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

FORM 10-K

☒ ANNUAL REPORT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2013**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to ___________.

Commission file number 000-52414

POW! ENTERTAINMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**90-0139831**
(State or Other Jurisdiction of Incorporation of Organization)	(I.R.S. Employer Identification No.)
9440 Santa Monica Boulevard #620 Beverly Hills, CA 90210	**310-275-9933**
(Address of principal executive offices) (ZIP Code)	(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**
Securities registered pursuant to Section12 (g) of the Act: **Common Stock, $0.001 par value**

Indicate by check mark whether the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant as required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large 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 ☐ Smaller reporting company ☒

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

As of June 30, 2013 (the last business day of the registrant's second fiscal quarter), the aggregate market value of the registrant's common stock held by non-affiliates of the registrant (computed by reference to the closing price of $0.04 per share as of the last business day of the most recently completed second fiscal quarter) was $2,558,365.

Number of common shares outstanding at December 31, 2013 was 132,357,356.

POW! Entertainment, Inc.
2013 Form 10-K Annual Report

FORWARD-LOOKING STATEMENTS
Some of the statements in the Form 10-K are forward-looking statements about what may happen in the future. Forward-looking statements include statements regarding our current beliefs, goals, and expectations about matters such as our expected financial position and operating results, our business strategy, and our financing plans. The forward-looking statements in the Form 10-K are not based on historical facts, but rather reflect the current expectations of our management concerning future results and events. The forward-looking statements generally can be identified by the use of terms such as “believe,” “expect,” “anticipate,” “intend,” “plan,” “foresee,” “likely” or other similar words or phrases. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be different from any future results, performance and achievements expressed or implied by these statements. We cannot guarantee that our forward-looking statements will turn out to be correct or that our beliefs and goals will not change. Our actual results could be very different from and worse than our expectations for various reasons. You should review carefully all information, including the discussion of risk factors under Item 1A, along with the financial statements and the notes to the financial statements included in the Form 10-K. Any forward-looking statements in the Form 10-K are made only as of the date hereof and, except as may be required by law, we do not have any obligation to publicly update any forward-looking statements contained in this Form 10-K to reflect subsequent events or circumstances.

Item 1 Business

Our Corporate History

POW! Entertainment, Inc. (the “Company”) was formed as a Delaware corporation on August 17, 1998, under the name Megatek Legacy Systems, Inc., renamed Alta Pacific Minerals, Inc., in 1999, then Arturion Entertainment, Inc., in 2002, and finally POW! Entertainment, Inc. in 2004 in connection with the reorganization referred to below. The Company’s wholly-owned subsidiary, POW! Entertainment, LLC (“POW LLC”), was formed in November 2001 as a limited liability company under the laws of the State of Delaware. On May 5, 2004, POW LLC became a wholly owned subsidiary of Arturion Entertainment, Inc. and the former members of POW LLC received shares of Arturion Common Stock representing approximately 92% of the Common Stock outstanding and the Company’s name was changed to POW! Entertainment, Inc. The Company’s Common Stock is quoted on the OTCQB Market with the ticker symbol POWN.

The Company’s executive offices are at 9440 Santa Monica Boulevard, #620, Beverly Hills, California 90210. The Company’s phone number is 310-275-9933.

General

Overview

The Company is a multimedia production and licensing company that creates and licenses animated and live-action fantasy and superhero entertainment content and merchandise, leveraging the creative output and branded image of Stan Lee. Prior to his association with the Company, Mr. Lee’s co-creations include Spider-Man™ [1], The Incredible Hulk ™ [1], X-Men™ [1], The Fantastic Four™ [1], Iron Man ™ [1], Daredevil ™ [1], Silver Surfer ™ [1] and Dr. Strange ™ [1] as well as hundreds of others. **The Company does not receive any revenue in the form of royalties or otherwise from the foregoing creations.** The Company develops Stan Lee originally created projects for traditional entertainment media such as feature length films in both live action and animation, DVD, live entertainment, television programming, merchandising and new media such as on-line digital content and video games. All of the Company’s intellectual properties, which may include characters and stories, are vertically integrated in that each property is developed into as many products as possible, to create a branded franchise to accelerate global identity from the synergy created across various media.

[1] These are the registered trademarks and characters of Marvel Characters, Inc.

