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Film & Music Entertainment, Inc.

Form 8-K

November 22, 2006

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

FORM 8-K
CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) November 15, 2006

FILM AND MUSIC ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Nevada	0-51164	01-0802-246
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(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

5670 Wilshire Boulevard, Suite 1690, Los Angeles, California	90036
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(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code : (323) 904-5200

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

INFORMATION TO BE INCLUDED IN THE REPORT

Section 4 - Matters Related to Accountants and Financial Statements

Item 4.01 Changes in Registrant's Certifying Accountant.

(a) If an independent accountant who was previously engaged as the principal accountant to audit the registrant's financial

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statements, or an independent accountant upon whom the principal accountant expressed reliance in its report regarding a significant subsidiary, resigns (or indicates that it declines to stand for re-appointment after completion of the current audit) or is dismissed, disclose the information required by Item 304(a)(1) of Regulation S-K or Item 304(a)(1) of Regulation S-B, as applicable, including compliance with Item 304(a)(3) of Regulation S-K or Item 304(a)(3) of Regulation S-B (17 CFR 229.304(a)(1) and (a)(3) or 228.304(a)(1) and (a)(3), respectively).

304(a)(1):

- i. Whether the former accountant resigned, declined to stand for re-election or was dismissed and the date. Accountant was dismissed as of November 15, 2006. See Press Release Attached as Exhibit 1.

- ii. Whether the principal accountant's report on the financial statements for either of the past two years contained an adverse opinion or disclaimer of opinion, or was modified as to uncertainty, audit scope, or accounting principles, and also describe the nature of each such adverse opinion, disclaimer of opinion or modification. Report did not

contain an adverse opinion or disclaimer and was

not modified.

- iii. Whether the decision to change accountants was recommended or approved by the board of directors or an audit or similar committee of the board of directors. The Board of Directors made the determination. See Press Release.

iv.

- A. Whether there were any disagreements with the former accountant, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the former accountant's satisfaction, would have caused it to make reference to the subject matter of the disagreement(s) in connection with its report. There were no disagreements with the

former accountant, whether or not resolved,

on any matter of accounting principles or

practices, financial statement disclosure, or

auditing scope or procedure, which, if not

resolved to the former accountant's

satisfaction, would have caused it to make

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reference to the subject matter of the

disagreement(s) in connection with its

report.

- B. The following information only if applicable.
Indicate whether the former accountant
advised the small business issuer that:

1. internal controls necessary to develop
reliable financial statements did not
exist. No
--
2. information has come to the attention of
the former accountant which made the
accountant unwilling to rely on
management's representations, or
unwilling to be associated with the
financial statements prepared by
management; No. As explained by the

former accountant, the firm was

unwilling to proceed with the audit

during the pendency of litigation. See

Press Release.

3. the scope of the audit should be
expanded significantly, or information
has come to the accountant's attention
that the accountant has concluded will,
or if further investigated might,
materially impact the fairness or
reliability of a previously issued audit
report or the underlying financial
statements, or the financial statements
issued or to be issued covering the
fiscal period(s) subsequent to the date
of the most recent audited financial
statements (including information that
might preclude the issuance of an
unqualified audit report) , and the
issue was not resolved to the
accountant's satisfaction prior to its
resignation or dismissal. See previous

response and Press Release.

- C. The subject matter of each such disagreement
or event identified in response to paragraph
(a) (1) (iv) of this Item. See above responses.

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- D. Whether any committee of the board of directors, or the board of directors, discussed the subject matter of the disagreement with the former accountant. Yes

- E. Whether the small business issuer has authorized the former accountant to respond fully to the inquiries of the successor accountant concerning the subject matter of each of such disagreements or events and, if not, describe the nature of and reason for any limitation. The small business issuer has

authorized the former accountant to respond

fully to the inquiries of the successor

accountant concerning the subject matter of

each of such disagreements or events.

304(a)-3:

The small business issuer shall provide the former accountant with a copy of the disclosures it is making in response to this Item no later than the day that the disclosures are filed with the Commission. The small business issuer shall request the former accountant to furnish a letter addressed to the Commission stating whether it agrees with the statements made by the issuer and, if not, stating the respects in which it does not agree. The small business issuer shall file the letter as an exhibit to the report or registration statement containing this disclosure. If the letter is unavailable at the time of filing, the small business issuer shall request the former accountant to provide the letter so that it can be filed with the Commission within ten business days after the filing of the report or registration statement. Notwithstanding the ten business day period, the letter shall be filed within two business days of receipt. The former accountant may provide an interim letter highlighting specific areas of concern and indicating that a more detailed letter will be forthcoming within the ten business day period noted above. The interim letter, if any, shall be filed with the report or registration statement or by amendment within two business days of receipt. The registrant is in process of complying

with this item.

(b) If a new independent accountant has been engaged as either the principal accountant to audit the registrant's financial statements or as an independent accountant on whom the principal accountant is expected to express reliance in its report regarding a significant subsidiary, the registrant must disclose the information required by Item 304(a)(2) of Regulation S-K or Item 304(a)(2) of Regulation S-B, as applicable (17 CFR 229.304(a)(2) or

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228.304(a)(2), respectively).

