

Mainstream Entertainment, Inc.
Form 10-Q
May 20, 2013

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2013

OR

**o 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: 000-54602

MAINSTREAM ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Florida

(State or other jurisdiction of incorporation or organization)

20-3687391

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

401 East Fourth Street Building 6 Bridgeport, Pennsylvania

(Address of principal executive offices)

19405

(Zip Code)

Registrant's telephone number, including area code: **(610) 292-0909**

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 (§232.405 of this chapter) 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, and accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

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

At May 20, 2013, there were 65,912,000 shares of the Issuer's common stock outstanding.

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PART I FINANCIAL INFORMATION**Item 1. Financial Statements****Mainstream Entertainment, Inc.****(A Development Stage Company)****Balance Sheets****As of March 31, 2013 and September 30, 2012
March 31,**

	2013 (unaudited)		September 30, 2012 (audited)
ASSETS:			
Current assets:			
Cash	\$ 15	\$	456
Prepaid expense	--		61
Total current assets	15		517
Assets to be discontinued:			
Note receivable	2,555		2,555
Recording equipment held for sale, net of accumulated depreciation of \$20,445 and \$19,340 respectively	-		2,210
Total assets to be discontinued	2,555		4,765
TOTAL ASSETS	\$ 2,570	\$	5,282
LIABILITIES AND STOCKHOLDERS' DEFICIT:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 25,191	\$	75,008
Accrued interest - related party	341		43,174
Notes payable - related party	75,422		145,231

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Subscription payable	-	37,522
Total Current Liabilities	100,954	300,935

Stockholders' Deficit:

Common Stock, \$.001 par value; 100,000,000 shares authorized, 65,912,000 and 3,051,870, respectively shares issued and outstanding	65,912	3,052
Additional paid in capital	3,269,107	423,386
Liability to issue shares	184,830	-
Subscriptions receivable	(660,000)	-
Deficit accumulated during the development stage	(2,958,233)	(722,091)
Total stockholders' deficit	(98,384)	(295,653)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	\$	2,570	\$	5,282
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The accompanying notes are an integral part of these financial statements.

Mainstream Entertainment, Inc.**(A Development Stage Company)****Statements of Operations**

**For the Six Months ended March 31, 2013 and 2012, and
the period from October 7, 2005 (Inception) through March 31, 2013**

(unaudited)

	Six Months Ended March 31,		October 7, 2005
	2013	2012	(Inception) Through
			March 31, 2013
Expenses:			
General and administrative expenses	\$ 94,785	\$ 31,102	\$ 320,899
Stock compensation	216,000	---	216,000
Other Income (Expense):			
Loss on debt conversion	(1,917,870)	---	(1,736,390)
Forgiveness of debt	---	---	1,215
Interest income	---	---	2
Interest expense	(5,216)	(9,107)	(88,089)
Penalties	---	---	(600)
Total other income (expense)	(1,923,086)	(9,107)	(1,823,862)
Net Loss from continuing operations	(2,233,871)	(40,209)	(2,542,241)
Discontinued operations			
Loss from discontinued operations	(2,271)	(18,310)	(415,992)
Net loss	\$(2,236,142)	\$ (21,899)	\$ (2,958,233)
Net loss per Common Share - Basic and Diluted	\$ (0.04)	\$ (0.00)	

Per Share Information:

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Weighted Average Number of Common
Stock

Shares Outstanding - Basic and Diluted	51,912,274	3,051,870
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The accompanying notes are an integral part of these financial statements.

Mainstream Entertainment, Inc.**(A Development Stage Company)****Statements of Operations**

**For the Three Months ended March 31, 2013 and 2012, and
the period from October 7, 2005 (Inception) through March 31, 2013**

(unaudited)

Three Months**Ended March 31,****2013****2012****Expenses:**

General and administrative expenses	\$ 34,934	\$ 16,494
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Stock compensation	216,000	---
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Other Income (Expense):

Loss on debt conversion	(1,917,870)	---
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Forgiveness of debt	---	---
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Interest income	---	---
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Interest expense	(341)	(4,953)
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Penalties	---	---
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Total other income (expense)	(1,918,211)	(4,953)
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Net Loss from continuing operations	(2,385,145)	(21,087)
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Discontinued operations

Loss from discontinued operations	(1,105)	(18,725)
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Net loss	\$ (2,386,250)	\$ (2,362)
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Net loss per Common Share - Basic and Diluted

	\$ (0.04)	\$ (0.00)
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Per Share Information:

Weighted Average Number of Common Stock		
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Shares Outstanding - Basic and Diluted	65,191,799	3,051,870
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The accompanying notes are an integral part of these financial statements.

Mainstream Entertainment, Inc.**(A Development Stage Company)****Statements of Cash Flows**

**For the Six Months ended March 31, 2013 and 2012 and
the period from October 7, 2005 (Inception) through March 31, 2013**

(unaudited)

	Six Months ended		October 7, 2005 (inception) to
	March 31,		March 31,
	2013	2012	2013
Cash Flows from Operating Activities:			
Loss from continuing operation	\$(2,233,871)	\$(40,209)	\$(2,542,241)
Loss from discontinued operations	(2,271)	(18,310)	(415,992)
Adjustments to reconcile net loss to cash used in operating activities:			
Depreciation	2,210	2,763	93,576
Imputed rent	200	200	1,602
Loss on equipment			33,018
Loss on debt conversion	1,917,870		1,736,390
Stock Compensation	216,000	---	216,000
Forgiveness of accrued rent			(13,662)
Forgiveness of debt by third party			(1,756)
Extraordinary gain on insurance claim			(13,437)
Impairment of fixed assets			86,850
Bad Debt	61		115
Changes in:			
Accounts receivable			(2,609)
Deposits			(6,000)
Prepaid expenses & other current assets		(560)	(64)
Customer deposits		11,445	
Accounts payable & accrued expense	11,460	14,790	153,888
Net Cash Flows Provided by (Used in) Operations	(88,341)	6,739	(492,842)
Cash Flows from Investing Activities:			
Proceeds from sale of equipment			432
Proceeds from insurance claim			166,701
Purchase of fixed assets			(17,982)
Issuance of advances and notes receivable			(100)
Expenditures on construction in progress			(116,160)

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Net Cash Flows Provided by (Used in)			
Investing activities			32,891
Cash Flows from Financing Activities:			
Bank overdraft	---	184	---
Cash borrowings from related parties	75,422	50	581,963
Principal payments on related party debt		(6,979)	(212,321)
Cash contributions from former parent company			45,824
Issuance of common stock	12,478		50,000
Distributions to owners			(5,500)
Net Cash Flows Provided by (Used in)			
Financing activities	87,900	(6,745)	459,966
Net Increase (Decrease) in Cash	(441)	(6)	15
Cash and cash equivalents-Beginning of period	456	6	
Cash and cash equivalents-End of period	\$ 15	\$ ---	\$ 15

The accompanying notes are an integral part of these financial statements.

