TRUESPORT ALLIANCES & ENTERTAINMENT LTD
Form 10-Q
September 17, 2010

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

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

For the quarterly period ended June 30, 2010

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(Exact name of registrant as specified in Charter)

(formerly SEWELL VENTURES, INC.)

Nevada	**333-147394**	**26-1395403**
(State or other jurisdiction of incorporation or organization)	**(Commission File No.)**	**(IRS Employee Identification No.)**

5795A Rogers Street

Las Vegas, NV 89118

(Address of Principal Executive Offices)

(702) 838-2582

(Issuer Telephone number)

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X . 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 larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" 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 X .

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

State the number of shares outstanding of each of the issuer s classes of common equity, as of September 15, 2010: 30,353,400 shares of common stock, $0.0001 par value.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

FORM 10-Q

June 30, 2010

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ITEM 1. Financial Information

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

FINANCIAL STATEMENTS Page #

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

Consolidated Balance Sheets

	June 30, 2010 (Unaudited)	September 30, 2009
ASSETS		
Current assets:		
Cash	$ 8,796	$ 4,624
Accounts receivable	93,428	26,102
Related party advances	1,938	10,882
Inventory	12,904	12,500
Other current assets	1,363	2,525
Total current assets	118,429	56,633
Related party notes receivable	524,861	207,555
Property, plant and equipment:		
MMA gym buildouts	154,191	90,877
Furniture and equipment	29,844	20,260
Leasehold improvements	16,075	5,525
Computers and equipment	17,607	7,250
Construction in progress	24,360	--
	242,077	123,912
Less accumulated depreciation	(18,865)	(4,786)
	223,212	119,126
Deferred royalty expenses	27,923	--
	$ 894,425	$ 383,314
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 242,106	$ 60,749
Related party convertible notes payable - current portion	194,960	--
Deferred revenue	169,884	19,754
Related party accrued compensation	116,109	105,850
Other current liabilities	58,260	--
Accrued compensation	32,817	49,440
Notes payable	22,283	--
Total current liabilities	836,419	235,793
Notes payable to stockholders	389,113	362,945
Related party convertible notes payable	143,364	--
Deferred royalty revenue	78,347	--
Related party notes payable	73,000	42,000
	1,520,243	640,738
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.0001 par value; 25,000,000 shares authorized;		

none issued and outstanding		--		--
Common stock, $0.0001 par value; 100,000,000 shares authorized;				
issued and outstanding, 30,353,400 at June 30, 2010;				
20,000,000 at September 30, 2009		3,035		2,000
Additional paid-in capital		565,214		115,875
Stock subscription notes receivable		--		(1,000)
Accumulated deficit		(1,194,067)		(374,299)
Total stockholders' deficit		(625,818)		(257,424)
	$	894,425	$	383,314

See accompanying notes to the consolidated financial statements.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended June 30, 2010	For the Three Months Ended June 30, 2009	For the Nine Months Ended June 30, 2010	From Inception through June 30, 2009
Net sales	$ 23,673	$ 69,485	$ 716,546	$ 178,366
Cost of sales	15,796	38,468	506,419	116,409
Gross margin	7,877	31,017	210,127	61,957
Operating expenses				
General and administrative	364,676	39,920	798,996	84,047
Guaranteed payments	--	72,000	53,260	259,008
	364,676	111,920	852,256	343,055
Operating loss	(356,799)	(80,903)	(642,129)	(281,098)
Other loss				
MMA club investment loss	(361)	--	(13,611)	--
Interest expense	(75,427)	--	(164,028)	--
Net loss before provision for income taxes	(432,587)	(80,903)	(819,768)	(281,098)
Provision for income taxes	--	--	--	--
Net loss	$ (432,587)	$ (80,903)	$ (819,768)	$ (281,098)
Net loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.02)
Weighted average shares outstanding - basic and diluted	30,269,862	19,343,253	26,998,379	17,890,196

See accompanying notes to the consolidated financial statements.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

Consolidated Statement of Stockholders' Deficit

From September 30, 2009 to June 30, 2010

	Common stock Shares	Common stock Amount	Additional paid-in Capital	Stock subscriptions notes receivable	Accumulated deficit	Total stockholders' deficit
Balance, September 30, 2009	20,000,000	$ 2,000	$ 115,875	$ (1,000)	$ (374,299)	$ (257,424)
Stock issued for acquisition	9,200,000	920	(920)	--	--	--
Payment of stock subscription notes receivable	--	--	--	1,000	--	1,000
Stock issued through private placement memorandum	1,153,400	115	300,905	--	--	301,020
Debt discount resulting from beneficial conversion feature of convertible notes payable			149,354			149,354
Net loss	--	--	--	--	(819,768)	(819,768)
Balance, June 30, 2010 (unaudited)	30,353,400	$ 3,035	$ 565,214	$ --	$ (1,194,067)	$ (625,818)

See accompanying notes to the consolidated financial statements.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

Consolidated Statements of Cash Flows

(Unaudited)

	For the Nine Months Ended June 30, 2010	From Inception through June 30, 2009
Cash flows from operating activities:		
Net loss	$ (819,768)	$ (281,098)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	14,079	1,136
Interest expense due to amortization of debt discount	149,354	--
Stock based compensation expense	--	90,751
Changes in current assets and liabilities:		
Accounts receivable	(67,326)	(20,964)
Related party advances	8,944	(9,422)
Inventory	(404)	--
Other current assets	1,162	--
Deferred royalty expenses	(27,923)	--
Accounts payable	165,557	24,868
Accrued compensation	(16,623)	107,940
Related party accrued compensation	10,259	--
Deferred revenue	150,130	--
Accrued interest payable	11,835	--
Deferred royalty revenue	78,347	--
Other current liabilities	58,260	--
Net cash used in operating activities	(284,117)	(86,789)
Cash flows from investing activities:		
Capital expenditures	(102,365)	(104,859)
Loans to related parties	(317,306)	(134,183)
Net cash used in investing activities	(419,671)	(239,042)
Cash flows from financing activities:		
Proceeds from issuance of common stock	301,020	21,124
Borrowings on convertible notes payable - related parties	334,340	--
Borrowings on notes payable	95,420	173,545
Borrowings on notes payable - related parties	49,600	134,400
Repayments of notes payable	(73,420)	--
Proceeds from repayment of stock subscription notes receivable	1,000	--
Net cash provided by financing activities	707,960	329,069
Net increase in cash	4,172	3,238
Cash, at beginning of period	4,624	-
Cash, at end of period	$ 8,796	$ 3,238

Supplemental disclosures of cash flow information:				
Cash paid for interest during the year	$	--	$	--
Cash paid for income taxes	$	--	$	--
Schedule of non-cash investing and financing activities:				
Equipment purchased on accounts payable	$	15,800	$	--
Equipment contributed by shareholders	$	--	$	5,000
Debt discount due to beneficial conversion feature of convertible debt	$	149,354	$	--

See accompanying notes to the consolidated financial statements.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

(formerly SEWELL VENTURES, INC.)

