

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): August 19, 2014

**GENIUS BRANDS INTERNATIONAL, INC.**  
*(Name of registrant as specified in its charter)*

**Nevada**  
*(State or other jurisdiction of  
Incorporation or organization)*  
**9401 Wilshire Boulevard #608**  
**Beverly Hills, CA**  
*(Address of principal executive offices)*

**000-54389**  
*(Commission File Number)*

**20-4118216**  
*(I.R.S. Employer  
Identification Number)*  
**90212**  
*(Zip Code)*

*Registrant's telephone number, including area code: (310) 273-4222*

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

Copies to:  
Harvey J. Kesner, Esq.  
Sichenzia Ross Friedman Ference LLP  
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New York, New York 10006  
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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))
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## Item 7.01 Regulation FD Disclosure

On August 19, 2014, Genius Brands International, Inc. (the "Company") distributed a letter, in the form attached hereto as Exhibit 99.1(the "Letter") via press release, which was also distributed on August 14, 2014.

The Letter included both financial measures in accordance with Generally Accepted Accounting Principles ("GAAP"), as well as non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial positions or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to, net income, operating income and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of the Company nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP and should review the Company's most recent Quarterly Report on Form 10-Q for the period ended June 30, 2014, filed with the Securities and Exchange Commission on August 14, 2014.

This Current Report on Form 8-K includes a reconciliation of the Company's non-GAAP financial measure to the most comparable financial measure calculated in accordance with GAAP. The below should be read in conjunction with the Letter, and in supplement thereto. To the extent of any inconsistent references, the below descriptions should be considered to supplement and replace such inconsistent references, if any.

- 1) Paragraph 4: Due to the seasonal nature of the industry, the majority of revenue generated in the marketplace from our content is expected to occur in the fourth quarter, generally. Due to GAAP revenue recognition criteria, we do not expect these increased seasonal sales to translate into significantly asymmetrical GAAP revenue growth in the fourth quarter 2014, however we do expect to receive more cash in the fourth quarter 2014 from operations, as compared to other quarters of 2014. We expect third quarter 2014 earnings (Net Income) to be in line with the previous quarters, adjusted slightly upward for additional growth in the Company.
- 2) Paragraph 5: The Company believes it is standard practice within the entertainment industry to seek to structure distribution arrangements around advance royalty payments to be received up front, for example upon contract signing. The amount of these advances is most commonly determined by estimating the total amount of cash to be generated from the arrangement, in anticipation of not having to depend on future collections from either party. The advances, to be recognized, required performance of the Company and in some instances may be subject to return to the paying party if, for example, the arrangements are terminated or the Company is unable or unwilling to perform. In accordance with GAAP, the cash received from these advances is not recorded as revenue when received, but must be recorded as a liability and amortized to revenue as earned.
- 3) When evaluating whether or not to "Green light" (i.e. to approve the commencement of production of) a property, the Company traditionally internally forecasts certain key metrics based on industry experience. Thus far, the Company has not encountered any significant issues which would cause us to materially diverge from our forecasts. However, there can be no assurance that our forecasts will be realized or that the assumptions on which the forecasts are based are accurate, although we believe them to be reasonable as of the time of the forecast. Forecasts are subject to a number of risks and uncertainties as set forth in our Annual Report on Form 10-K under "Risk Factors" which are incorporated herein by reference.
- 4) Paragraph 6: The Company will make an appropriate disclosure on Current Reports filed with the SEC on Form 8-K as, and when, material transactions are entered into as required by the rules and regulations of the SEC.
- 5) Paragraph 6: The Company understands that having independent directors appointed to its Board is not the same as having an "independent Board of Directors". The Company currently has five (5) directors who meet the Company's criteria for independence.
- 6) At the time the attached letter was distributed, the Company was in negotiations with SunTrust Bank to establish a new Senior Secured Revolving Credit Facility. Subsequently, the arrangement was finalized under the following terms: \$2.0 Million Senior Secured Credit Facility between Genius Brands International and SunTrust Bank, with a 364 day term, to be used for working capital needs and other general corporate at a interest rate of LIBOR plus 475 basis points. The Company will make an appropriate disclosure on Current Reports filed with the SEC on Form 8-K as required by the rules and regulations of the SEC.
- 7) Paragraph 6. In connection with the employment of Stone Newman as President of Worldwide Consumer Products, the Company is also being appointed as the licensing agent for certain brands previously serviced by Mr. Newman at his prior agency. As a consequence, the Company will succeed to the right to receive agency fees from those existing and all future license programs for those brands.