Mainstream Entertainment, Inc.**(A Development Stage Company)****Statements of Cash Flows cont d**

**For the Six Months ended March 31, 2013 and 2012 and
the period from October 7, 2005 (Inception) through March 31, 2013**

(unaudited)

	Six Months ended		October 7, 2005 (inception)
	March 31, 2013	2012	to March 31, 2013
SUPPLEMENTARY INFORMATION			
Interest Paid	\$ 491	\$ 1,182	\$ 31,885
Income Taxes Paid	\$	\$	\$
Non-cash transactions			
Sale of fixed assets paid directly to note holder	\$	\$	\$ 5,000
Equipment purchased by owners			162,998
Equipment purchased for notes payable			75,000
Issuance of shares from spin off from parent company			3,052
Debt extinguished for equity	249,341		459,366
Common stock payable	37,522	---	37,522
Common stock subscription	660,000		660,000
Related party receivable exchanged for shareholder debt			102

The accompanying notes are an integral part of these financial statements.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

NOTE 1 NATURE OF OPERATIONS

Mainstream Entertainment, Inc. (f/k/a Skreem Studios, Inc. and Skreem Studios LLC) (the Company) was originally formed in Florida on October 7, 2005 as a limited liability company. The Company's initial business was the operation of a recording studio, which began pre-commencement activity in May 2006, renting and operating a studio facility through April 2009, commencing operations in April 2007 and recording nominal revenues for studio usage and for music production from March 2008 through June 2012. Effective January 25, 2013 a closing occurred on a stock purchase agreement whereby equity members of First Power & Light, LLC, a Delaware Limited Liability Company, acquired controlling interest of the Company. Under new control, the business focus of the Company will be changing from being a music entertainment production company to a U.S. residential and commercial solar developer, offering solar power solutions to residential and commercial customers across the U.S.

On April 1, 2007 the Company was acquired by Insight Management Corporation (f/k/a Skreem Records Corporation) under the purchase method. On June 27, 2008, the majority stockholders authorized a name and entity change from Skreem Studios, LLC to Skreem Studios, Inc. On July 1, 2008, Insight Management Corporation commenced a reverse spin-off of Skreem Studios, Inc., whereby the shareholders of record received one share of Skreem Studios, Inc. for each share owned of Insight Management. Insight Management Corporation, as of July 1, 2008, is no longer related to the Company. On August 2, 2010, the Board of Directors authorized a name change from Skreem Studios, Inc. to Mainstream Entertainment, Inc.

On July 4, 2012, Mainstream Entertainment, Inc. entered into a letter of intent to acquire all the ownership interest in First Power & Light, LLC, a Delaware Limited Liability Company (First Power) pursuant to which the owners of First Power would receive 50,000,000 shares of the Company's common stock (representing 94.2% of the Company's outstanding common stock). On September 20, 2012, the Company entered into a Stock Purchase Agreement in connection with the transactions contemplated by the Letter of Intent, which was subsequently modified and clarified by a First Addendum to Stock Purchase Agreement entered into on January 4, 2013 (collectively, the Stock Purchase), whereby it agreed to issue 50,000,000 shares of restricted common stock to the members of First Power at \$0.01 per share, for the aggregate sum of \$50,000. A total of \$37,522 was received prior to September 30, 2012 with the remaining \$12,478 received subsequent to September 30, 2012. The shares were physically issued by the Company on October 26, 2012; however, certain closing conditions were required to occur prior to the closing of the Stock Purchase and as such, the shares were held in escrow pending the closing. The conditions which were required to occur prior to the closing of the transaction (unless waived by the parties) included the Company being DTC eligible, First Power obtaining an audit of its financial statements, the Company being current in its periodic filings, the

Company not being subject to any legal proceedings and the assumption by First Power of all of the liabilities of the Company. Effective January 25, 2013, the parties entered into a Closing Confirmation agreement, pursuant to which the parties agreed to waive any closing conditions of the Letter of Intent or Stock Purchase, which had not occurred as of that date and to close the transactions contemplated by the Stock Purchase. As such, effective January 25, 2013, the Stock Purchase closed and the shares were released from escrow (pending the requirement that the members of First Power execute confirmation letters and certify certain representations to enable the Company to claim an exemption from registration provided by Rule 506 of the Securities Act of 1933, as amended for the issuance of the shares). The closing of the transactions contemplated by the Stock Purchase constituted a change in control of the Company.

The Company currently anticipates entering into a share exchange agreement with First Power and the members of First Power to acquire the shares of First Power (which is in the solar power solutions business), which agreement is anticipated to be contingent on First Power obtaining audited financial statements and assuming the closing of such share exchange agreement, the Company anticipates taking action to change its name to First Power & Light, Inc. The Company has moved its headquarters to 401 East 4th Street, Bridgeport, PA 19405.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

The financial statements report activity of the Company from its inception on October 7, 2005. Since as of the date of this report the decision has been made and announced to wind down music production, all business revenues and expenses associated with the operation of the music production business are reported as a loss from discontinued operations (see Note 4, Discontinued Operations). As a result, certain line items in our balance sheets, statements of operations and our statements of cash flows have been reclassified to conform to the current presentation.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Company have been prepared utilizing the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized when earned and expenses are recorded when liabilities are incurred. Certain amounts included in the 2011 financial statements have been reclassified to conform to the 2012 financial statement presentation.

Revenue Recognition

Revenue is recognized when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when persuasive evidence of an arrangement exists, services have been provided or product delivered and installed, the price is fixed or determinable, all contractual obligations have been satisfied, and collectability is reasonably assured. Revenue that is billed in advance such as recurring weekly or monthly services are initially deferred and recognized as revenue over the period the services are provided. As of March 31, 2013, no significant revenue has been recorded.

Recognition of Contract Income The Company recognizes revenue on long-term contracts on the percentage-of-completion method of accounting, which is measured by the percentage of cost incurred to date to total estimated cost for each contract. This method is used because management considers total cost to be the best available measure of progress on the contract. Total costs are taken from management estimates without audit on individual contracts. Contract costs include all direct material, labor, subcontract costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, equipment repairs and expense, insurance, and depreciation. General and administrative costs are charged to expense as incurred. Provisions for estimated losses on uncompleted

contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, and estimated profitability may result in revisions to costs and income and are recognized in the period in which the revisions are determined. As of March 31, 2013, no long-term contracts have been executed.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentrations of Risk

General adverse overall economic conditions such as high employment levels, low consumer confidence, limited credit availability, poor business conditions, stock market volatility, weather conditions, acts of terrorism, threats of war, and interest and tax rates could reduce consumer spending or cause consumers to shift their spending away from solar energy products. If the economic conditions continue to be adverse or worsen, the Company may experience material adverse impacts on our business, operating results and financial condition.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

The Company's growth and continued operations could be impaired by limitations on access to capital markets. If the market for securities were to weaken for an extended period of time, the Company's ability to raise capital will be substantially reduced. Even if the market for securities were not to weaken, there is no assurance that a market for the Company's stock will exist in the future. The Company, while operating in the music entertainment industry, has generated limited revenues from operations, has incurred substantial expenses and has sustained losses. In addition, as the focus shifts to the solar energy industry, management expects to continue to incur significant operating expenses. As a result, we will need to generate significant revenues to achieve profitability, which may not occur. Previously the Company's financing of cash flows has been dependent on loans from one of its principal shareholders. This funding will not be maintained and if third party funding is not obtained there will be a material effect on its business, results of operations and financial condition. To meet the need for capital, the Company plans to seek out debt and/or equity financing in the future; however, there are not currently any specific plans to raise such additional financing, and such additional funding may not be available on favorable terms, if at all. The sale of additional equity securities, if undertaken by the Company and if accomplished, may result in dilution to our shareholders.

The Company's executive officers and key shareholder control approximately 70% of the Company's outstanding common stock. Accordingly, the Company's executive officers and key shareholder hold significant influence over the Company on matters submitted to the stockholders for approval, including the election of Directors, mergers, consolidations, the sale of all or substantially all of its assets, and also the power to prevent or cause a change in control.