Notes to Consolidated Financial Statements

June 30, 2010

(Unaudited)

NOTE 1 ORGANIZATION AND BUSINESS COMBINATION

Truesport Alliances & Entertainment, Ltd. (formerly Sewell Ventures, Inc. and referred to herein as Truesport or the Company) was incorporated under the laws of the State of Delaware on April 27, 2007 to search for investment opportunities**.**

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, d.b.a. 7Base a privately owned Nevada limited liability company (7Base), pursuant to an Acquisition Agreement (the Exchange). 7Base was organized under the laws of the State of Nevada on October 17, 2008. 7Base is a diversified company engaged in the business of designing, manufacturing, selling, distributing, and licensing to others the right to resell high quality, branded apparel, sporting goods, fitness equipment, merchandise, training centers and events under their own brand image. In addition, 7Base generates additional revenues through the sale of consulting, media, and entertainment services related to the mixed martial arts industry. Upon consummation of the Exchange, the Registrant adopted the business plan of 7Base.

Pursuant to the terms of the Exchange, the Company acquired 7Base in exchange for an aggregate of 20,000,000 newly issued shares (the Exchange Shares) of the Company s common stock, par value $0.0001 per share (the Common Stock), resulting in an aggregate of 29,200,000 shares of the Company common stock issued and outstanding. As a result of the Exchange, 7Base became a wholly-owned subsidiary of the Company. The Company shares were issued to the members of 7Base on a pro rata basis, on the basis of the membership interests of 7Base held by such 7Base members at the time of the Exchange.

As a result of the ownership interests of the former shareholders of 7Base, for financial statement reporting purposes, the merger between the Company and 7Base has been treated as a reverse acquisition with 7Base deemed the accounting acquirer and the Company deemed the accounting acquiree under the purchase method of accounting in accordance with paragraph 805-40-05-2 of the FASB Accounting Standards Codification. The reverse merger is deemed a capital transaction and the net assets of 7Base (the accounting acquirer) are carried forward to the Company (the legal acquirer and the reporting entity) at their carrying value before the combination. The acquisition process utilizes the capital structure of the Company and the assets and liabilities of 7Base which are recorded at historical cost. The equity of the Company is the historical equity of 7Base retroactively restated to reflect the number of shares issued by the Company in the transaction.

Seven Base Consulting, LLC (7Base), is a limited liability company organized on October 17, 2008 under the laws of the State of Nevada.

On January 15, 2010, the Issuers name was changed with the State of Delaware from Sewell Ventures, Inc. to Truesport Alliances, Ltd., and on January 29, 2010, the Company changed its state of incorporation to the State of Nevada and restated the articles of incorporation changing the name to Truesport Alliances & Entertainment, Ltd.

The following schedule presents the unaudited pro forma condensed statements of operations of the Company for the nine months ended June 30, 2010 and from inception through June 30, 2009 as if the Exchange had occurred at the inception date of October 17, 2008. The unaudited pro forma information is not necessarily indicative of the results of operations of the combined company had these events occurred at the inception date, nor is it necessarily indicative of future results.

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

Pro Forma Condensed Statements of Operations

(Unaudited)

	Pro Forma For the Three Months Ended June 30, 2010	Pro Forma For the Three Months Ended June 30, 2009	Pro Forma For the Nine Months Ended June 30, 2010	Pro Forma From Inception through June 30, 2009
Net sales	$ 23,673	$ 69,485	$ 716,546	$ 178,366
Cost of sales	15,796	38,468	506,419	116,409
Gross margin	7,877	31,017	210,127	61,957
Operating expenses				
General and administrative	364,676	42,864	807,307	96,702
Guaranteed payments	--	72,000	53,260	259,008
	364,676	114,864	860,567	355,710
Other income (loss)	(75,788)	--	(177,639)	--
Net loss	$ (432,587)	$ (83,847)	$ (828,079)	$ (293,753)
Net loss per share	$ (0.01)	$ (0.00)	$ (0.03)	$ (0.01)
Weighted average shares outstanding - basic and diluted	30,269,862	28,543,253	29,559,551	27,090,196

NOTE 2 SUMMARY OF ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited interim consolidated financial statements and related notes have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) for interim financial information, and with the rules and regulations of the United States Securities and Exchange Commission (SEC) to Form 10-Q and Article 8 of Regulation S-X, however, they do include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim financial statements furnished reflect all adjustments (consisting of normal recurring accruals) which are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. Interim results are not necessarily indicative of the results for the full year. These unaudited interim consolidated financial statements should be read in conjunction with the financial statements of the Company for the year ended September 31, 2009 and notes thereto contained in the Company s Form 8-K filed with the SEC on December 16, 2009.

The consolidated financial statements include all the accounts of Truesport as of and for the interim period ended June 30, 2010. Truesport is included as of December 16, 2009 (date of acquisition) and for the period from December 16, 2009 (date of acquisition) through June 30, 2010. All inter-company balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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 as well as the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less at the time of purchase to be cash equivalents.

Property and Equipment

The Company records property and equipment at cost. Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable property. The estimated useful lives of the respective property and equipment are as follows:

Computer equipment	3 years
Office furniture and equipment	5 years
Gym equipment	5 years
Leasehold improvements	15 years

Depreciation expense for the three months ended June 30, 2010 and 2009 was $5,930 and $455, respectively; and depreciation expense for the nine months ended June 30, 2010 and from inception through June 30, 2009 was $14,079, and $1,135, respectively.

