements industry which the Company plans to engage in to calculate the expected volatility. The Company calculated those five (5) comparable companies' historical volatility over the expected life and averaged them as its expected volatility.

The estimated fair value of the stock warrant was $1,476,735 on the date of grant, which are initially recorded as additional paid-in capital and amortized ratably over the vesting period of 9 months Compensation - officers.

Summary of the Company's Stock Warrant Activities

The table below summarizes the Company's stock warrant activities:

	Number of Warrant Shares	Exercise Price Per Share	Weighted Average Exercise Price	Fair Value at Date of Grant	Aggregate Intrinsic Value
January 10, 2014 Grant	1,491,350	$ 0.01	$ 0.01	$ 1,476,735	$ 369,700
February 13, 2015 Grant	400,000	$ 1.00	$ 1.00	$ 8,631	-
February 2015 Unit Offering					
Class A	15,000	$ 3.00	$ 3.00	$ 598	$ –
Class B	15,000	$ 6.00	$ 6.00	$ 113	$ –
March 2015 Unit Offering					
Class A	262,500	$ 3.00	$ 3.00	$ 2,624	$ –
Class B	262,500	$ 6.00	$ 6.00	$ 381	$ –
April 2015 Unit Offering					
Class A	3,125	$ 3.00	$ 3.00	$ -	$ -
Class B	3,125	$ 6.00	$ 6.00	$ -	$ -
Balance, June 30, 2015	2,452,600		$ 1.19	$ 1,709,900	$ 369,700

The following table summarizes information concerning outstanding and exercisable warrants as of June 30, 2015:

	Warrants Outstanding			Warrants Exercisable		
Range of Exercise Prices	Number Outstanding	Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Average Remaining Contractual Life (in years)	Weighted Average Exercise Price
$ 0.01	1,491,350	3.53	$ 0.01	1,491,350	3.53	$ 0.01
$ 1.00	400,000	9.62	$ 1.00	400,000	9.62	$ 1.00
$ 3.00	280,625	1.67	$ 3.00	280,625	1.67	3.00
$ 6.00	280,625	1.67	$ 6.00	280,625	1.67	6.00
	2,452,600		$ 1.91	2,452,600		$ 1.19

Note 13 - Commitments and Contingencies

Lease Agreements

Regus Management Group, LLC

On September 28, 2011, the Company entered into a lease agreement with Regus Management Group, LLC with a monthly base rent of $1,107. The term of the lease is effective from November 1, 2012 to October 31, 2013. The lease has not been renewed and is on a month to month basis.

Town Center Executive Suites

On April 1, 2014, the Company entered into a lease agreement with Town Center Executive Suites. The term of the lease is effective from April 1, 2014 to March 31, 2015. Following expiration of the initial term, the Company is on a month-to-month basis. The monthly rent base payment is $700.

S&G Holdings, Inc. – St. Cloud Partners

On February 1, 2014, the Company entered into a lease agreement with St. Cloud Partners. The term of the lease is effective February 1, 2014 to February 28, 2017. The monthly rent base payment is as follows:

2/1/2014	–	2/28/2015	$ 2,847
3/1/2015	–	2/29/2016	$ 2,932
3/1/2016	–	2/28/2017	$ 3,020

Employment Agreements

Chief Executive Officer

On September 21, 2010, the Company entered into an employment agreement (“Employment Agreement”) with its chief executive officer (“CEO”), which requires that the CEO be paid an annual base salary of $150,000 for three (3) years from date of signing. Employee may extend the Employment Agreement for an additional three (3) years. The contract expired without being extended.

At June 30, 2015 and December 31, 2014, the Company had accrued $150,000 under the Employment Agreement. On October 1, 2011, the Company’s CEO agreed to waive future base salary under his Employment Agreement, until further notice, in an effort to reduce the Company’s operating expenses.

President, S&G Holdings, Inc.

On December 24, 2013, the Company entered into an employment agreement with Martin Fischer, the president of S&G. The agreement is for a five- year term, which may be renewed for an additional five years and requires an annual base salary of $144,000 for year 1, $151,200 for year 2, $158,760 for year 3, $166,698 for year 4 and $175,033 for year 5. The agreement also entitles the president to a cash bonus of up to $100,000 annually based on net income levels and a monthly $500 automobile allowance.