The Company currently anticipates entering into a share exchange agreement with First Power and the First Power members with the goal of acquiring First Power's assets and operations. The closing of that transaction is anticipated to be dependent on several factors, including, but not limited to First Power obtaining an audit of its financial statements. In the event the Company is not able to acquire First Power, or such share exchange proves too costly, management may be forced to abandon the planned solar power solutions operations and may be forced to further modify its business plan. As a result, in the event the Company is not able to acquire the shares of First Power, any investment in the Company could become worthless.

Market risk exists both in terms of the development of new customer relationships with a start-up company as well as competition from larger companies with better capitalization. Fluctuations in economic and market conditions that impact the prices of conventional and non-solar renewable energy sources could cause the demand for solar energy systems to decline, which would have a negative impact on our business. If solar energy does not achieve widespread adoption or demand for solar energy systems fails to develop sufficiently, the Company may not be able to grow at the

rate anticipated by management. Demand may be influenced by affordability, functionality, appeal or opposition by existing alternate technologies.

Regulatory risk exists in the economic, technological, social and ecosystem environments. If the Company is late in its filings three times in any 24 month period and is de-listed from the OTCBB or is automatically delisted for failure of a market maker to quote the Company's stock, it may become worthless. The reduction or elimination of government subsidies and incentives or delays or interruptions in the implementation of favorable federal or state laws could substantially increase the cost of our systems to future customers, resulting in a significant reduction in demand for the Company's planned solar energy systems. Local ordinances subject to various concerns such as aesthetics, safety and taxation may hinder growth in various areas.

Technological risk exists in the development of cost-effective, functional and reliable solar energy systems relative to conventional (fossil, plant and mineral fuels) and other non-solar renewable (hydroelectric, wind, geothermal, solar thermal, concentrated solar and biomass) energy sources and products. The potential for failure to offer and market new products could cause operations to become uncompetitive or obsolete, which could prevent the Company from obtaining any sales, or increasing sales and becoming profitable.

Supply risk exists. In previous years global photovoltaic (PV) module supply has fluctuated, which has resulted in some price increases and limited availability for solar PV modules. While the risk factors of future shortages have lessened due to multiple manufacturing circumstances, management believes future supply problems are a possibility that must be taken into account.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

Workforce risks exists that the Company will not be able to obtain qualified and capable managerial, operational and financial personnel in the regions where needed at a rate of compensation that can be maintained to achieve profitability. The Company's performance will be substantially dependent on the performance of its executive officers, Malcolm N. Adler and Thomas Moore. The loss of the services of either of its executive officers and key employees, particularly in the early stages of operation and development, could have a material effect on its business, results of operations or financial condition. The Company does not maintain key man life insurance covering either of them.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. As of March 31, 2013 and September 30, 2012, there were no cash equivalents.

Inventory

Inventory is stated at the lower of cost (on an average basis) or market value. We determine cost based on the weighted-average purchase price and include both the costs of acquisition and the shipping costs in inventory. We regularly review the cost of inventory against its estimated market value and record a lower of cost or market write-down to cost of goods sold, if any inventory has a cost in excess of estimated market value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and dispose.

Prepaid Expenses

Prepaid expenses are advance payments for products or services that will be used in operations during the next twelve months.

Subscription Payable

During the 2012 fiscal year, the Company entered into a Stock Purchase Agreement to sell 50,000,000 shares for \$50,000 of capital. As of September 30, 2012, the Company had received \$12,478, and recorded the remaining balance of \$37,522 as a subscription payable at September 30, 2012. The remaining balance of \$12,478 was collected in the quarter ended December 31, 2012.

During the second quarter of fiscal 2013, the Company entered into a definitive agreement to issue shares in consideration for retirement of debt. A total of 1,908,130 were authorized to fulfill \$190,822 of related party debt. As of period ended March 31, 2013 the Company issued 1,725,130 of common stock, the remaining 183,000 is unissued and recorded as a stock payable. Due to conversion of debt, the company recognized a loss of conversion of \$1,736,390. The value of the stock unissued is \$184,830 and closing of the transaction is expected during the third quarter of fiscal 2013.

Development Stage Company

The Company complies with the Financial Accounting Standards Board (FASB) Pronouncements for its characterization of the Company as development stage.

Property, Equipment, and Improvements

Property and equipment are stated at cost less accumulated depreciation and valuation adjustments. Major additions and improvements are capitalized, and routine expenditures for repairs and maintenance are charged to expense as incurred. Fully depreciated assets are carried on the books until the date of disposal. Property sold or retired, and the related gain or loss, if any, is taken into income currently. Property that costs less than \$500 is expensed as incurred.

Depreciation and Amortization

Depreciation is calculated according to the straight-line method over the estimated useful lives of the respective assets, which range from three to seven years for equipment and furnishings and over the life of the lease for leasehold improvements.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

Impairment of Long Lived Assets

Long-lived assets are reviewed for impairment in accordance with the applicable FASB standard, "Accounting for the Impairment or Disposal of Long-lived Assets". Under the standard, long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. An impairment charge is recognized for the amount, if any, which the carrying value of the asset exceeds the fair value.

Fair Value Measurements

On January 1, 2008, the Company adopted ASC No. 820-10 (ASC 820-10), Fair Value Measurements. ASC 820-10 relates to financial assets and financial liabilities.

ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (GAAP), and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard is now the single source in GAAP for the definition of fair value, except for the fair value of leased property. ASC 820-10 establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) an entity's own assumptions, about market participant assumptions, that are developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

Level 1. Observable inputs such as quoted prices in active markets;

Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and

Level 3. Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The Company values its fixed assets at their fair value if impairment is identified in accordance with the applicable FASB standard. The inputs that are used in determining the fair value of these assets are Level 3 inputs. These inputs consist of but are not limited to the following: estimates of prices for similar assets according to web markets such as ebay, estimates of the condition of the property, estimates of the costs to get the assets ready for sale, etc. There were no impairment indicators as of March 31, 2013. No assets were re-valued at fair value on a recurring or non-recurring basis as of March 31, 2013.

Research and Development Costs

Research and development expenses, which include the cost of activities that are useful in developing new products, processes or techniques, as well as expenses for activities that may significantly improve existing products or processes are expensed as incurred. In the six months ended March 31, 2013 and 2012 and from inception, the Company has incurred no research and development costs.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

Income Taxes

The Company accounts for income taxes under the applicable FASB Financial Accounting Standard No. 109, "Accounting for Income Taxes". Under the standard, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Current income tax provisions are made based on taxable income reported to federal and state taxing authorities. Deferred tax assets, including tax loss and credit carry-forwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. As of March 31, 2013 and September 30, 2012, there was no current or deferred income tax expense or benefit.

For income tax reporting purposes, the Company uses accounting methods that recognize depreciation sooner than for financial statement reporting. As a result, the basis of property and equipment for financial reporting exceeds its tax basis by the cumulative amount that accelerated depreciation exceeds straight-line depreciation. Deferred income taxes have been recorded for the excess, which will be taxable in future periods through reduced depreciation deductions for tax purposes. A full valuation allowance has been taken on the deferred tax assets based on the Company's determination that they are unlikely to pay income taxes in the future.

Cash paid for income taxes for the six month periods ended March 31, 2013 and 2012, respectively, and from inception was \$0.