Revenue Recognition

The Company applies paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company recognizes revenue when it is realized or realizable and earned less estimated future doubtful accounts. 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. With regard to multiple element revenue arrangements, revenue is recognized only when vendor specific objective evidence of fair value has been established for all remaining undelivered elements in the arrangement. Service revenues are recognized generally at an hourly rate when the related services are performed. License revenues are recognized ratably over the term of the related agreements, which in most cases are five years.

Income taxes

The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. 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 Consolidated Statements of Income and Comprehensive Income in the period that includes the enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (Section 740-10-25). Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

Net loss per common share

Net loss per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. Diluted net loss per common share is computed by dividing net loss by the weighted average number of common shares and potentially outstanding shares of common shares during each period. There are no dilutive common shares or dilutive potentially outstanding shares of common stock during the periods reported.

Equity based payments

Equity based payments to non-employees are accounted for in accordance with section 505-50-30 of the FASB Accounting Standards Codification, which requires that 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.

Recently Issued Accounting Pronouncements

On June 5, 2003, the United States Securities and Exchange Commission (SEC) adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404), as amended by SEC Release No. 33-9072 on October 13, 2009, and also amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) on July 21, 2010. Under the provisions of Section 404 of the Sarbanes-Oxley Act, public companies and their independent auditors are each required to report to the public on the effectiveness of a company s internal controls. The smallest public companies with a public float below $75 million (small public companies) have been given extra time to design, implement and document these internal controls. This extension of time will expire beginning with the annual reports of companies with fiscal years ending on or after June 15, 2010. Commencing with its annual report for the year ending September 30, 2010, the Company will be required to include a report of management on its internal control over financial reporting. The internal control report must include a statement

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of management s responsibility for establishing and maintaining adequate internal control over its financial reporting;

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of management s assessment of the effectiveness of its internal control over financial reporting as of year-end; and

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of the framework used by management to evaluate the effectiveness of the Company s internal control over financial reporting.

The Dodd-Frank Act amends Section 404(b) such that small public companies are not required obtain an auditor s attestation report on the Company s internal control over financial reporting on whether it believes that the Company has maintained, in all material respects, effective internal control over financial reporting.

In June 2009, the FASB approved the FASB Accounting Standards Codification (the Codification) as the single source of authoritative nongovernmental U.S. GAAP to be launched on July 1, 2009. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered non-authoritative. The Codification is effective for interim and annual periods ending after September 15, 2009.

In August 2009, the FASB issued the FASB Accounting Standards Update (ASU) No. 2009-05 *Fair Value Measurement and Disclosures Topic 820 Measuring Liabilities at Fair Value* , which provides amendments to subtopic 820-10, Fair Value Measurements and Disclosures Overall, for the fair value measurement of liabilities. This update provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: (1) A valuation technique that uses: (a) The quoted price of the identical liability when traded as an asset (b) Quoted prices for similar liabilities or similar liabilities when traded as assets. (2) Another valuation technique that is consistent with the principles of topic 820; two examples would be an income approach, such as a present value technique, or a market approach, such as a technique that is based on the amount at the measurement date that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The amendments in this update also clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this update also clarify that both a quoted price in an active market for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-08 *Earnings Per Share Amendments to Section 260-10-S99* ,which represents technical corrections to topic 260-10-S99, Earnings per share, based on EITF Topic D-53, *Computation of Earnings Per Share for a Period that includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock* and EITF Topic D-42, *The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock*. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-09 *Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees* . This update represents a correction to Section 323-10-S99-4, *Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee*. Additionally, it adds observer comment *Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees* to the Codification. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-12 *Fair Value Measurements and Disclosures Topic 820 Investment in Certain Entities That Calculate Net Assets Value Per Share (or Its Equivalent)* , which provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures-Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update permit, as a practical expedient, a reporting entity to measure the fair value of an investment that is within the scope of the amendments in this update on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of Topic 946 as of the reporting entity s measurement date, including measurement of all or substantially all of the underlying investments of the investee in accordance with Topic 820. The amendments in this update also require disclosures by major category of investment about the attributes of investments within the scope of the amendments in this update, such as the nature of any restrictions on the investor s ability to redeem its investments a the measurement date, any unfunded commitments (for example, a contractual commitment by the investor to invest a specified amount of additional capital at a future date to fund investments that will be make by the investee), and the investment strategies of the investees. The major category of investment is required to be determined on the basis of the nature and risks of the investment in a manner consistent with the guidance for major security types in U.S. GAAP on investments in debt and equity securities in paragraph 320-10-50-1B. The disclosures are required for all investments within the scope of the amendments in this update regardless of whether the fair value of the investment is measured using the practical expedient. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In January 2010, the FASB issued the FASB Accounting Standards Update No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements.* This ASU requires additional disclosures regarding significant transfers in and out of Levels 1 and 2 of fair value measurements, including a description of the reasons for the transfers. Further, this ASU requires additional disclosures for the activity in Level 3 fair value measurements, requiring presentation of information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In February 2010, the FASB issued the FASB Accounting Standards Update No. 2010-09, *Subsequent Events (Topic 855): Amendments to Certain Recognitions and Disclosure Requirements.* Under this ASU, a public company that is a SEC filer, as defined, is not required to disclose the date through which subsequent events have been evaluated. This ASU is effective upon the issuance of this ASU. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued the FASB Accounting Standards Update No. 2010-18 regarding improving comparability by eliminating diversity in practice about the treatment of modifications of loans accounted for within pools under Subtopic 310-30, *Receivables Loans and Debt Securities Acquired with Deteriorated Credit Quality.* Furthermore, the amendments clarify guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. Loans accounted for individually under Subtopic 310-30 continue to be subject to the troubled debt restructuring accounting provisions within Subtopic 310-40, *Receivables Troubled Debt Restructurings by Creditors.* The amendments in this Update are effective for modifications of loans accounted for within pools under Subtopic 310-30 occurring in the first interim or annual period ending on or after July 15, 2010. The amendments are to be applied prospectively. Early adoption is permitted. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

NOTE 3 MANAGEMENT PLANS

The accompanying 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 financial statements, the Company had an accumulated deficit of $1,194,067 as of June 30, 2010.