On January 10, 2014, the Company awarded the President an option to purchase 1,491,350 common shares with an exercise price at $0.01 per share expiring five years from the date of issuance. The President of S&G will also be appointed to the Board of Directors of the Company.

Chief Legal Officer

Effective as of July 14, 2014, the Company’s Board of Directors appointed Frank Esposito as the Company’s Chief Legal Officer. In consideration for his services, the Company entered into an agreement with Esposito, PLLC, *d/b/a* Esposito Partners, providing for base retainer payments of $5,000 per month.

Note 14 – Subsequent Events

On July 9, 2015, the Company issued a series of replacement convertible promissory notes to the Company's CEO covering note payable principal due and related accrued interest through July 9, 2015. The notes bear interest at 5% per annum, with a default interest rate of 22% per annum and mature October 1, 2015.

The notes are convertible in whole or in part at the option of the holder into common shares of the Company. The conversion price is a variable conversion price calculated as 50% of the lowest trading price for our common stock during the 20 trading days prior to the conversion date.

In July 2015, the Company sold 100,500 common shares at $0.25 per share to three investors with total proceeds of $25,125.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

We were incorporated in Florida in 2009 under the name York Entertainment, Inc. In 2010, we changed our name to Brick Top Productions, Inc. In January 2015, we changed our name to Carolco Pictures, Inc.

We are an award winning feature film and television specials production company. We seek to finance, produce and distribute one or more television series and feature films to be licensed for exploitation in domestic and international theatrical, television, cable, home video and pay per view markets. Through our subsidiary, High Five Entertainment, we specialize in the development and presentation of quality television programming including series, specials, pilots, live events and award shows. We seek to combine modern business strategy with old-fashioned industry experience by bringing together highly trained relative newcomers and entertainment industry stalwarts to create low risk, high profit and artistically acclaimed feature film and television projects.

Recent Developments

On April 29, 2015, the Company entered into an agreement (the "Agreement") with Mario Kassar, the Chairman of the Company's Board of Directors, pursuant to which Mr. Kassar will utilize $250,000 of the Company's funds for costs relating to the production of the film "Audition." Pursuant to the terms of the Agreement, the Company engaged Mr. Kassar to render producing and sales services for each film in the "Rambo" franchise, "SMITE" franchise or other feature length motion picture property introduced to the Company by Mr. Kassar (each, a "Picture") on the same terms as apply to "Audition," except that the producing fee shall not be less than 10% of the budget of each Picture. In addition, the Company agreed to issue 100,000 shares of its common stock to Mr. Kassar, instead of paying Mr. Kassar the $100,000 payment that the Company was required to pay in April 2015 under the Agreement for Chairman of Board of Directors dated February 13, 2015 (the "Board Agreement"). Pursuant to the terms of the Agreement, the Company and Mr. Kassar agreed that the Company would pay Mr. Kassar $100,000 on or before May 17, 2015, and that such payment shall be the final payment due under the Board Agreement. The Company also agreed to pay Mr. Kassar 5% of the purchase price of any Carolco-produced feature length films in the "Rambo" franchise and all completed films or film libraries acquired by the Company with Mr. Kassar's assistance and based on Mr. Kassar's introduction to the Company of such completed films or film libraries. The terms of the Agreement also provide that the Company will pay Mr. Kassar a discretionary bonus in relation to his efforts in bringing projects and opportunities to the Company.

Results of Operations for the Three Months Ended June 30, 2015 Compared to the Three Months Ended June 30, 2014

	Three Months Ended June 30,			
	2015		2014	
Revenue	$	400,460	$	249,303
Cost of goods sold	$	304,735	$	140,291
Operating expenses	$	210,539	$	1,926,543
Loss before income tax provision and non-controlling interest	$	231,091	$	1,746,234
Net income (loss) attributable to non-controlling interest	$	5,268	$	(2,550)
Net loss attributable to Carolco Pictures' stockholders	$	(236,359)	$	1,743,684

Revenues for the three months ended June 30, 2015 were $400,460, as compared to $249,303 for the three months ended June 30, 2014. The increase in revenue was due to an increase in production services, including award programming, much of which is seasonal. Revenue recognition is deferred until product is delivered and accepted by our customers. Our future revenue plan is dependent on our ability to effectively market The Doorman pilot and close new viable acquisitions of film rights.