The Company’s revenue for the year ended December 31, 2013 and 2012 was and $2,380,951 and $2,064,784, respectively. The Company had a net loss for the years ended December 31, 2013 and 2012 of $392,689 and $1,847,806, respectively. The net loss for the year ended December 31, 2012 included the write off of $994,041 relating to amounts previously recorded as subscriptions receivable.

Currently, the Company is engaged in:

- creating project concepts,
- identifying select partners willing to participate in, and/or finance, the development of the Company’s projects,
- identifying talented and suitable writers to write scripts for the Company’s projects, and,
- negotiating agreements for the production of the projects (*i.e* ., the filming of a movie or television series, the creation of the video game, etc.).

The Company's Strategy

The Company's strategy is to leverage the creative output and branded image of Stan Lee and to outsource to, and work with, established production companies willing to finance and undertake the resource and labor intensive aspects of producing entertainment projects.

The Company plans to achieve its goals by licensing its creations to third party producers, or partnering with third parties to produce the Company's projects (movies, television shows, video games, comic books, merchandising and other ancillary opportunities) or to finance such productions. Due to the Company's limited responsibility for any given project in this business model, the Company is able to create and manage a very large number of projects with a small staff and relatively low overhead costs and project expenses. The Company expects that it will receive both up-front executive producer fees and back-end participation (revenues or profits from projects that are ultimately produced, are considered "back-end participations"). Since most of the project expenditures will be borne by the Company's development partners, the Company believes that it can profit from projects that are ultimately produced, even if they are not considered to be commercially successful. For example, a movie that makes little or no profit in theaters will generate revenues from executive producer fees and other fees and licensing. The Company intends to have a large number of projects produced, increasing the probability that a number of these projects will be commercially successful, resulting in on-going revenues from back-end participation.

Working with Established Partners

We believe that, with Stan Lee's history of creating or co-creating successful entertainment "franchises" and his branded image, the Company will be able to partner with studios or production houses willing to finance and produce its projects. To further enhance its business prospects, the Company on occasion teams up with well-known directors and writers.

Several of our projects are in development with varying levels of participation by established writers, directors, producers or studios. As part of this strategy, we offer key participants an equity interest in the project.

Projects in Development

The Company begins with story ideas from Stan Lee and presents the ideas to Disney pursuant to the "first look" contract (See *Transactions with Affiliates of The Walt Disney Company* **)** , then third parties (such as writers, directors, producers or studios) to develop the project at the third party's expense. The Company considers a project to be "in development" once we have packaged the project and handed the project off to a third party. At that point, the project has left the control of the Company and is in the purview of the third party. Since the Company does not control the process once it is in the hands of others it is unable to indicate with much, if any, certainty when that project will be produced or the cost that such other party may incur to produce it. The numbers of projects in development tend to vary at any given point in time, but they are in the 15-20 projects range. A majority of projects "in development" are never produced, or are produced only after lengthy delays.

We believe that the odds are against the typical project "in development" being produced because there are a very large number of people who come up with ideas for movies, television shows, and other forms of entertainment, but only a limited number of entities with the financial and personnel resources required to produce and distribute these projects. However, we believe that several factors improve the odds of the Company's projects being produced and, if produced being successful.

- First, Stan Lee's has co-created a large number of very successful characters and projects.
- Second, through Stan Lee, we have established relationships with a variety of well-known writers, directors and producers.
- Third, Stan Lee's natural inclination and focus are on superheroes, action characters and other characters that have potential to become "franchises" (i.e. that lend themselves to sequels, to licensing to other media, to merchandising and to other ancillary opportunities).

(See "Risk Factors- Developing projects into commercially successful programs may be difficult.")

Transactions with Affiliates of The Walt Disney Company

Silver Creek Pictures, Inc. ("Silver Creek"), an affiliate of The Walt Disney Company ("Disney"), entered into an agreement with the Company in 2006 and subsequently amended (the "Silver Creek Agreement") pursuant to which, among other things, the Company provides Silver Creek with a "first look" at all of the Company's creative intellectual property and the right to acquire any such properties, in Silver Creek's discretion under prescribed terms, and Silver Creek compensates the Company for all properties that are developed by Silver Creek into revenue producing works pursuant to complex terms, typical in the film and media industry.