While the Company does have an accumulated deficit of $1,194,067 as of June 30, 2010, the Company has cash on hand of $8,796 as of June 30, 2010 and sales were $716,546 for the nine months ended June 30, 2010 which generated a gross profit of $210,127. The Company believes in the viability of its strategy to generate profits and in its ability to grow organically; however, the Company intends to seek additional financing through additional equity offerings. The ability of the Company to continue as a going concern is dependent upon the Company s ability to raise additional capital, to further implement its business strategy and to generate sufficient profits. Management believes that the actions presently being taken to implement the Company s strategy provide the opportunity for the Company to continue as a going concern.

NOTE 4 RELATED PARTY TRANSACTIONS

During the nine months ended June 30, 2010, the Company made advances to three related party stockholders including one director. The balance of advances to related parties totaled $1,938 as of June 30, 2010.

During the nine months ended June 30, 2010, the Company sold equipment merchandise to a related party owned by three related party stockholders and one director. The equipment was sold for $22,000, at cost with no profit margin.

The Company borrowed $338,324 from related parties, including interest, under the terms of convertible notes payable. See additional details at Note 8 below.

NOTE 5 RELATED PARTY NOTES RECEIVABLE

During the nine months ended June 30, 2010, the Company loaned $317,306 to four related party stockholders including two directors and the President and Chief Executive Officer of the Company who is also a director. The loans are non interest bearing and are payable on demand. The balance of notes receivable from related parties totaled $524,861 as of June 30, 2010.

NOTE 6 ACCRUED COMPENSATION AND RELATED PARTY ACCRUED COMPENSATION

The Company entered into compensation agreements with several independent contractors which provide for guaranteed minimum payments to the contractors through December 31, 2009. Related party accrued compensation includes accrued compensation due to five stockholders including one director and the President who is also the chairman of the board of directors totaling $116,109 as of June 30, 2010, including accrued interest payable of $2,258. The accrued compensation to related party stockholders is due on demand and accrues interest at four percent annually. The unpaid portion of these contracts has been recorded in accrued compensation on the accompanying balance sheet.

NOTE 7 DEFERRED REVENUE

The Company received deposits from customers for goods and services which were not rendered or delivered as of June 30, 2010. The deposits received from the customer totaled $169,884 as of June 30, 2010. The revenue associated with these contracts has been included in deferred revenue as of June 30, 2010 and will be recognized upon completion of the services and delivery of the goods.

NOTE 8 DEFERRED ROYALTY REVENUE AND EXPENSES

On May 26, 2009 the Company entered into a license administration agreement with TapouT, LLC (TapouT) to administer licenses to third parties to operate MMA gym facilities and standalone training centers under the TapouT name. Under the license agreement, the Company pays royalties to TapouT totaling 15 percent of gross sales of TapouT branded equipment, 5 percent of gross sales of future private label branded equipment, 50 percent of license fees for TapouT training centers and TapouT MMA clubs, and three percent of gross membership fees generate by TapouT training centers and TapouT MMA clubs. The license administration agreement also requires that the Company implement and administer a minimum of ten licenses during each of the calendar years ended December 31, 2010, 2011, 2012, and 2013, of which a minimum of eight are required to be standalone TapouT training centers. The license royalty income and related expenses are recognized on a pro-rata basis over the period of time covered by the license agreement. Deferred royalty revenue and expenses resulting from these license agreements as of June 30, 2010 were $78,347 and $27,923, respectively.

On November 18, 2009, the Company entered into a royalty agreement with two related party shareholders which requires the Company to pay a royalty of 3.5 percent to the each of the two related party shareholders calculated on the gross profits generated from sales of TapouT branded equipment. The agreement stipulates that no royalties will be paid on the first $1,200,000 of net revenue generated from TapouT branded equipment sales. As of June 30, 2010, the Company has not incurred any expenses in connection with this royalty agreement.

NOTE 9 CONVERTIBLE NOTES PAYABLE RELATED PARTIES

On March 18, 2010 a related party loaned the Company $51,000. The note bears interest at five percent annually, matures on December 31, 2010, and has a conversion feature whereby the promissory note is convertible to common stock no earlier than May 1, 2010 at an exercise price 50 percent below the average trading price for the five day period prior to the date of conversion, with a minimum conversion price of $0.50 per share and a maximum conversion price of $1.50 per share, resulting in a beneficial conversion feature.

The Company borrowed $144,340 from various related parties under convertible notes payable from January 2010 to March 2010. The promissory notes mature on December 31, 2010, bear interest at five percent annually, and are convertible to common stock no earlier than May 1, 2010 at an exercise price of 50 percent below the average trading price for the five day period prior to the date of conversion, with a minimum conversion price of $0.50 per share and a maximum conversion price of $1.50 per share, resulting in beneficial conversion features.

The Company measured the intrinsic value of the beneficial conversion features of the convertible notes payable as of the commitment date for the respective convertible notes payable. The intrinsic value of the beneficial conversion features of $149,354 has been recorded as additional paid-in capital and debt discount in the accompanying balance sheet. The debt discount is amortized on the interest method from the respective loan commitment dates to the earliest conversion date of May 1, 2010.

The Company borrowed $139,000 from various related parties under convertible notes payable from May 2010 to June 2010. The promissory notes mature from August 2010 to June 2011, bear interest between five and six percent, and have a conversion feature whereby the promissory notes are convertible to common stock no earlier than July 1, 2010 at an exercise price 50 percent below the average trading price for the five day period prior to the date of conversion, with a minimum conversion price of $0.50 per share and a maximum conversion price of $1.50 per share, however, the conversion features are not beneficial because the fair value of the stock price on the issuance date of each convertible note was less than the minimum conversion price of $0.50 per share.

Accrued interest payable on the convertible notes payable totaled $3,984 as of June 30, 2010.

NOTE 10   NOTES PAYABLE AND RELATED PARTY NOTES PAYABLE

In connection with the build-out of two Mixed Martial Arts (MMA) gym facilities, the Company borrowed funds from a related party and an unrelated party to finance the MMA gym build-outs. As of June 30, 2010, the balance of the related party note payable and the note payable was $73,000 and $22,283 including interest, respectively. The notes are to be repaid according to the following terms:

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On September 28, 2009 the Company entered into an agreement with an unrelated party and a related party stockholder. The agreement requires the Company to pay one third of net revenue generated from the first MMA gym to the unrelated party and one third of the net revenue generated from the first MMA club to the related party stockholder. The agreement also requires the Company to pay ten percent of the Company s one third share of the net revenue generated from the first MMA club to the related party stockholder until the loan from the related party stockholder totaling $42,000 has been repaid in full.