Cost of goods sold for the three months ended June 30, 2015 were $304,735, as compared to $140,291 for the three months ended June 30, 2014. Cost of goods sold consists primarily of direct production labor and production equipment rental. These costs increased approximately $200,000 between periods. This increase was attributable primarily to production labor as the Company increased staff in anticipation of future planned production projects.

Operating expenses for the three months ended June 30, 2015 totaled $210,539, compared to $906,192 for the three months ended June 30, 2014. The decrease of $695,653 was primarily attributable to a modification of an agreement with Mario Kassar, effective in April 2015, reducing his consideration under the initial agreement by $100,000.

The Company has realized a loss before income tax provision and non-controlling interest of $231,091 for the three months ended June 30, 2015, compared to a loss before income tax provision and non-controlling interest of $1,746,234 for the three months ended June 30, 2014. The decrease is primarily due to the significant increase, (61%), in revenues between periods coupled with the sharp decline in production related compensation between periods as described below .

Results of Operations for the Six Months Ended June 30, 2015 Compared to the Six Months Ended June 30, 2014

	Six Months Ended June 30, 2015	2014
Revenue	$ 402,360	$ 270,652
Cost of goods sold	$ 337,234	$ 172,790
Operating expenses	$ 906,192	$ 2,074,848
Loss before income tax provision and non-controlling interest	$ 961,585	$ 1,906,188
Net loss attributable to non-controlling interest	$ 22,425	$ 30,232
Net loss attributable to Carolco Pictures' stockholders	$ 939,160	$ 1,875,956

Revenues for the six months ended June 30, 2015 were $402,360, as compared to $270,652 for the six months ended June 30, 2014. The increase in revenue was due to a significant increase (49%) in demand for the Company's production services, particularly in area of award presentation programming. Revenue recognition is deferred until product is delivered and accepted by our customers. Our future revenue plan is dependent on our ability to effectively market The Doorman pilot and close new viable acquisitions of film rights.

Cost of goods sold for the six months ended June 30, 2015 were $337,234, as compared to $172,790 for the six months ended June 30, 2014. Cost of goods sold consists primarily of direct production labor and production equipment rental. These costs increased approximately $164,000 between periods. This increase was attributable primarily to our increase in revenues and consisted primarily of production labor as the Company increased staff in anticipation of future planned production projects.

Operating expenses for the six months ended June 30, 2015 totaled $906,192, compared to $2,074,848 for the six months ended June 30, 2014. The sharp decrease of approximately $1,169,000 was primarily attributable to compensation paid to executives in the form of common shares and warrants in the prior period.

The Company has realized a loss before income tax provision and non-controlling interest of $961,585 for the six months ended June 30, 2015, compared to a loss before income tax provision and non-controlling interest of $1,906,188 for the six months ended June 30, 2014. The decrease is primarily due to the sharp decline in compensation as described below **.**

Liquidity and Capital Resources

	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Net Cash Used In Operating Activities	$ 581,156	$ 266,603
Net Cash Used In Investing Activities	$ 252,649	$ 1,203
Net Cash Provided by Financing Activities	$ 915,772	$ 300,014
Net Change in Cash	$ 81,,967	$ 32,208

As of June 30, 2015, our total assets were $909,182 and our total liabilities were $1,300,880 and we had negative working capital of $715,725.

Pursuant to the terms of our employment agreement with Mr. Bafer, we are obligated to pay Mr. Bafer $150,000 per year. On October 1, 2011, Mr. Bafer agreed to waive future base salary under his employment agreement, until further notice, in an effort to reduce our operating expenses. Prior to that time, we did not have sufficient cash flows to make the required payments under the employment agreement and therefore, accrued all unpaid salary until such time we generate revenues from operations or raise additional capital through one or more financing transactions.

As part of the Company's acquisition of S&G Holdings, Inc. (doing business as High Five Entertainment) ("S&G") in December 2013, the Company entered into an executive employment agreement with Mr. Martin Fischer, pursuant to which Mr. Fischer will serve as S&G's president for an initial term of five years with an initial base salary of $144,000. He will also be entitled to an annual bonus of up to $100,000 and a monthly car allowance of $500. In addition, the Company awarded Mr. Fischer an option to purchase 1,491,351 shares of common stock, exercisable at $0.01 per share, which vested throughout 2014.