Basic and Diluted Net Income Per Common Share

Basic and diluted net loss per share calculations are calculated on the basis of the weighted average number of common shares outstanding during the year. The per share amounts include the dilutive effect of common stock equivalents in years with net income. Basic and diluted loss per share is the same due to the anti-dilutive nature of potential common stock equivalents.

Stock Based Compensation

The Company accounts for stock-based employee compensation arrangements and for stock options issued to non-employees using the fair value method in accordance with the provisions of the applicable FASB standards.

During the quarter ended March 31, 2013, the Company issued 200,000 shares as compensation for services at a value of \$216,000, or \$1.08 per share, which is the fair market value on the date of grant.

Recent Accounting Pronouncements

In October 2012, the FASB issued Accounting Standards Update (ASU) 2012-04, Technical Corrections and Improvements in Accounting Standards Update No. 2012-04. The amendments in this update cover a wide range of Topics in the Accounting Standards Codification. These amendments include technical corrections and improvements to the Accounting Standards Codification and conforming amendments related to fair value measurements. The amendments in this update will be effective for fiscal periods beginning after December 15, 2012. The adoption of ASU 2012-04 is not expected to have a material impact on our financial position or results of operations.

In August 2012, the FASB issued ASU 2012-03, Technical Amendments and Corrections to SEC Sections: Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin (SAB) No. 114, Technical Amendments Pursuant to SEC Release No.33-9250, and Corrections Related to FASB Accounting Standards Update 2010-22 (SEC Update) in Accounting Standards Update No. 2012-03. This update amends various SEC paragraphs pursuant to the issuance of SAB No. 114. The adoption of ASU 2012-03 is not expected to have a material impact on our financial position or results of operations.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

In July 2012, the FASB issued ASU 2012-02, *Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment* in Accounting Standards Update No. 2012-02. This update amends ASU 2011-08, *Intangibles - Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment* and permits an entity first to assess qualitative factors to determine whether it is more likely than not that an indefinite-lived intangible asset is impaired as a basis for determining whether it is necessary to perform the quantitative impairment test in accordance with Subtopic 350-30, *Intangibles - Goodwill and Other -General Intangibles Other than Goodwill*. The amendments are effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. Early adoption is permitted, including for annual and interim impairment tests performed as of a date before July 27, 2012, if a public entity's financial statements for the most recent annual or interim period have not yet been issued or, for nonpublic entities, have not yet been made available for issuance. This update, ASU 2012-02, did not have a material impact on our financial position or results of operations.

In December 2011, the FASB issued ASU 2011-11, *Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities*, which introduces new disclosure requirements for companies in order to provide information to help reconcile differences in the offsetting requirements. The new disclosure requirements mandate that entities disclose both gross and net information about instruments and transactions eligible for offset in the statement of financial position as well as instruments and transactions subject to an agreement similar to a master netting arrangement. In addition, the standard requires disclosure of collateral received and posted in connection with master netting agreements or similar arrangements. The ASU will be effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods, and must be shown for all periods presented on the balance sheet (i.e., applied retrospectively). This ASU is not expected to have any material impact to our financial statements.

In May 2011, the FASB ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The new standards retain the traditional fair value hierarchy already laid out in Topic 820 of FASB's Accounting Standards Codification. The hierarchy identifies three levels of assets and liabilities, with the level of required disclosures essentially increasing as the associated valuations become less reliable: Level 1 assets and liabilities are valued according to a quoted price in an active market, generally without any adjustments; Level 2 assets and liabilities are valued based on observable inputs other than quoted active market prices, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, and interest rates and yield curves; Level 3 assets and liabilities are valued based on unobservable inputs, such as a company's own estimates and pricing models. These risky and illiquid assets and liabilities are subject to the most expansive disclosure requirements. The new standards provide three critical clarifications of how to apply the existing FV measurement and disclosure requirements: 1. Highest and best use. FV assumes that an asset is put to its highest and best use. 2. Instruments

classified in shareholders' equity. A company might classify certain instruments—such as equity instruments issued as part of a merger or acquisition—in its shareholders' equity. 3. Disclosures about FV measurements. The new standards make clear that a company must disclose quantitative information about the unobservable inputs used in FV measurements of Level 3 items. Companies will be required to disclose how they measure the value of assets that are difficult to value because they can't easily be sold in active markets. This could require the disclosure of information like the average weighted cost of capital, as well as a description of how the value could change if an unobservable input changes. Companies must prospectively apply the standards set forth in ASU 2011-04. The standards take effect for public companies during the interim and annual periods beginning after December 15, 2011. This ASU did not have any material impact to our financial statements.

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(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

NOTE 3 GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business for the foreseeable future. Since inception, the Company has accumulated losses of \$2,958,233 and has a working capital deficit of \$100,939 at March 31, 2013. These conditions raise substantial doubt as to the Company's ability to continue as a going concern. Management intends to finance these deficits through the sale of stock and profits from the new business activities, although no assurance can be given that either approach will be successful.

NOTE 4 DISCONTINUED OPERATIONS

Discontinued operations are presented and accounted for in accordance with Accounting Standards Codification (ASC) 360, Impairment or Disposal of Long-Lived Assets, (ASC 360). When a qualifying component of the Company is disposed of or has been classified as held for sale, the operating results of that component are removed from continuing operations for all periods presented and displayed as discontinued operations if: (a) elimination of the component's operations from the Company's ongoing operations has occurred (or will occur) and (b) significant continuing involvement by the Company in the component's operations does not exist after the disposal transaction.

Previously, we announced that we were exiting the music entertainment business. The exit from the music entertainment production business was essentially completed at the end of the December quarter of 2012. The exit from the music entertainment production and recording studio business was therefore classified as discontinued operations for all periods presented under the requirements of ASC 360.

The assets and liabilities of discontinued operations are presented separately under the captions Assets to be discontinued, Liabilities to be discontinued and Long-term liabilities to be discontinued operations, respectively, in the accompanying balance sheets at March 31, 2012 and September 30, 2012. There were no liabilities to be discontinued and the assets to be discontinued at March 31, 2012 and September 30, 2012 consists of a note receivable in the amount of \$2,555 and \$2,555 and some recording equipment in the amounts of \$0 and \$2,210, respectively. In connection with the announcement of our exit from the music entertainment business, we reclassified certain assets as

Recording equipment held for sale, in the accompanying consolidated balance sheets.

NOTE 5 DEVELOPMENT STAGE OPERATIONS

The Company was formed October 7, 2005. Initial funding for the Company was provided by the parent's principal stockholder via equity capital, direct debt capital and indirect/related party debt capital. The Company's business operations commenced January 2, 2008, studio operations were discontinued on April 15, 2009 and ceased in anticipation of the business shift to solar energy in early 2013. Operations of the Company from inception have been devoted primarily to raising capital, obtaining financing, acquiring equipment, constructing improvements to the rented studio facilities, and administrative functions. Start-up and organization costs are expensed as incurred. The Company had limited operations in the quarter and year ended March 31, 2013 and September 30, 2012. Moving forward, the Company plans to change its business focus to solar power solutions. Transactions with shareholders and other related parties are described in other notes to these financial statements.

Mainstream Entertainment, Inc.

