SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Dolphin Entertainment, Inc.

Form: NT 10-Q

Date Filed: 2018-11-15

Corporate Issuer CIK: 1282224

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

SEC FILE NUMBER
001-38331

FORM 12b-25

NOTIFICATION OF LATE FILING

CUSIP NUMBER
25686H100

(Check one): ☐ Form 10-K ☐ Form 20-F ☐ Form 11-K ü Form 10-Q ☐ Form 10-D ☐ Form N-SAR ☐ Form N-CSR

For Period Ended: September 30, 2018

☐ Transition Report on Form 10-K
☐ Transition Report on Form 20-F
☐ Transition Report on Form 11-K
☐ Transition Report on Form 10-Q
☐ Transition Report on Form N-SAR

For the Transition Period Ended: ____________________

Read Instructions (on back page) Before Preparing Form. Please Print or Type.
Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

____

PART I — REGISTRANT INFORMATION

DOLPHIN ENTERTAINMENT, INC.
Full Name of Registrant.

____
Former Name if Applicable

2151 S Le Jeune Road, Suite 150
Address of Principal Executive Office *(Street and Number)*

Coral Gables, Florida 33134
City, State and Zip Code:

PART II — RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

ü

(a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;

(b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D,or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

(c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III — NARRATIVE

State below in reasonable detail the reasons why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period. (Attach extra Sheets if Needed)

Dolphin Entertainment, Inc., a Florida corporation (the " Company"), is filing this Notification of Late Filing on Form 12b-25 with respect to its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018 (the "Form 10-Q").

The Form 10-Q could not be filed within the prescribed time period required for smaller reporting companies without unreasonable effort and expense because additional time is required by the Company's management to prepare certain financial information to be included in the Form 10-Q. The Company is diligently preparing such financial information for inclusion in the Form 10-Q and anticipates that it will file the Form 10-Q no later than the fifth calendar day following the prescribed due date.

PART IV — OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

Mirta A Negrini	(305)	774-0407
(Name)	(Area Code)	(Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

Yes ü No ☐

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes ü No ☐

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

The Company had total revenues of approximately $5.7 million and $16.7 million, respectively, for the three and nine months ended September 30, 2018, as compared to approximately $6.8 million and $15.2 million, respectively, for the three and nine months ended September 30, 2017, primarily due to the factors described below.

On July 5, 2018, the Company acquired The Door Marketing Group LLC (" The Door"). Total revenues for the Company for the three and nine months ended September 30, 2018 include three months of revenues for The Door. The Company acquired 42West LLC ("42West") on March 30. 2017. Revenues for the nine months ended September 30, 2017 included only six months of revenues of 42West, as compared to 42West revenues for the entirety of the nine months ended September 30, 2018. As the Company has previously reported, in June of 2018, three senior publicists of 42West and their related staff left the Company to form their own firm. The Door and 42West comprise the Company's Entertainment Publicity segment. For the three months ended September 30, 2018, revenues from Entertainment Publicity increased by approximately $0.3 million primarily due to the revenues of The Door, partially offset by the decrease in revenues from the departures of the 42West publicists.

For the three and nine months ended September 30, 2018, revenues from our Content Production segment decreased by approximately $1.4 million and $4.2 million, respectively primarily due to the normal life cycle of the feature film *Max Steel* that was released in October of 2016. The Company's domestic distributor, Open Road Films ("Open Road"), filed for bankruptcy protection under Chapter 11 on September 4, 2018. Even though Open Road reported to the Company sales from the domestic distribution of *Max Steel* during the three months ended September 30, 2018, the Company did not record any revenues from the domestic distribution, awaiting the outcome of the sale of the assets of Open Road and certainty of collectability of those revenues.

Expense from direct costs, selling, general and administrative, depreciation and amortization, legal and professional and payroll increased overall by $0.8 million and $2.4 million, for the three and nine months ended September 30, 2018, as compared to the three and nine months ended September 30, 2017, respectively. For the three months ended September 30, 2018, the Company included three months of expenses of The Door that were not included in the same period in the prior year. For the nine months ended September 30, 2018, the Company included nine months of expenses for 42West and three months of expenses for The Door, as compared to six months of expenses for 42West and none for The Door for the same nine month period in the prior year.

On September 18, 2017, a third-party guarantor of one of the Company's loans paid $4.5 million to the lender. The Company had provided a $0.6 million backstop guaranty to the third-party lender and recorded a gain on extinguishment of debt of $3.9 million on its condensed consolidated statements of operations for the three and nine months ended September 30, 2017. There was no gain on extinguishment of debt recorded for the three and nine months ended September 30, 2018.

The Company has warrants, put rights and contingent consideration accounted for as liabilities on its condensed consolidated balance sheets. The change in fair value of these liabilities at each balance sheet date is recorded in the Company's condensed consolidated statement of operations. For the three and nine months ended September 30, 2018, respectively, the Company recorded (i) a gain of approximately $0.5 million from the change in the fair value of the contingent consideration related to the Company's acquisition of The Door and (ii) $0.1 million loss and a $1.3 million gain, respectively, due to the change in fair value of the 42West put rights. For the three and nine months ended September 30, 2017, respectively, the Company recorded (i) gain from change in fair value of warrants of $1.4 million and $7.7 million; (ii) gain from the change in fair value of put rights of $0.2 million and $0.1 million and (iii) loss from the change in fair value of the contingent consideration of 42West of $0.2 million and $0.3 million.

On July 1, 2018, the Company adopted ASU 2017-11, which no longer precludes a warrant with a down round feature from equity classification. The Company recorded a cumulative effect adjustment to retained earnings and the Company is no longer required to record changes in fair value to the statement of operations at each balance sheet date. As a result, the Company did not record any change in fair value of warrants for the three and nine months ended September 30, 2018.

Interest expense decreased by approximately $0.1 million for the three months ended September 30, 2018 and $0.5 million for the nine months ended September 30, 2018 as compared to the same periods in the prior year, primarily due to a decrease in the amount of accrued interest for the Production Service Agreement and the Prints &Advertising loan, as payments have been received from the international and domestic distribution sales of *Max Steel* and such payments have been applied to the outstanding balances of the Production Service Agreement and Prints & Advertising loan.

DOLHIN ENTERTAINMENT, INC.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 15, 2018

By: /s/ Mirta A Negrini
Mirta A Negrini
Chief Financial Officer