We have suffered recurring losses from operations. The continuation of our company is dependent upon our attaining and maintaining profitable operations and raising additional capital as needed. In this regard, we have raised additional capital through equity offerings and loan transactions, and, in the short term, will seek to raise additional capital in such manners to fund our operations. We do not currently have any additional third party financing available in the form of loans, advances, or commitments. Our officers and shareholders have not made any written or oral agreement to provide us additional financing. There can be no assurance that we will be able to continue to raise capital on terms and conditions that are deemed acceptable to us.

Off-Balance Sheet Arrangements

As of June 30, 2015, we did not have any off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations liquidity, capital expenditures or capital resources.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As reflected in the accompanying unaudited consolidated financial statements, the Company had an accumulated deficit at June 30, 2015, a net loss and net cash used in operating activities for the reporting period then ended. These conditions raise substantial doubt about its ability to continue as a going concern.

The Company is attempting to produce sufficient revenue; however, the Company's cash position may not be sufficient to support its daily operations. While the Company believes in the viability of its strategy to produce sufficient revenue and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon its ability to further implement its business plan and generate sufficient revenues and in its ability to raise additional funds.

The unaudited consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Critical Accounting Policies

We have identified the following policies below as critical to our business and results of operations. Our reported results are impacted by the application of the following accounting policies, certain of which require management to make subjective or complex judgments. These judgments involve making estimates about the effect of matters that are inherently uncertain and may significantly impact quarterly or annual results of operations. For all of these policies, management cautions that future events rarely develop exactly as expected, and the best estimates routinely require adjustment. Specific risks associated with these critical accounting policies are described in the following paragraphs.

Principles of Consolidation. The consolidated financial statements of Company include the accounts of Carolco Pictures and its majority-owned subsidiaries, York Productions, LLC, York Productions II, LLC, and S&G Holdings, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

Income Tax Provision. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns pursuant to the provisions of ASC 740— *Income Taxes* . Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. 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 the Statements of Operations in the period that includes the enactment date.

Capitalized Movie Pilot Costs - Film Property and Screenplay Rights. The Company capitalizes costs it incurs to buy film or transcripts that will later be marketed or be used in the production of films according to ASC 926— *Entertainment – Films* . The Company will begin to amortize capitalized film cost when a film is released and it begins to recognize revenue from the film.

Non-Controlling Interest. The Company reports the non-controlling interest in its majority owned subsidiaries in the consolidated balance sheets within the equity section, separately from the Company's stockholders' equity. Non-controlling interest represents the non-controlling interest holders' proportionate share of the equity of the Company's majority-owned subsidiaries. Non-controlling interest is adjusted for the non-controlling interest holders' proportionate share of the earnings or losses and other comprehensive income (loss) and the non-controlling interest continues to be attributed its share of losses even if that attribution results in a deficit non-controlling interest balance.

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, has reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures as of June 30, 2015. Based on such review and evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that, as of June 30, 2015, the disclosure controls and procedures were not effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, (a) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (b) is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure. This is primarily a result of the fact that the Company has only two employees, only one of whom has a background in accounting, and lacks segregation of duties. In addition, during the quarter ended June 30, 2015, a member of the Company's board of directors and officer of the Company's subsidiary received a personal loan from the Company's subsidiary of approximately $27,000. This advance, while inadvertent, represented a violation of Section 402 of the Sarbanes-Oxley Act of 2002, as amended, and a material breach of the Company's system of controls. The funds were repaid to the Company in July 2015.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Management necessarily applied its judgment in assessing the benefits of controls relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, regardless of how remote. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15 or 15d-15 of the Exchange Act that occurred during the fiscal quarter ended June 30, 2015 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not a party to any material litigation, nor, to the knowledge of management, is any litigation threatened against us that may materially affect us.