(A Development Stage Company)

Notes to the Financial Statements

March 31, 2013 and 2012

NOTE 6 NOTE RECEIVABLE

In December 2011, the Company entered into a contract with one customer to produce a compact disk recording consisting of seven to ten selections to be sold by the customer. The gross contract amount was \$35,000 and the costs on the contract were \$1,400. The contract was completed in June 2012 and at that time the Company had received payments on the contract totaling \$32,445. As of March 31, 2012 and September 30, 2012, the company held a receivable of the balance due on the contract in the amount of \$2,555. On December 31, 2012 the customer signed a promissory note to pay the Company the entire balance due of \$2,555 along with interest accrued at the annual rate of 5% on or before December 31, 2013. Management does not anticipate any problem collecting the funds and, accordingly, have not recorded an allowance for uncollectable funds.

NOTE 7 RELATED PARTY TRANSACTIONS

All of the non-trade debt financing and related interest expense for the Company has been provided by and paid or accrued to material shareholders or entities controlled by them. Related party debt as of March 31, 2013 and September 30, 2012 was \$75,763 and \$188,405, respectively.

During the quarter, the Company authorized a total of 1,908,130 of common shares to retire \$190,822 in notes payable and accrued interest owed to note holders. As of March 31, 2013 the company issued 1,725,130 common shares and 183,000 common shares are recorded as \$184,830 liability to issue stock. Due to conversion of debt, the Company recognized a loss on debt conversion of \$1,917,870.

The facility at which the Company's equipment held is stored is owned by an entity controlled by Jeffrey Martin, a material shareholder and the rent expense for usage is contributed by the shareholder as additional paid in capital in the amounts of \$200, \$200, and \$1,600 for the six months ended March 31, 2013 and 2012 and from inception to March 31, 2013, respectively.

NOTE 8 CAPITAL STOCK

The Company has 100,000,000 shares of \$0.001 par value stock authorized. As of March 31, 2013, there were 65,912,000 shares outstanding.

On January 25, 2013 the Company closed on a letter of intent executed on July 4, 2012 and a Stock Purchase Agreement executed on September 20, 2012 and amended on January 4, 2013 whereby it agreed to sell 50,000,000 restricted shares of common stock at \$0.01 per share to First Power & Light, LLC for the sum of \$50,000. The management of First Power & Light, LLC subsequently transferred the right to receive the shares directly to its members. These shares were issued on October 26, 2012. Proceeds received by the Company from the sale of stock under the Stock Purchase Agreement totaled \$50,000. The shares issued on October 26, 2012 were restricted by contract, held in escrow, and had no rights to vote or disposal until the closing of the contract was consummated on January 25, 2013, at which time the contractual restrictions terminated and the shares were released from escrow.

On January 23, 2013 the Board of Directors authorized the issuance of 240,000 shares of the Company's common stock to a trade creditor to be applied toward the outstanding accounts payable balance due in the amount of \$58,520. The transaction was valued at \$240,000, or \$1.00 per share, which is the fair market value on date of grant. As of March 31, 2013, the Company recognized a loss on settlement of debt of \$181,480, which is recorded a part of \$1,917,870 and includes \$1,736,390 loss on related party debt conversion.

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On January 24, 2013 the Board of Directors authorized the issuance of 1,908,130 shares of the Company's common stock to a principal shareholder, Jeffrey Martin, and his designees in exchange for the conversion of the total principal and interest balances owed to Jeffrey Martin and related entities controlled by him. The debt retired totaled \$190,822. The transaction was valued at \$1,927,212, or \$1.01 per share, which is the fair market value on date of grant. As of March 31, 2013, the Company issued a total of 1,725,130 of common shares and the remaining 183,000 is unissued and recorded as \$184,830 stock payable. Due to conversion of debt the Company recognized a loss of \$1,736,390, which is recorded a part of \$1,917,870 total loss on conversion of debt that includes loss in settlement of debt of \$181,480.

At various times during the quarter, the Company issued an aggregate of 10,695,000 shares for cash consideration totaling \$660,000. As of March 31, 2013, the Company had not received proceeds from the issuances and has recorded common stock subscribed in the amount \$660,000.

During the quarter, the Company issued an aggregate of 200,000 shares as compensation for services for a value of \$216,000, or \$1.08 per share, which is the fair market value on the date of grant.

NOTE 9 COMMITMENTS AND CONTINGENCIES

In October 2009, the Company leased studio facilities at 275 North Bayshore Drive, Ocoee, FL 34761. The lease was renegotiated on May 21, 2010 which permitted the Company to use the facilities at a rate of \$50 per hour without any minimum use requirements. The facility was not used between October 2009 and December 31, 2010. On February 2, 2011, the lease was renegotiated and extended the term to December 31, 2012. The lease has expired and there is no intent to renew it.

Effective January 25, 2013, the Company and First Power entered into a Closing Confirmation agreement, pursuant to which the parties agreed to waive any closing conditions of the July 4, 2012 Letter of Intent or September 20, 2012 (as amended January 4, 2013) Stock Purchase (see Note 1), which had not occurred as of that date and to close the transactions contemplated by the Stock Purchase. As such, effective January 25, 2013, the Stock Purchase closed and the shares were released from escrow (pending the requirement that the members of First Power execute confirmation

letters and certify certain representations to enable the Company to claim an exemption from registration provided by Rule 506 of the Securities Act of 1933, as amended for the issuance of the shares. The closing of the transactions contemplated by the Stock Purchase constituted a change in control of the Company. (See Note 1.)

NOTE 10 EQUIPMENT

Property and equipment at March 31, 2013 and September 30, 2012 consisted entirely of \$0 and \$2,210 of recording studio equipment. The equipment was being stored and was not in service. As of the date of this report, the equipment is being held for sale.

NOTE 11 OTHER ASSETS EQUIPMENT HELD (NOT IN SERVICE)

In April, 2009 the Company moved its remaining equipment into storage with the intention of utilizing it in the future for operations. Upon being moved to storage, the equipment was marked down to fair market value and a loss of \$4,777 was recognized to adjust carrying value from net book value during the twelve months ended September 30, 2009. The equipment valued at fair market value is being depreciated over its remaining useful life. It is now part of discontinued operations and being held for sale.

NOTE 12 SUBSEQUENT EVENTS

No other material events came to our attention from the report date to the date these financial statements were issued.

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

We caution you that this report contains forward-looking statements regarding, among other things, financial, business, and operational matters.

All statements that are included in this Quarterly Report, other than statements of historical fact, are forward-looking statements. Forward-looking statements involve known and unknown risks, assumptions, uncertainties, and other factors. Statements made in the future tense, and statements using words such as may, can, could, should, predict, potential, continue, opportunity, intend, goal, estimate, expect, expectations, project, projections, believe, think, confident, scheduled or similar expressions are intended to identify forward-looking statements. Forward-looking statements are not a guarantee of performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and are beyond our control. These risks and uncertainties could cause actual results to differ materially from those expressed in or implied by the forward-looking statements, and therefore should be carefully considered. We caution you not to place undue reliance on the forward-looking statements, which speak only as of the date of this report. We disclaim any obligation to update any of these forward-looking statements as a result of new information, future events, or otherwise, except as expressly required by law. References in this Form 10-Q, unless another date is stated, are to March 31, 2013. As used herein, the "Company," Mainstream, "we," "us," "our" and words of similar meaning refer to Mainstream Entertainment, Inc.

Organizational History

Mainstream Entertainment, Inc. was originally formed to undertake entertainment production activities as a limited liability company (Skreem Studios, LLC) in Florida, on October 7, 2005. The Company initiated pre-commencement activity in May 2006, renting a studio facility, acquiring equipment, building out two studios and incurring other pre-operational expenses.