304(a)-2:

If during the period specified in paragraph (a)(1) of this Item, a new accountant has been engaged as either the principal accountant to audit the issuer's financial statements or as the auditor of a significant subsidiary and on whom the principal accountant is expected to express reliance in its report, identify the new accountant and the engagement date. The New accountant is HJ Associates &

Consultants, LLP, engaged as of November 15, 2006. See

Press Release.

Additionally, if the issuer (or someone on its behalf) consulted the new accountant regarding:

- i. The application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on the small business issuer's financial statements and either written or oral advice was provided that was an important factor considered by the small business issuer in reaching a decision as to the accounting, auditing or financial reporting issue. Neither the issuer or someone on its behalf

consulted the new accountant regarding the

application of accounting principles to a specific

completed or contemplated transaction, or the type

of audit opinion that might be rendered on the

small business issuer's financial statements and

neither written nor oral advice was provided that

was an important factor considered by the small

business issuer in reaching a decision as to the

accounting, auditing or financial reporting issue.

- ii. Any matter that was the subject of a disagreement or event identified in response to paragraph (a)(1)(iv) of this Item, then the small business issuer shall:

- A. Identify the issues that were the subjects of those consultations. Pending litigation. See

Press Release.

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- B. Briefly describe the views of the new accountant given to the small business issuer and, if written views were received by the small business issuer, file them as an exhibit to the report or registration statement. After having reviewed the pending

litigation, the new accountant accepted the

engagement.

- C. State whether the former accountant was consulted by the small business issuer regarding any such issues, and if so, describe the former accountant's views. See

responses to Item (a) above.

- D. Request the new accountant to review the disclosure required by this Item before it is filed with the Commission and provide the new accountant the opportunity to furnish the small business issuer with a letter addressed to the Commission containing any new information, clarification of the small business issuer's expression of its views, or the respects in which it does not agree with the statements made in response to this Item. Any such letter shall be filed as an exhibit to the report or registration statement containing the disclosure required by this Item. The Registrant has complied with this

requirement.

Section 5 - Corporate Governance and Management

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

(d) If the registrant elects a new director, except by a vote of security holders at an annual meeting or special meeting convened for such purpose, disclose the following information:

- (1) the name of the newly elected director and the date of election. Michael Daly. November 15, 2006.

(2) a brief description of any arrangement or understanding between the new director and any other persons, naming such persons, pursuant to which such director was selected as a director. Michael

Daly is the son of John Daly, Chairman of the Board and Chief

Executive Officer.

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(3) the committees of the board of directors to which the new director has been, or at the time of this disclosure is expected to be, named. None

(4) the information required by Item 404(a) of Regulation S-K or Item 404(a) of Regulation S-B, as applicable (17 CFR 229.404(a) or 228.404(a), respectively).

a. Describe any transaction, since the beginning of the small business issuer's last fiscal year, or any currently proposed transaction, in which the small business issuer was or is to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of the small business issuer's total assets at year-end for the last three completed fiscal years, and in which any related person had or will have a direct or indirect material interest. Disclose the following information regarding the transaction:

1. The name of the related person and the basis on which the person is a related person. Michael Daly, Director

and son of John Daly, Chairman and CEO.

2. The related person's interest in the transaction with the small business issuer, including the related person's position(s) or relationship(s) with, or ownership in, a firm, corporation, or other entity that is a party to, or has an interest in, the transaction. Michael Daly became an officer, director and one third

shareholder of Red Giants Productions, Inc. the company

through which the Corporation contracts for the services

of John Daly.

3. The approximate dollar value of the amount involved in the transaction. \$104,000

4. The approximate dollar value of the amount of the related person's interest in the transaction, which shall be computed without regard to the amount of profit or loss.
5. In the case of indebtedness, disclosure of the amount involved in the transaction shall include the largest aggregate amount of principal outstanding during the period for which disclosure is provided, the amount thereof outstanding as of the latest practicable date, the amount of principal paid during the periods for which disclosure is provided, the amount of interest paid during the period for which disclosure is provided, and the rate or amount of interest payable on the indebtedness.
6. Any other information regarding the transaction or the

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related person in the context of the transaction that is material to investors in light of the circumstances of the particular transaction.

15 Instructions to Item 5.02.

1. The disclosure requirements of this Item 5.02 do not apply to a registrant that is a wholly-owned subsidiary of an issuer with a class of securities registered under Section 12 of the Exchange Act (15 U.S.C. 781), or that is required to file reports under Section 15(d) of the Exchange Act (15 U.S.C. 78o(d)).

2. To the extent that any information called for in Item 5.02(c)(3) or Item 5.02(d)(3) or Item 5.02(d)(4) is not determined or is unavailable at the time of the required filing, the registrant shall include a statement this effect in the filing and then must file an amendment to its Form 8-K filing under this Item 5.02 containing such information within four business days after the information is determined or becomes available.

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.

FILM AND MUSIC ENTERTAINMENT, INC.
(Registrant)

Date: November 21, 2006

/s/Lawrence S. Lotman
----- (Signature)*
Lawrence S. Lotman, Secretary,
Director, VP Finance

* Print name and title of the signing officer under his signature.

EXHIBITS:

Exhibit 1. Press Release