Item 1A. Risk Factors

Not applicable for smaller reporting companies.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During our second quarter ended June 30, 2015, the Company sold 1,393,000 common shares for $127,000 at prices ranging from $0.83 per share to $0.10 per share. In April 2015, the Company entered into five investor relations related consulting agreements issuing 1,088,000 shares of common stock, Under the provisions of ASC 505 and the terms of the agreements, the measurement date was determined to be the contract date, with no vesting or forfeiture provisions or significant disincentives for non-performance. Accordingly, the fair value of the issuance of $0.08 per share based on marked price, was charged to expense on the effective date of the agreements.

In April 2015, the Company entered into an agreement with Mr. Mario Kassar, the Chairman of our Board of Directors. The agreement addressed funding of the Company's "Audition" film project and provided for the issuance of 100,000 common shares to Mr. Kassar under the terms of the agreement. Under the provisions of ASC 505 and the terms of the agreement, the measurement date was determined to be the contract date, with no vesting or forfeiture provisions or significant disincentives for non-performance. Accordingly, the fair value of the issuance of $0.08 per share based on market price, was charged to stock-based compensation on the effective date of the agreement.

During April 2015, the Company sold 5,000 units at $0.80 per unit for a total of $2,500. Each unit consisted of one share of common stock, one Class A warrant and on Class B warrant. The warrants are exercisable for two years from issuance at $3.00 and $6.00 per share, respectively.

The foregoing securities were issued in reliance on Section 4(a)(2) and/or Regulation D of the Securities Act of 1933, as amended (the "Securities Act"). The shares were issued in private transactions to United States residents. The shares of common stock have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration or an applicable exemption from the registration requirements. The shareholders acknowledged that the securities to be issued have not been registered under the Securities Act, that they understood the economic risk of an investment in the securities, and that they had the opportunity to ask questions of and receive answers from our management concerning any and all matters related to acquisition of the securities.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On May 6, 2015, the Company issued a convertible promissory note in the principal amount of $91,242 to H. George Investments, LLC (the "Lender"). The note bears interest at 10% per annum and matures eleven months from the effective date of the agreement. Under the terms of the note, there was an original issue discount ("OID") of $8,022 withheld at funding and the Company agreed to pay $3,000 to the Lender to cover the Lender's legal fees and other transaction related costs. The Company recognized the OID as a note discount and the $3,000 fee as debt issuance costs. Both the note discount and issuance costs recognized in the transaction are being accreted to interest expense over the life of the note. In addition, the Company paid an $8,022 finders' fee in the transaction which has been recorded in debt issuance costs and is being accreted to interest expense of the life of the note.

The Company may, at its option, prepay the note at 125% of the then outstanding balance.

The note is convertible by the Lender into common stock of the Company at the lesser of $0.45 per share or, in the event the Company's market capitalization falls below $15 million, at a defined Lender conversion price.

On May 12, 2015, the Company issued a convertible promissory note in the principal amount of $104,000 to the Vis Viris Group, Inc. (“VVG”). The note bears interest at 8% per annum, increased to 22% in the event of default, and matures February 14, 2016. VVG deducted $2,000 from the proceeds to cover their legal and other transaction related costs which was recorded as debt issuance costs and is being accreted to interest expense over the life of the note.

The note is convertible by VVG into common stock of the Company through the later of the note maturity date or the payment of the defined amount in the event of default. The note carries a variable conversion price defined as 61% of the market price (representing a 39% discount), with market price being defined as the average of the lowest three trading days for the Company’s common stock during the 10 day period prior to the conversion date.

On June 22, 2015, the company issued a convertible promissory note in the amount of $87,250 to the Auctus Fund, LLC (“Auctus”). The note bears interest at 8% per annum, increased to 24% in the event of default, and matures on March 22, 2016. Auctus deducted $7,250 from the proceeds to cover their legal and other transaction related costs which were recorded as debt issuance costs and is being accreted to interest expense over the life of the note. In addition, the Company paid an $8,000 finders’ fee in this transaction which has been recorded in debt issuance costs and is being accreted to interest expense over the life of the note.

The note is convertible by Auctus into common stock of the Company through the later of the note maturity date or the payment of the defined default amount in the event of default. The note carries a variable conversion price defined as 50% of the market price (representing a 50% discount), with market price being defined as the lowest trading price of our common stock during the 25 trading day period prior to the conversion date.