On April 1, 2007, the Company was acquired by Insight Management Corporation (f/k/a Skreem Records Corporation) and commenced business operations. In June 2008, the then majority stockholders authorized a name and entity change from Skreem Studios, LLC to Skreem Studios, Inc. On July 1, 2008, Insight Management Corporation commenced a reverse spin-off of Skreem Studios, Inc., whereby the shareholders of record as of July 1, 2008, received one share of Skreem Studios, Inc. for each share owned of Insight Management Corporation. Insight Management Corporation, as of July 1, 2008, is no longer related to the Company. On August 2, 2010 the Company changed its name to Mainstream Entertainment, Inc.

Prior to the closing of the Stock Purchase (described below), the Company was primarily engaged in music production and distribution in the United States and Europe. Specifically, the Company, a development stage company, leased a recording studio equipped to provide all of the services necessary for recording and editing finished audio products; and planned to act as a producer, music licensor and manager. The Company owns rights to certain copyrighted songs and has one client, the music group 3rdWish, a music group whom Justin Martin, our former Vice President is a member. Justin Martin is the 27 year old son of Jeff Martin, our majority shareholder prior to the closing of the Stock Purchase.

Prior Operations

In May 2011, the Company launched its first song titled Mom's Song which is being offered for sale on iTunes. The song may be heard on YouTube and iTunes. The song was written and performed by Justin Martin.

In December 2011, the Company entered into an understanding with Barton Funeral Services, Inc. to record and produce music for a CD to sell to funeral homes at a total cost of \$36,000. The Company received \$36,000 in connection with this understanding during the year ended December 31, 2012. The artist(s) engaged to record the music will be compensated as a percentage of sales of the record. The project was completed in the third calendar quarter of 2012.

Moving forward the Company does not anticipate undertaking any additional music or production activities.

New Business Plan

In July 2012, the Company entered into a letter of intent to acquire all the ownership interest in First Power & Light, LLC, a Delaware Limited Liability Company (First Power and the Letter of Intent) pursuant to which the owners of First Power would receive 50,000,000 shares of the Company's common stock (representing 94.2% of our outstanding common stock).

On September 20, 2012, the Company entered into a Stock Purchase Agreement in connection with the transactions contemplated by the Letter of Intent, which was subsequently modified and clarified by a First Addendum to Stock Purchase Agreement entered into on January 4, 2013 (collectively, the Stock Purchase), whereby it agreed to issue 50,000,000 shares of restricted common stock to the members of First Power at \$0.01 per share, for the aggregate sum of \$50,000. A total of \$37,522 was received prior to September 30, 2012 with the remaining \$12,478 received subsequent to September 30, 2012. The shares were physically issued by the Company on October 26, 2012; however, certain closing conditions were required to occur prior to the closing of the Stock Purchase and as such, the shares were held in escrow pending the closing. The conditions which were required to occur prior to the closing of the transaction (unless waived by the parties) included the Company being DTC eligible, First Power obtaining an audit of its financial statements, the Company being current in its periodic filings, the Company not being subject to any legal proceedings and the assumption by First Power of all of the liabilities of the Company.

Effective January 25, 2013, the parties entered into a Closing Confirmation agreement, pursuant to which the parties agreed to waive any closing conditions of the Letter of Intent or Stock Purchase, which had not occurred as of that date and to close the transactions contemplated by the Stock Purchase. As such, effective January 25, 2013, the Stock Purchase closed and the shares were released from escrow (pending the requirement that the members of First Power execute confirmation letters and certify certain representations to enable the Company to claim an exemption from registration provided by Rule 506 of the Securities Act of 1933, as amended for the issuance of the shares).

The closing of the transactions contemplated by the Stock Purchase constituted a change in control of the Company.

In connection with the Closing Confirmation, First Power agreed to indemnify and hold the Company's current officers and Directors harmless against any liabilities of the Company at closing.

Additionally, the Company's Directors Charles Camorata, Justin Martin and Karen Aalders appointed Malcolm Adler and Thomas Moore as Directors of the Company and then resigned as Directors of the Company following the filing of a Schedule 14F-1 Information Statement with the Securities and Exchange Commission on February 8, 2013, thus providing the proper notice to the Company's shareholders. As of March 31, 2013, all resignations and appointments have been made and are effective.

Concurrent with the closing of the Stock Purchase, Malcolm N. Adler was appointed Chief Executive Officer and President, and Thomas Moore was appointed as Secretary and Treasurer of the Company filling the vacancies created by the resignations of Charles Camorata as Chief Executive Officer and President, Justin Martin as Vice-President, and Karen Aalders as Chief Financial Officer, Secretary and Treasurer, which prior officers resigned as officers of the Company effective January 25, 2013.

Additionally, the new officers and the new Directors have decided to undertake a change in business focus of the Company from being a music entertainment production company to a U.S. residential and commercial solar developer. Moving forward, we plan to cease undertaking any music entertainment operations and instead offer solar power solutions to residential and commercial customers across the U.S. One of the reasons for this change in business focus is because the Company believes the outlook for music entertainment production revenues is weak while the demand for residential and commercial solar power energy solutions in the U.S. is increasing - according to a 2012 report by GTM Research and Solar Energy Industries Association, the U.S. solar industry has experienced a 75% growth since 2011.

The Company's current goal is to become a market leader in the U.S. for the installation and distribution of small to large scale photovoltaic installations. The Company's business strategy includes proposed Equipment-Procurement-Construction (EPC) contracts where the Company will be hired to install a solar power system as well as efforts to aggressively target medium to large-scale photovoltaic installations for acquisition roll-up. The Company will not be a solar panel manufacturer and consequently expects to benefit from increasing panel manufacturer competition through lower panel prices.

Meeting U.S. energy growth demands requires responsible and far-sighted development of sustainable clean-energy alternatives. The Company plans to provide an economically viable and environmentally sustainable energy production solution with the goal of addressing these issues. The Company plans to utilize both federal and state tax credits created by green energy incentives to provide large energy users with the economic benefit of reducing their electricity costs and operating expenses through solar power. The Company's planned solutions will protect energy users from rising utility rates and provide a long-term, environmentally-friendly and economically attractive way for energy users to hedge a portion of their current and future electricity costs.

In connection with this new business focus and to finalize all of the transactions previously contemplated by the terms of the Letter of Intent, the Company currently anticipates entering into a share exchange agreement with First Power and the First Power shareholders subsequent to the date of this filing to acquire the shares of First Power (which is in the solar power solutions business), which agreement is anticipated to be contingent on First Power obtaining audited financial statements and assuming the closing of such share exchange agreement, the Company anticipates taking action to change its name to First Power & Light, Inc. There can be no assurance that the Company will ever be able to acquire the shares of First Power or that such share acquisition and change in business plan will be successful. The officers and directors of the Company and First Power are the same persons.

Plan of Operations for the Next 12 Months

The Company's business plan over the next 12 months entails initially entering the Northeast US residential and commercial solar installation market and aggressively targeting states such as New Jersey, Pennsylvania, Massachusetts, New Hampshire and Connecticut. The Company will additionally target states with high solar incentives such as North Carolina, Louisiana and New York. In order to efficiently target the Southeast US markets, the Company intends to establish an office in Orlando, Florida.

The Company intends to aggressively seek out federal installation clients, i.e., federal buildings equipped with solar installations. Examples of this include General Services Administration buildings and military facilities.

The Company intends to engage in a roll-up campaign of small to medium sized solar installers that it expects will boost its market presence and reach, grow its balance sheet, and increase sales, which program it hopes to begin after completing the planned share acquisition of First Power (as described above).