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On September 30, 2009 the Company entered into an agreement with two unrelated parties. The agreement requires that the Company pay two thirds of the net revenue generated from the Company s second MMA club to the unrelated parties. Additionally, the unrelated parties which funded the second MMA gym build-out will receive all of the net revenues generated from the second MMA club, to be applied to their loan principal until their loan totaling $22,283 has been repaid in full.

Neither of the two MMA gym build-outs financed by these notes payable have generated positive net revenue as of June 30, 2010.

Additionally, related party stockholders have loaned the Company $389,113 including interest as of June 30, 2010. These notes accrue interest at four percent annually. Accrued interest payable on these notes totals $7,568 as of June 30, 2010. The principal and accrued interest are payable in full on December 31, 2011.

NOTE 11 INCOME TAXES

The Company s total deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial statement purposes and the amounts used for federal income tax purposes. The Company has recognized a valuation allowance equal to the deferred tax assets due to the uncertainty of realizing the benefits of the assets.

NOTE 12 COMMITMENTS AND CONTINGENCIES

The Company has entered into various license agreements and profit sharing agreements with related and unrelated parties under which the Company is obligated to perform in accordance with the terms of the agreements (see Notes 8 and 10).

NOTE 13 - STOCKHOLDERS DEFICIT

In December 2009 the stockholders of the Company entered into an operating agreement which included stock subscription notes receivable to restate their respective investment in the Company. The stock subscription notes receivable have been recorded as of the date of the respective contributions of each of the stockholders in the Company. In January 2010, the stock subscription notes receivable were collected in full.

On December 16, 2009 the Company acquired 7Base in a reverse acquisition. See additional details at NOTE 1.

On March 31, 2010, the Company issued 800,000 shares of common stock through a private placement memorandum at $0.25 per share for total proceeds of $200,000.

On April 1, 2010, the Company issued 100,000 shares of common stock through a private placement memorandum at $0.25 per share for total proceeds of $25,000.

On May 1, 2010, the Company issued 253,400 shares of common stock through a private placement memorandum at $0.30 per share for total proceeds of $76,020.

NOTE 14 STOCK BASED COMPENSATION PLAN

On December 16, 2009, the Company adopted the 2009 Equity Incentive Plan (the Plan). The Plan provides that key employees, consultants and non-employee directors of the Company or an affiliate may be granted: (1) options to acquire shares of the Company s common stock, (2) shares of restricted common stock (3) stock appreciation rights, (4) performance-based awards, (5) Dividend Equivalents, and (6) other stock-based awards (collectively, Awards).

The total number of shares of common stock that may be subject to Awards under the Plan will not exceed five million (5,000,000) shares. No stock or options were granted under the Plan through December 31, 2009.

NOTE 15 CONCENTRATION OF RISK

For the six months ended June 30, 2010, seven unrelated customers comprised 86 percent of total revenues.

NOTE 16 SUBSEQUENT EVENTS

In July 2010, the Company borrowed $57,000 from the President and Acting Chief Executive Officer, who is also the Chairman of the Board and a shareholder. The promissory notes mature in July 2011, bear interest between five and six percent, and have a conversion feature whereby the promissory notes are convertible to common stock no earlier than July 1, 2010 at an exercise price 50 percent below the average trading price for the five day period prior to the date of conversion, with a minimum conversion price of $0.50 per share and a maximum conversion price of $1.50 per share, however, the conversion features are not beneficial because the fair value of the stock price on the issuance date of each convertible note was less than the minimum conversion price of $0.50 per share.

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

FORWARD-LOOKING STATEMENTS

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated by reference in this Form 10-Q which address activities, events or developments which the Company expects or anticipates will or may occur in the future, including such things as future capital expenditures (including the amount and nature thereof); finding suitable merger or acquisition candidates; expansion and growth of the Company's business and operations; and other such matters are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. However, whether actual results or developments will conform with the Company's expectations and predictions is subject to a number of risks and uncertainties, including general economic, market and business conditions; the business opportunities (or lack thereof) that may be presented to and pursued by the Company; changes in laws or regulation; and other factors, most of which are beyond the control of the Company.

These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this Filing and include statements regarding the intent, belief or current expectations of the Company, and its directors or its officers with respect to, among other things: (i) trends affecting the Company's financial condition or results of operations for its limited history; (ii) the Company's business and growth strategies; and, (iii) the Company's financing plans. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties, and that actual results may differ materially from those projected in the forward-looking statements as a result of various factors. Such factors that could adversely affect actual results and performance include, but are not limited to, the Company's limited operating history, potential fluctuations in quarterly operating results and expenses, government regulation, technological change and competition.

Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The Company assumes no obligations to update any such forward-looking statements.

ACQUISITION AND REORGANIZATION

On December 16, 2009, the date of the Acquisition of Seven Base Consulting, LLC. (7Base), 7Base was adopted as our business. As such, the following Management Discussion is focused on the current and historical operations of

7Base, and excludes the prior operations of the Registrant.

OVERVIEW

We are a diversified company engaged in the business of designing, manufacturing, selling, distributing, and licensing others the right to resell high quality, branded apparel, sporting goods, fitness equipment, merchandise, training centers and events under their own brand image. In addition, our Company generates additional revenues through the sale of consulting, media, and entertainment services related to the mixed martial arts industry.

We are focused on establishing and positioning our private labeled products and services primarily within the skyrocketing growth sport of Mixed Martial Arts (MMA). Operations started in November of 2008. MMA is one of the fastest growing sports in the United States. We believe that the connection with mixed martial arts greatly influences the buying choices made by our target consumers as these events are broadcast to a global audience by television, the internet, theatre and printed media. People are attracted to the venues in which these events are performed and the values they represent, including individual expression, adventure and creativity.

Our activities generate the following principal sources of revenue:

- equipment design and manufacturing;
- branded merchandise sales
- training center operations and event consulting

Although we have multiple sources of revenue, most of our revenue is derived from equipment design and manufacturing.