Item 6. Exhibits

Exhibit Number	Description
3.1(i)	Articles of Incorporation (incorporated by reference to Exhibit 3.1(i) to the Company’s Registration Statement on Form S-1 (Commission File No. 333-176093) filed with the SEC on August 5, 2011).
3.1(ii)	Amendment to Articles of Incorporation (incorporated by reference to Exhibit 3.1(ii) to the Company’s Registration Statement on Form S-1 (Commission File No. 333-176093) filed with the SEC on August 5, 2011).
3.1(iii)	Amendment to Articles of Incorporation filed with the Secretary of State of Florida on December 31, 2014 (incorporated by reference to Exhibit 3.1(iii) to the Company’s Annual Report on Form 10-K filed with the SEC on March 31, 2015).
3.2	By-Laws (incorporated by reference to Exhibit 3.2 to the Company’s Registration Statement on Form S-1 (Commission File No. 333-176093) filed with the SEC on August 5, 2011).
4.1+	2014 Incentive Stock Plan (incorporated by reference to the Company’s Annual Report on Form 10-K filed with the SEC on April 15, 2015).
10.1+	Employment Agreement with Alexander Bafer (incorporated by reference to Exhibit 10.1 to the Company’s Registration Statement on Form S-1 (Commission File No. 333-176093) filed with the SEC on August 5, 2011)
10.2	Production Services Agreement (incorporated by reference to Exhibit 10.2 to the Company’s Registration Statement on Form S-1/A (Commission File No. 333-176093) filed with the SEC on December 29, 2011).
10.3	Operating Agreement to York Productions, LLC (incorporated by reference to Exhibit 10.3 to the Company’s Registration Statement on Form S-1/A (Commission File No. 333-176093) filed with the SEC on December 29, 2011).
10.4	Stock Purchase Agreement between Brick Top Productions, Inc. and Martin Fischer dated December 24, 2013 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on December 27, 2013).
10.5+	Executive Employment Agreement between S&G Holdings, Inc. and Martin Fischer (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on December 27, 2013).
10.7+	Brick Top Chief Development Executive Services Agreement between Brick Top Productions, Inc. and Mario Kassar dated November 20, 2014 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on November 24, 2014).
10.8+	Brick Top Productions Executive Services Agreement between Brick Top Productions, Inc. and Harrison Smith and Felissa Rose dated December 15, 2014 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on December 17, 2014).
10.9	Debt Conversion Agreement dated as of December 29, 2014 between Brick Top Productions, Inc. and Alexander Bafer (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on December 30, 2014).
10.10+	Agreement for Chairman of Board of Directors among Carolco Pictures, Inc., certain shareholders of the Company and Mario Kassar dated as of February 13, 2015 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on February 17, 2015).

10.11+	Agreement dated April 29, 2015, by and between Carolco Pictures, Inc. and Mario Kassar (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on May 4, 2015).
10.12*	Promissory note dated May 6, 2015.
10.13*	Promissory note dated May 12, 2015.
10.14*	Promissory note dated June 22, 2015.
31.1*	Section 302 Certificate of Chief Executive Officer and Chief Financial Officer
32.1*	Section 1350 Certification of Chief Executive Officer and Chief Financial Officer
101.INS*	XBRL INSTANCE DOCUMENT
101.SCH*	XBRL TAXONOMY EXTENSION SCHEMA
101.CAL*	XBRL TAXONOMY EXTENSION CALCULATION LINKBASE
101.DEF*	XBRL TAXONOMY EXTENSION DEFINITION LINKBASE
101.LAB*	XBRL TAXONOMY EXTENSION LABEL LINKBASE
101.PRE*	XBRL TAXONOMY EXTENSION PRESENTATION LINKBASE

* Filed herewith.

\+ Management contract or compensatory plan or arrangement.

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.

CAROLCO PICTURES, INC.

Date: August 14, 2015

By: /s/ Alexander Bafer
Alexander Bafer
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Alexander Bafer, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2015 of Carolco Pictures, Inc.;

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, 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;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 14, 2015

/s/ Alexander Bafer
Alexander Bafer
Chief Executive Officer and Chief Financial Officer
(principal executive officer and principal financial officer)

Exhibit 32.1

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarter report of Carolco Pictures, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2015, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alexander Bafer, Chief Executive Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 14, 2015

/s/ Alexander Bafer
Alexander Bafer
Chief Executive Officer and Chief Financial Officer