The Company intends to build its sales force in order to better penetrate these markets and increase business volume. The Company additionally intends to implement online marketing campaigns and attend prominent solar trade shows held by leading solar organizations such as Solar Power International and Solar Energy Power Association in order to source business opportunities and facilitate relationship building. The Company plans to target small to mid-sized solar installers for acquisition opportunities. The Company believes that acquiring other small to mid-sized solar installers will allow it to grow and enter new markets more efficiently and allow it to accept increased business volume.

The Company anticipates needing \$2 million in funding over the next 12 months to carry out its business plan. The Company intends on raising the required funds through sales of securities in private placements. If the Company cannot source the required funds, it believes that it can continue operations at its current level, but it will not be able to fully carry out the described business plan, and its growth will be minimal or stagnant.

We currently have a monthly burn rate consisting of professional fees (which include legal and accounting fees) of approximately \$5,000 and interest expense of approximately \$0, for a total of \$5,000 in monthly expenses. The Company has historically been dependent upon loans made by the Company's former majority shareholder and current significant shareholder, Jeffrey Martin (See Liquidity and Capital Resources, below); however, it is not anticipated that Mr. Martin will continue to loan the Company funds moving forward. As such, the Company plans to raise funds of \$2 million by selling equity or debt to investors in exempt private placements. No assurance can be made that we will be successful in doing so.

Results of Operations and Operating Expenses:

For The Six months Ended March 31, 2013 Compared To The Six months Ended March 31, 2012

We generated no revenues for either the six months ended March 31, 2013 or 2012.

We had \$310,875 of total operating expenses for the six months ended March 31, 2013, compared to \$31,102 for the six months ended March 31, 2012, an increase in total operating expenses of \$279,773 or 90% from the prior period.

Operating expenses included general and administrative expenses for both periods and the increase in operating expenses was mainly due to additional professional fees associated with the letter of intent.

We had total other expenses of \$1,923,086 for the six months ended March 31, 2013, compared to \$9,107 for the six months ended March 31, 2012, an increase in other expenses of \$1,913,979 or 99% from the prior period. Interest expense associated with increased borrowings from our shareholders was \$5,216 and the Company recognized a loss on the conversion of debt to equity in the amount of \$1,917,870.

We had a loss from discontinued operations of \$2,271 for the six months ended March 31, 2013, compared to a gain from discontinued operations of \$18,310 for the six months ended March 31, 2012, an increase in net loss of \$20,581 or 189% from the prior period.

We had a net loss of \$2,236,142 for the six months ended March 31, 2013, compared to a net loss of \$21,899 for the six months ended March 31, 2012, an increase in net loss of \$2,214,243 or 99% from the prior period.

For The Three months Ended March 31, 2013 Compared To The Three months Ended March 31, 2012

We generated no revenues for either the six months ended March 31, 2013 or 2012.

We had \$285,454 of total operating expenses for the three months ended March 31, 2013, compared to \$16,494 for the three months ended March 31, 2012, an increase in total operating expenses of \$268,960 or 95% from the prior period. Operating expenses included general and administrative expenses for both periods and the increase in operating expenses was mainly due to an increase in additional professional fees.

We had total other expenses of \$1,736,731 for the three months ended March 31, 2013, compared to \$4,593 for the three months ended March 31, 2012. Interest expense associated with borrowings from our shareholders was \$341 and the Company recognized a loss on the conversion of debt to equity in the amount of \$1,736,390.

We had a loss from discontinued operations of \$1,105 for the three months ended March 31, 2013, compared to a gain from discontinued operations of \$18,725 for the three months ended March 31, 2012.

We had a net loss of \$2,023,290 for the three months ended March 31, 2013, compared to a net loss of \$2,362 for the three months ended March 31, 2012, an increase of \$2,020,928.

Liquidity and Capital Resources

As of March 31, 2013, the Company had \$15 of total current assets consisting solely of cash.

The Company had total assets of \$2,570 as of March 31, 2013, which included \$15 of current assets and a note receivable of \$2,555.

The Company had total current liabilities consisting solely of current liabilities of \$100,954 as of March 31, 2013, which included \$25,191 of accounts payable and accrued liabilities, \$341 of accrued interest on related party debt, representing accrued interest on the loans payable to Jeffrey Martin, our largest shareholder prior to the closing of the Stock Purchase, as described below, and \$75,422 of related party notes payable to Mr. Martin and Sharon Altman, our current majority shareholder. As described below, in connection with the Debt Conversion, on January 24, 2013, Mr. Martin converted \$145,316 of the related party debt of the Company as of March 31, 2013 along with \$45,506 of the accrued related party interest payable by the Company to Mr. Martin as of March 31, 2013, into 1,908,130 shares of the Company's common stock.

The Company had a deficit accumulated during the development stage of \$2,958,233 and a working capital deficit of \$100,939 as of March 31, 2013.

As of the end of this quarter, the Company has approximately \$15 of cash available for Company use. The Company does not believe that such funds will be sufficient to fund its expenses over the next twelve months. There can be no assurance that additional capital will be available to the Company. The Company currently has no agreements, arrangements, or understandings with any person to obtain funds through bank loans, lines of credit, or any other sources.

Previously the Company has relied upon its majority shareholder to advance funds to allow it to operate, however; we do not expect such funding to continue subsequent to the Stock Purchase Agreement. Moving forward, the Company will be forced to raise additional funds to support its operations and pay its ongoing and previously accrued expenses, which may be raised through loans from the Company's related parties (although no current plans exist for such related parties to supply such funding), traditional bank loans, and/or through the sale of debt or equity securities, which could cause material dilution to the Company's current shareholders. No assurance can be made that we will be successful in raising such additional funds.

The Company had \$88,341 of net cash used in operations for the six months ended March 31, 2013, which was mainly due to \$2,233,871 of net loss offset by non-cash expenses of \$1,917,870 and \$216,000, representing a loss on debt retirement and stock compensation, respectively. In addition, there was an increase of \$11,460 in accounts payable and accrued expenses.

The Company had \$87,900 of net cash provided by financing activities for the six months ended March 31, 2013, which was mainly due to \$75,422 of borrowings from related parties and \$12,478 raised through the sale of common stock.

Debt Financings and Related Party Notes:

The Company is highly dependent on related party financing, and has historically been dependent on funding from its significant shareholder, Jeffrey Martin (Related Party Notes). All of the debt financing and related interest expenses for the Company have been provided by and paid or accrued to (i) Jeffrey Martin, the former principal shareholder or to entities controlled by him; or (ii) by Sharon Altman, our current significant shareholder of the Company or entities controlled by her.

The Related Party Notes are made formal through promissory notes. Other than these Related Party Notes, there are no other formal agreements between the Company and the related parties regarding any future debt financing or the payment of related interest expenses. All of the Related Party Notes provided to the Company by Mr. Martin have been satisfied in full as of the date of this filing as described below in connection with the Debt Conversion.

We have budgeted the need for approximately \$2 million of additional funding during the next 12 months to continue our business operations, pay costs and expenses associated with our filing requirements with the Securities and Exchange Commission and undertake our business plan, which funding may not be available on favorable terms, if at all. If we are unable to raise adequate working capital for fiscal 2013, we will be restricted in the implementation of our business plan.

The financial statements included herein have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has had minimal revenues and has accumulated losses since inception. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity or debt financing to continue operations, and the attainment of profitable operations. These financial statements do not include any adjustments related to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue as a going concern.