- 8) Paragraph 6: As the Company proceeds to a “greenlight” of the 'Thomas Edison's Secret Lab' series and others in this coming period, the Company expects to see an increase in sales and, as a result, to receive more of the associated cash advances.
- 9) Paragraph 6: Due to the asymmetrical timing of payments that are associated with the majority of entertainment industry agreements, and the smoothing nature of GAAP revenue recognition, the discrepancies between the timing of cash receipts and revenue recognition can be said to make management decisions more difficult. The Company, however, is cognizant to take both cash and GAAP outcomes into consideration when making decisions, and not to rely only on one or the other.
- 10) Paragraph 7: The Company’s analysis, including the stated disclaimer at the end of this paragraph is based on a combination of potential agreements in varying levels of completion ranging from negotiation, to pending the completion of production, to verbal offers, and similar variances not all of which will be positive.
- 11) Paragraph 9: Due to the nature of GAAP’s treatment of operating expenses, there is minimal discrepancy between the timing of cash outflows and the incurrence of an expense, as opposed to production expenses which tend to vary significantly, the Company’s accounting practice has been to use the two interchangeably when making management decisions.
- 12) Paragraph 9: The Company’s Accounts Payable balance is down from \$704,539 at the end of the fourth quarter 2013 to \$433,720 at the end of the second quarter 2014. While the amount spent towards the net pay-down of Accounts Payable will not be included in our operating expenses figure, it will impact our Operating Cash Flow as additional cash outflow.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, except as expressly set forth in such filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits.

The following is filed as an Exhibit to this Current Report on Form 8-K.

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
99.1	Press Release dated August 19, 2014

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**GENIUS BRANDS INTERNATIONAL, INC.**

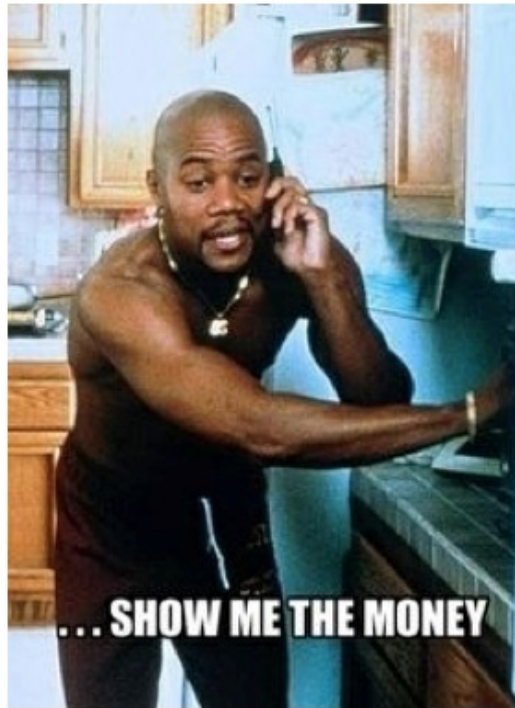
Date: August 19, 2014

By: /s/ Andrew Heyward

Name: Andrew Heyward

Title: Chief Executive Officer





Who could possibly forget the immortal words of Rod Tidwell in the film, Jerry Maguire:

**“Show me the money!”**

Today, Genius Brands International is releasing our 10Q SEC filing, which will discuss the activities of the company during the first half of the year, and those words from *Jerry Maguire* are near and dear to how we manage our company.

The last six months witnessed strong growth and a powerful positive evolution of the new Genius Brands International company.

The company focused during this period on the assimilation of the Baby Genius company and the A Squared Entertainment companies into a single business, and positioning the new entity to be on a strong financial footing in the coming year and beyond. It should be noted that forecast revenue from the year is not allocated equally quarter to quarter. The kids business is traditionally weighted much heavier to Q4 than to Qs1-3, because that’s when revenues from holiday sales are generated. More importantly, the new GBI has spent its time building out its infrastructure. I think a more likely split of revenues will be 20%-25% in the first six months, and the balance in Q4, as we begin to harvest much of what was worked on up until that point. It should be noted that not withstanding our reporting on a GAAP basis, we work on a **CASH BASIS**.