FISCAL YEAR

Our fiscal year ends on September 30. References to fiscal 2009, for example, refer to our fiscal year ended September 30, 2009.

RESULTS OF OPERATIONS

The following table sets forth our results of operations expressed as a percentage of net sales:

TRUESPORT ALLIANCES & ENTERTAINMENT, LTD.

Consolidated Statements of Operations

(Unaudited)

	For the Three Months Ended June 30, 2010	**For the Three Months Ended June 30, 2009**	**For the Nine Months Ended June 30, 2010**	**From Inception through June 30, 2009**
Net sales	100%	100%	100%	100%
Cost of sales	67%	55%	71%	65%
Gross margin	33%	45%	29%	35%
Operating expenses				
General and administrative	1540%	57%	112%	47%
Guaranteed payments	0%	104%	7%	145%
	1540%	161%	119%	192%
Operating income (loss)	-1507%	-116%	-90%	-158%
Other income (loss)	-320%	0%	-25%	0%
Provision for income taxes	0%	0%	0%	0%
Net loss	-1827%	-116%	-114%	-158%

Comparison of results of operations for the three months ended June 30, 2010 and 2009, for the nine months ended June 30, 2010 and from inception through June 30, 2009:

Net Sales

Our net sales are comprised of equipment design and manufacturing, branded merchandise sales and consulting revenue. Net sales increased $538,180 in the nine months ended June 30, 2010 from $178,366 in the period from inception through June 30, 2009. The increase in net sales in the nine months ended June 30, 2010 over the period from inception through June 30, 2009 reflects the efforts we have made to establish new customer relationships and expand the services that we are providing to our existing customers in the MMA industry.

Gross Margin

Our gross margin consists of net sales less cost of sales. Our cost of sales consists primarily of product costs, wages, royalty expenses, and delivery and installation costs. Gross margin decreased 5.4% as a percent of sales to $210,127 in the nine months ended June 30, 2010 from $61,957 in the period from inception through June 30, 2009. Our gross margin as a percentage of net sales was 29.3% in the nine months ended June 30, 2010, compared with 34.7% in the period from inception through June 30, 2009. The decrease in gross margin as a percentage of net sales was due in part to the license fees incurred under the license administration agreement with TapouT which is described in the commitments section above. Another factor that has contributed to the decrease in gross margin as a percentage of net sales is the mix of the consulting services that we provided to our customers, as consulting services produce a greater profit margin than equipment sales. Our gross margin may fluctuate from quarter to quarter due to the mix of products sold, as well as the timing of consulting engagements.

General and Administrative

Our general and administrative expenses consist primarily of wages and related payroll benefits for our administrative employees. These expenses also include legal and accounting professional fees, insurance, rent, sales and marketing, and other general corporate expenses. General and administrative expenses increased by 64% of net sales to $798,996 in the nine months ended June 30, 2010 from $84,047 in the period from inception through June 30, 2009. The increase in general and administrative expense as a percentage of net sales was primarily due to employee compensation and related expenses, and accounting and professional fees incurred in connection with the reverse acquisition transaction and implementation of financial reporting controls and procedures required for public companies.

Guaranteed payments

Guaranteed payments incurred during the period from inception through June 30, 2009 relate primarily to stock based compensation paid to the founders of the Company for services rendered. Guaranteed payments incurred during the nine months ended June 30, 2010 are for additional accrued compensation to be paid to the founders of the Company for services rendered through December 31, 2009.

Other income (loss)

Other losses incurred during the nine months ended June 30, 2010 are primarily due to interest expense recorded in connection with the amortization of the debt discount resulting from beneficial conversion features of convertible notes payable issued during the three months ended March 31, 2010.

LIMITED OPERATING HISTORY; NEED FOR ADDITIONAL CAPITAL

There is limited historical financial information about us upon which to base an evaluation of our performance. We have one year of operations and have generated minimal revenues. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources and possible cost overruns.

We are seeking equity financing to provide for the capital required to implement our operations. We have no assurance that future financing will be available to us on acceptable terms. If financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $8,796 as of June 30, 2010. On the same date, current liabilities outstanding totaled $836,419.

Since inception, the Company has expended substantial resources on formulating and developing its business plan. Consequently, we have sustained substantial losses. The Company has an accumulated deficit of $1,194,067 at June 30, 2010.

COMMITMENTS

The following commitments are significant to the plans and operations of the Company:

On May 26, 2009 the Company entered into a license administration agreement with TapouT, LLC (TapouT) to administer licenses to third parties to operate MMA gym facilities and standalone training centers under the TapouT name. Under the license agreement, the Company pays royalties to TapouT totaling 15 percent of gross sales of TapouT branded equipment, 5 percent of gross sales of future private label branded equipment, 50 percent of license fees for TapouT training centers and TapouT MMA clubs, and three percent of gross membership fees generate by TapouT training centers and TapouT MMA clubs. The license administration agreement also requires that the Company implement and administer a minimum of ten licenses during each of the calendar years ended December 31, 2010, 2011, 2012, and 2013, of which a minimum of eight are required to be standalone TapouT training centers.

On September 28, 2009 the Company entered into an agreement with an unrelated party and a related party stockholder. The agreement requires the Company to pay one third of net revenue generated from the first MMA gym to the unrelated party and one third of the net revenue generated from the first MMA club to the related party stockholder. The agreement also requires the Company to pay ten percent of the Company s one third share of the net revenue generated from the first MMA club to the related party stockholder until the loan from the related party stockholder totaling $42,000 has been repaid in full.

On September 30, 2009 the Company entered into an agreement with two unrelated parties. The agreement requires that the Company pay two thirds of the net revenue generated from the Company s second MMA club to the unrelated parties. Additionally, the unrelated parties which funded the second MMA gym build-out will receive all of the net revenues generated from the second MMA club, to be applied to their loan principal until their loan totaling $95,420 has been repaid in full. During the quarter ended March 31, 2010, the Company pre-paid $32,000 of this loan and $31,000 of the loan balance was refinanced with the related party stockholder which financed the build-out of the first MMA club.