Moving forward, we plan to seek out additional debt and/or equity financing to pay costs and expenses associated with our filing requirements with the Securities and Exchange Commission and business activities (as described herein); however, we do not currently have any specific plans to raise such additional financing at this time. The sale of additional equity securities, if undertaken by the Company and if accomplished, may result in dilution to our shareholders. We cannot assure you, however, that future financing will be available in amounts or on terms acceptable to us, or at all.

At March 31, 2013 and September 30, 2012, interest in the amounts of \$341 and \$43,174, respectively, is accrued on these notes. Interest expense for the six months ended March 31, 2013 and 2012 and from inception was \$5,216, \$9,107 and \$88,089, respectively.

For the six month periods ending March 31, 2013 and 2012, and for the period from inception through March 31, 2013, the Company has recognized conversion of debt losses in the amounts of \$1,917,870, \$0 and \$1,917,870, respectively. For the six month periods ending March 31, 2013 and 2012, and for the period from inception through March 31, 2013, the Company recognized forgiveness of debt income in the amounts of \$0, \$0 and \$1,215, respectively.

Debt Conversion Transactions

On January 23, 2013, the Board of Directors of the Company authorized the issuance of 240,000 shares of the Company's common stock at \$1.00 per share to a trade creditor to be applied toward the outstanding accounts payable balance due in the amount of \$58,520. The Company recognized a loss on the conversion of debt in the amount of \$181,480.

On January 24, 2013 the Board of Directors authorized the issuance of 1,908,130 shares of the Company's common stock to a principal shareholder, Jeffrey Martin, and his designees in exchange for the satisfaction of the total principal and interest balances owed to Jeffrey Martin and related entities controlled by him. The debt retired totaled \$190,822. The transaction was valued at \$1,927,212, or \$1.01 per share, which is the fair market value on date of grant. As of March 31, 2013, the Company issued a total of 1,725,130 of common shares and the remaining 183,000 shares are unissued and recorded as \$184,830 stock payable. Due to conversion of debt the Company recognized a loss of \$1,736,390.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a smaller reporting company, as defined by Rule 229.10(f)(1).

Item 4. Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit pursuant to the requirements of the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, among other things, controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive and financial officers, as appropriate, to allow timely decisions regarding required disclosure.

(a) Evaluation of disclosure controls and procedures

Our Principal Executive and Principal Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report, has concluded that as of that date, our disclosure controls and procedures were adequate and effective to ensure that information required to be disclosed by us in the reports we file or submit with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The conclusions notwithstanding, you are advised that no system is foolproof.

(b) Changes in internal control over financial reporting

As previously disclosed, during the period covered by this Quarterly Report, we underwent a change of control. Current management is completely different from the management in place prior to the change of control and therefore cannot comment on whether the controls and procedures it has implemented are similar to the controls and procedures in place prior to the change in control.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business. We are not currently involved in legal proceedings that could reasonably be expected to have a material adverse effect on our business, prospects, financial condition or results of operations. We may become involved in material legal proceedings in the future.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in (a) the Company's Annual Report on Form 10-K for the year ended September 30, 2012, filed with the Securities and Exchange Commission on January 9, 2013, and (b) the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on February 8, 2013, and investors are encouraged to review such risk factors prior to making an investment in the Company.

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

On September 20, 2012, the Company entered into the Stock Purchase (described in greater detail above), which was subsequently amended on January 4, 2013, and which closed effective January 25, 2013, pursuant to which we sold and First Power purchased (on behalf of its members and assigns) 50 million shares of our restricted common stock (representing 94.2% of our outstanding common stock) for an aggregate of \$50,000 or \$0.001 per share.

On January 23, 2013, the Board of Directors of the Company authorized the issuance of 240,000 shares of the Company's common stock at \$1.00 per share to a trade creditor to be applied toward the outstanding accounts payable balance due in the amount of \$58,520. The Company recognized a loss on the conversion of debt in the amount of \$181,480.

On January 24, 2013 the Board of Directors authorized the issuance of 1,908,130 shares of the Company's common stock to a principal shareholder, Jeffrey Martin, and his designees in exchange for the conversion of the total principal and interest balances owed to Jeffrey Martin and related entities controlled by him. The debt retired totaled \$190,822. The transaction was valued at \$1,927,212, or \$1.01 per share, which is the fair market value on date of grant. As of March 31, 2013, the Company issued a total of 1,725,130 of common shares and the remaining 183,000 shares are unissued and recorded as \$184,830 stock payable. Due to conversion of debt the Company recognized a loss of \$1,736,390.

On February 5, 2013, the Company authorized the issuance of 200,000 restricted shares of the Company's common stock to a consultant for services. The shares were valued at \$1.08 per share, or \$216,000.

At various dates during the quarter, the Company authorized the issuance of 10,695,000 restricted shares of the Company's common stock to various individuals and entities in exchange for \$660,000, or an average of \$.06 per share. As of March 31, 2013, the Company had not received any proceeds from the sale of the stock and has recorded a subscription receivable of \$660,000.

The Company claims an exemption from registration afforded by Section 4(2) and Rule 506 of the Securities Act of 1933, as amended (the "Act") since the foregoing issuances did not involve a public offering and the recipients were accredited investors as defined in Rule 501 as promulgated under the Act. No underwriters or agents were involved in the foregoing issuances and the Company paid no underwriting discounts or commissions.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibit	Exhibit Description	Incorporated by		Filing Date
		Form	Exhibit	
2.1	Letter of Intent Between First Power & Light, LLC and the Company dated July 2, 2012	10-Q	2.1	8/8/12
3.1	Certificate and Articles of Amendment	S-1	3.1	3/18/11
3.2	Certificate of Conversion	S-1	3.2	3/18/11
3.3	Articles of Incorporation	S-1	3.3	3/18/11
3.4	Bylaws	S-1	3.4	3/18/11
10.1	Form of Promissory Note	S-1/A	10.1	7/12/11
10.2	A45 Music Agreement	S-1/A	10.2	7/12/11
10.3	Lease Agreement	S-1/A	10.3	7/12/11
10.4	Agreement between Mainstream and Barton	10-Q	10.4	2/13/12
10.5	Stock Purchase Agreement (September 20, 2012) with First Power & Light LLC	10-K	10.5	1/9/13
10.6	First Addendum to Stock Purchase Agreement (January 4, 2013) with First Power & Light, LLC	10-K	10.6	1/9/13
10.7	Closing Confirmation Agreement (January 25, 2013) with First Power & Light, LLC	8-K	10.3	2/8/13
31*	Certificate of the Principal Executive Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002			
32**	Certificate of the Principal Executive Officer and Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101.INS#	XBRL Instance Document (#)			
101.SCH#	XBRL Taxonomy Extension Schema Document (#)			
101.CAL#	XBRL Taxonomy Extension Calculation Linkbase Document (#)			
101.DEF#	XBRL Taxonomy Extension Definition Linkbase Document (#)			
101.LAB#	XBRL Taxonomy Extension Label Linkbase Document (#)			
101.PRE#	XBRL Taxonomy Extension Presentation Linkbase Document (#)			

* Filed herewith.

** Furnished herewith and is deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1933, as amended, and otherwise is not subject to liability under these sections.

(#) XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

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, hereunto duly authorized.

MAINSTREAM ENTERTAINMENT, INC.

Date: May 20, 2013

By: /s/ Malcolm Adler

Malcolm Adler

Chief Executive Officer and President

(Principal Executive Officer and Principal
Accounting/Financial Officer)

EXHIBIT LIST

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