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I like to say that a landlord takes in his security deposit and first month's rent when the tenant moves in, but GAAP doesn't *lethin* recognize the money until the end of the month when the tenant has already lived there for that period. Similarly for us, at Genius Brands, we have taken in substantial cash but GAAP does not let us recognize it yet (even though it is in the bank!). As an independent entrepreneur for many years, I have always been focused on CASH, not GAAP accounting. *Cash* pays the bills. *Cash* fuels the enterprise. *Cash* drives growth. Our cash receipts during this six month period have been over \$2 million dollars, and we feel we are on a good course to hit our forecast numbers (more later).

Significant events which occurred during this six month period were:

- *Material reduction of staff and overhead from previous Baby Genius infrastructure.*
- *Raising of operating capital (\$6 million dollars).*
- *Built out infrastructure to deliver IP to the marketplace through powerful relationships and licensees (e.g. Sony, BMG, LeapFrog, Netflix, In Grooves\*, Comcast, Discovery, American Public Television, and a major home entertainment distributor to be announced shortly\*). **\*not announced yet***
- *Establishment of an independent Board of Directors with accomplished members, and standing oversight committees ('compensation,' 'nominating,' 'audit').*
- *Application to move to NASDAQ has been filed and we are optimistic to be there before the end of the year.*
- *Secured and negotiated a credit facility with a major bank providing us with a revolver credit, should an opportunity present itself. **\*not announced yet***
- *Brought all international and consumer products sales responsibilities in-house, eliminating expensive commission based outside agencies, and assuming greater focus and control of our own brands.*
- *Enriched IP pipeline with the addition of six material properties, several of which are already earning money.*
- *As we greenlight 'Thomas Edison's Secret Lab' series and others in this coming period, we will recognize substantial revenue but on a cash basis (we do not want to get in the '**GAAP TRAP**') from sale to Asia, via offset of production cost to Asian studio, in exchange for participation in the brand. (By having less expenses to deduct, we increase the net profit.)*

Today, Genius Brands stands on a very solid footing, with close to \$6 million dollars in the bank account, and about \$2 million dollars in high quality receivables and obligations to us. (I have learned from our finance department that per GAAP: a sale isn't considered a receivable until meeting five criteria, thus they don't appear on our financials because they haven't met all five criteria yet, sic \$325,000 showing as receivables on our 10Q).

We have zero debt, and now, an untouched credit facility for \$2 million dollars.

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**Our overhead is steady at about \$300,000/month, and our business is growing (operating expenses for the first six months were \$1.898 million, a significant amount of which is due to us paying off the old Genius Brands trade payables.) Meanwhile we are signing consumer products licensees for our brands continuously; we are licensing broadcasters and digital distribution outlets worldwide. We have growing interest from the biggest retailers in the U.S., and we expect to see material presence at retail of our product lines over the next 24 months, as we execute against Baby Genius, Secret Millionaires Club, Stan Lee Comics, Thomas Edison's Secret Lab, and the new brands recently acquired to be announced shortly.**

**There will be a significant number of new announcements coming.**

**Lastly, we expect to be cash break even by end of year, and cash positive in 2015.**

**Overall, a very positive period for Genius Brands International! An auspicious period of growth, the seeds of value creation have been planted, and are sprouting.**

***STAY TUNED!***

**Best,**

A handwritten signature in black ink, appearing to read 'Andy', with a long, sweeping tail that extends downwards and to the right.

**Andy Heyward  
Chairman & CEO**

The above includes both financial measures in accordance with Generally Accepted Accounting Principles ("GAAP"), as well as description of matters which may be considered non-GAAP financial measures. Generally, a non-GAAP financial measure is a numerical measure of a company's performance, financial positions or cash flows that either excludes or includes amounts that are not normally included or excluded in the most directly comparable measure calculated and presented in accordance with GAAP. Non-GAAP financial measures should be viewed as supplemental to, and should not be considered as alternatives to, net income, operating income and cash flow from operating activities, liquidity or any other financial measures. They may not be indicative of the historical operating results of the Company nor are they intended to be predictive of potential future results. Investors should not consider non-GAAP financial measures in isolation or as substitutes for performance measures calculated in accordance with GAAP and should review the Company's most recent Quarterly Report on Form 10-Q for the period ended June 30, 2014, filed with the Securities and Exchange Commission on August 14, 2014. The Company has filed a Current Report on Form 8-K which includes a reconciliation of the above information to the most comparable financial measure calculated in accordance with GAAP. The above should be read in conjunction with the Current Report on Form 8-K filed August 19, 2014, and in supplement thereto. To the extent of any inconsistent references, the above descriptions should be considered to be supplemented and replaced with the information in the Current Report on Form 8-K.

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