On November 18, 2009, the Company entered into a royalty agreement with two related party shareholders which requires the Company to pay a royalty of 3.5 percent to the each of the two related party shareholders calculated on the gross profits generated from sales of TapouT branded equipment. The agreement stipulates that no royalties will be paid on the first $1,200,000 of net revenue generated from TapouT branded equipment sales. As of March 31, 2010, the Company has not incurred any expenses in connection with this royalty agreement.

CONTRACTUAL OBLIGATIONS:

We have contractual obligations to TapouT, LLC. See the discussion at commitments section above.

RECENT ACCOUNTING PRONOUNCEMENTS

On June 5, 2003, the United States Securities and Exchange Commission (SEC) adopted final rules under Section 404 of the Sarbanes-Oxley Act of 2002 (Section 404), as amended by SEC Release No. 33-9072 on October 13, 2009, and also amended by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) on July 21, 2010. Under the provisions of Section 404 of the Sarbanes-Oxley Act, public companies and their independent auditors are each required to report to the public on the effectiveness of a company s internal controls. The smallest public companies with a public float below $75 million (small public companies) have been given extra time to design, implement and document these internal controls. This extension of time will expire beginning with the annual reports of companies with fiscal years ending on or after June 15, 2010. Commencing with its annual report for the year ending September 30, 2010, the Company will be required to include a report of management on its internal control over financial reporting. The internal control report must include a statement

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of management s responsibility for establishing and maintaining adequate internal control over its financial reporting;

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of management s assessment of the effectiveness of its internal control over financial reporting as of year-end; and

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of the framework used by management to evaluate the effectiveness of the Company s internal control over financial reporting.

The Dodd-Frank Act amends Section 404(b) such that small public companies are not required obtain an auditor s attestation report on the Company s internal control over financial reporting on whether it believes that the Company has maintained, in all material respects, effective internal control over financial reporting.

In June 2009, the FASB approved the FASB Accounting Standards Codification (the Codification) as the single source of authoritative nongovernmental U.S. GAAP to be launched on July 1, 2009. The Codification does not change current U.S. GAAP, but is intended to simplify user access to all authoritative U.S. GAAP by providing all the authoritative literature related to a particular topic in one place. All existing accounting standard documents will be superseded and all other accounting literature not included in the Codification will be considered non-authoritative. The Codification is effective for interim and annual periods ending after September 15, 2009. The Codification is effective for the Company in the interim period ending December 31, 2009 and the Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In August 2009, the FASB issued the FASB Accounting Standards Update (ASU) No. 2009-05 *Fair Value Measurement and Disclosures Topic 820 Measuring Liabilities at Fair Value* , which provides amendments to subtopic 820-10, Fair Value Measurements and Disclosures Overall, for the fair value measurement of liabilities. This update provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the following techniques: (1) A valuation technique that uses: (a) The quoted price of the identical liability when traded as an asset (b) Quoted prices for similar liabilities or similar liabilities when traded as assets. (2) Another valuation technique that is consistent with the principles of topic 820; two examples would be an income approach, such as a present value technique, or a market approach, such as a technique that is based on the amount at the measurement date that the reporting entity would pay to transfer the identical liability or would receive to enter into the identical liability. The amendments in this update also clarify that when estimating the fair value of a liability, a reporting entity is not required to include a separate input or adjustment to other inputs relating to the existence of a restriction that prevents the transfer of the liability. The amendments in this update also clarify that both a quoted price in an active market for the identical liability when traded as an asset in an active market when no adjustments to the quoted price of the asset are required are Level 1 fair value measurements. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-08 *Earnings Per Share Amendments to Section 260-10-S99* ,which represents technical corrections to topic 260-10-S99, Earnings per share, based on EITF Topic D-53, *Computation of Earnings Per Share for a Period that includes a Redemption or an Induced Conversion of a Portion of a Class of Preferred Stock* and EITF Topic D-42, *The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock*. The Company does not expect the adoption of this update to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-09 *Accounting for Investments-Equity Method and Joint Ventures and Accounting for Equity-Based Payments to Non-Employees* . This update represents a correction to Section 323-10-S99-4, *Accounting by an Investor for Stock-Based Compensation Granted to Employees of an Equity Method Investee*. Additionally, it adds observer comment *Accounting Recognition for Certain Transactions Involving Equity Instruments Granted to Other Than Employees* to the Codification. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In September 2009, the FASB issued the FASB Accounting Standards Update No. 2009-12 *Fair Value Measurements and Disclosures Topic 820 Investment in Certain Entities That Calculate Net Assets Value Per Share (or Its Equivalent)* , which provides amendments to Subtopic 820-10, Fair Value Measurements and Disclosures-Overall, for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). The amendments in this update permit, as a practical expedient, a reporting entity to measure the fair value of an investment that is within the scope of the amendments in this update on the basis of the net asset value per share of the investment (or its equivalent) if the net asset value of the investment (or its equivalent) is calculated in a manner consistent with the measurement principles of Topic 946 as of the reporting entity s measurement date, including measurement of all or substantially all of the underlying investments of the investee in accordance with Topic 820. The amendments in this update also require disclosures by major category of investment about the attributes of investments within the scope of the amendments in this update, such as the nature of any restrictions on the investor s ability to redeem its investments a the measurement date, any unfunded commitments (for example, a contractual commitment by the investor to invest a specified amount of additional capital at a future date to fund investments that will be make by the investee), and the investment strategies of the investees. The major category of investment is required to be determined on the basis of the nature and risks of the investment in a manner consistent with the guidance for major security types in U.S. GAAP on investments in debt and equity securities in paragraph 320-10-50-1B. The disclosures are required for all investments within the scope of the amendments in this update regardless of whether the fair value of the investment is measured using the practical expedient. The Company does not expect the adoption to have a material impact on its consolidated financial position, results of operations or cash flows.

In January 2010, the FASB issued the FASB Accounting Standards Update No. 2010-06, *Fair Value Measurements and Disclosures (Topic 820): Improving Disclosures about Fair Value Measurements.* This ASU requires additional disclosures regarding significant transfers in and out of Levels 1 and 2 of fair value measurements, including a description of the reasons for the transfers. Further, this ASU requires additional disclosures for the activity in Level 3 fair value measurements, requiring presentation of information about purchases, sales, issuances, and settlements in the reconciliation for fair value measurements. This ASU is effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

In February 2010, the FASB issued the FASB Accounting Standards Update No. 2010-09, *Subsequent Events (Topic 855): Amendments to Certain Recognitions and Disclosure Requirements.* Under this ASU, a public company that is a SEC filer, as defined, is not required to disclose the date through which subsequent events have been evaluated. This ASU is effective upon the issuance of this ASU. The adoption of this ASU did not have a material impact on our consolidated financial statements.

In April 2010, the FASB issued the FASB Accounting Standards Update No. 2010-18 regarding improving comparability by eliminating diversity in practice about the treatment of modifications of loans accounted for within pools under Subtopic 310-30, *Receivables Loans and Debt Securities Acquired with Deteriorated Credit Quality.* Furthermore, the amendments clarify guidance about maintaining the integrity of a pool as the unit of accounting for acquired loans with credit deterioration. Loans accounted for individually under Subtopic 310-30 continue to be subject to the troubled debt restructuring accounting provisions within Subtopic 310-40, *Receivables Troubled Debt Restructurings by Creditors.* The amendments in this Update are effective for modifications of loans accounted for within pools under Subtopic 310-30 occurring in the first interim or annual period ending on or after July 15, 2010. The amendments are to be applied prospectively. Early adoption is permitted. We are currently evaluating the impact of this ASU; however, we do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

OFF-BALANCE SHEET ARRANGEMENTS

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

The Company is not exposed to market risk related to interest rates or foreign currencies.

Item 4.Controls and Procedures.

Evaluation of disclosure controls and procedures.

We maintain disclosure controls and procedures that are designed *Evaluation of Disclosure Controls and Procedures*

As required by Rule 13a-15 under the Securities Exchange Act of 1934 (the 1934 Act), as of June 30, 2010, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. This evaluation was carried out under the supervision and with the participation of our Chief Executive Officer (our principal executive officer) and our Chief Financial Officer (our principal financial officer), who concluded, that because of the material weakness in our internal control over financial reporting (ICFR) described below, our disclosure controls and procedures were not effective as of June 30, 2010.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act 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, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Our management is also responsible for establishing ICFR as defined in Rules 13a-15(f) and 15(d)-15(f) under the 1934 Act. Our ICFR are intended to be designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Our ICFR are expected to include those policies and procedures that management believes are necessary that:

(i)

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(ii)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and our directors; and

(iii)

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

Management recognizes that there are inherent limitations in the effectiveness of any system of internal control, and accordingly, even effective internal control can provide only reasonable assurance with respect of financial statement preparation and may not prevent or detect misstatements. In addition, effective internal control at a point in time may become ineffective in future periods because of changes in conditions or due to deterioration in the degree of compliance with our established policies and procedures.

As of June 30, 2010, management assessed the effectiveness of our ICFR based on the criteria for effective ICFR established in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and SEC guidance on conducting such assessments by smaller reporting companies and non-accelerated filers.

Based on that assessment, management concluded that, during the period covered by this report, such internal controls and procedures were not effective as of June 30, 2010 and that material weaknesses in ICFR existed as more fully described below.

As defined by Auditing Standard No. 5, An Audit of Internal Control Over Financial Reporting that is Integrated with an Audit of Financial Statements and Related Independence Rule and Conforming Amendments, established by the Public Company Accounting Oversight Board ("PCAOB"), a material weakness is a deficiency or combination of deficiencies that results more than a remote likelihood that a material misstatement of annual or interim financial statements will not be prevented or detected. In connection with the assessment described above, management identified the following control deficiencies that represent material weaknesses as of June 30, 2010:

(1) Lack of an independent audit committee. Although we have an audit committee it is not comprised solely of independent directors. We may establish an audit committee comprised solely of independent directors when we have sufficient capital resources and working capital to attract qualified independent directors and to maintain such a committee.

(2) Insufficient number of independent directors. At the present time, our Board of Directors does not consist of a majority of independent directors, a factor that is counter to corporate governance practices as set forth by the rules of various stock exchanges.

Our management determined that these deficiencies constituted material weaknesses. Due to a lack of financial resources, we are not able to, and do not intend to, immediately take any action to remediate these material weaknesses. We will not be able to do so until we acquire sufficient financing to do so. We will implement further controls as circumstances, cash flow, and working capital permit. Notwithstanding the assessment that our ICFR was not effective and that there were material weaknesses as identified in this report, we believe that our consolidated financial statements contained in our Quarterly Report on form 10-Q for the quarter ended June 30, 2010, fairly present our financial position, results of operations and cash flows for the years covered thereby in all material respects.

PART II OTHER INFORMATION

Item 1. Legal Proceedings.

To the best knowledge of the officers and directors, the Company is not a party to any legal proceeding or litigation.

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

On December 16, 2009, the Company acquired Seven Base Consulting, LLC, d.b.a. 7Base a privately owned Nevada limited liability company (7Base), pursuant to an Acquisition Agreement (the Exchange). 7Base was organized under the laws of the State of Nevada on October 17, 2008. 7Base is a diversified company engaged in the business of designing, manufacturing, selling, distributing, and licensing to others the right to resell high quality, branded apparel, sporting goods, fitness equipment, merchandise, training centers and events under their own brand image. In addition, 7Base generates additional revenues through the sale of consulting, media, and entertainment services related to the mixed martial arts industry. Upon consummation of the Exchange, the Registrant adopted the business plan of 7Base.

Pursuant to the terms of the Exchange, the Company acquired 7Base in exchange for an aggregate of 20,000,000 newly issued shares (the Exchange Shares) of the Company s common stock, par value $0.0001 per share (the Common Stock), resulting in an aggregate of 29,200,000 shares of the Company s common stock issued and outstanding. As a result of the Exchange, 7Base became a wholly-owned subsidiary of the Company. The Company shares were issued to the members of 7Base on a pro rata basis, on the basis of the membership interests of 7Base held by such 7Base members at the time of the Exchange.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Removed and Reserved.

None

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit	Description of Exhibit
31.1	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Director, President and Chief Financial Officer Certification of Periodic Financial Report Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Chairman of the Board and Chief Executive Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Director, President and Chief Financial Officer Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRUESPORT ALLIANCES & ENTERTAINMENT

(Registrant)

Dated: September 15, 2010

By: */s/ Scott Ence*
President and Acting Chief Executive Officer