The Silver Creek Agreement provides for Silver Creek to pay the Company overhead allowance amounts equal to $700,000 per annum from 2010 through 2014, and an additional $550,000 per annum advance against certain future payments due from Silver Creek. Silver Creek is entitled to recoup the $550,000 annual payments from proceeds of Company projects.

In addition to the foregoing $1,250,000 in annual payments, Silver Creek has agreed to pay us $1,250,000 in annual consideration for our lending Stan Lee's services to consult on the exploitation of the assets of Marvel Entertainment, which was acquired by Disney in late 2009. The payments of $1,250,000 per year relating to Stan Lee's consulting services cease in the event of, and from the time of, Stan Lee's inability to perform such services due to disability or other incapacitation.

Furthermore, any properties that Silver Creek rejects or accepts and subsequently abandons may be offered by the Company elsewhere subject to participation by Silver Creek. Depending on the nature of the project so offered to a third party and the time when such project was originally offered to Silver Creek, Silver Creek is entitled to either up to $100,000 per project, or the assignment of 50% or 25% of the Company's compensation from the third-party producer.

At present, in a typical deal for feature films, we believe we would receive an executive producer fee ranging between $450,000 and $750,000 per feature film project produced, plus a share of potential "back-end" revenues or profits, as well as a share of licensing and merchandising revenues. Although an amount in this range is payable to the Company by Silver Creek for any feature films produced, such amount would be subject to offsets to permit Silver Creek to recoup a portion of the advances and guaranteed payments that it is and has been paying the Company on a monthly basis.

The Silver Creek Agreement, including all amendments, are exhibits to the Form 10 filed with the Securities and Exchange Commission on December 10, 2010 and the foregoing summary is subject to the actual terms provided therein.

Additionally, Catalyst Investments, LLC ("Catalyst Investments"), another Disney affiliate, purchased on December 31, 2009 ten percent of the then-outstanding shares of common stock of the Company for $2,500,000 (the "Catalyst Investment").

Planned Brand Creation and Anticipated Revenue Sources

The Company's revenue model revolves around brand creation and management, and partnering with major live action and animation studios, distributors, and licensees to achieve effective development and distribution of branded properties at a relatively low cost to the Company. The model contemplates revenue and profit sharing arrangements with strategic partners who will fund all preliminary development and distribution for varying degrees of continued interests in the properties after recouping their original investments.

The main sources of revenues are expected to be:

- theatrical and television distribution;
- live entertainment;
- interactive games and on-line digital content;
- merchandising and licensing;
- comic and graphic novel publishing; and
- advertising and sponsorship.

Theatrical and Television Distribution

The development of traditional media franchises such as feature film, basic television and cable television, is a lucrative market for the exploitation of the Company's properties. The Company intends to develop properties into television and cable shows and feature films with the goal of creating "franchises" that will enable it to maximize merchandising and licensing opportunities. All of the projects will have fees payable to the Company for both Stan Lee and Gill Champion acting as a producer or executive producer, as well as a participation fee. We expect that, in the future, the amount of fees payable to the Company for projects that are produced will vary based on the circumstances of each project, market conditions, and the Company's and Stan Lee's reputation based on successes or failures of our projects. At present, we believe that, in a typical deal for feature films, it would receive an executive producer fee ranging between $450,000 and $750,000 per feature film project produced, plus a share of potential "back-end" revenues or profits, as well as a share of licensing and merchandising revenues. Although, under the Silver Creek Agreement an amount in this range is payable to the Company by Silver Creek for any feature films produced, the amount is subject to offsets to permit Silver Creek to recoup a portion of the advances and guaranteed payments it is and has been paying the Company on a monthly basis.

Live Entertainment

The Company has plans to bring new characters and superhero storylines to live theater and live concert events.

Interactive Games and On-Line Digital Content

Along with the vertical integration of traditional media franchises, significant revenue can be generated from the on-line digital markets. We believe that consumer demand for new and original properties will fuel the market for distribution of both stand-alone retail and multi-player on-line interactive games and will provide a viable platform for the Company's created characters.

Merchandising and Licensing

The Company plans to engage in the worldwide exploitation of its brands by pursuing advances and ongoing royalties from licensing Stan Lee brands. The Company intends to license its brands to apparel manufacturers, toy manufacturers, and third party publishers, among others.

Comic and Graphic Novel Publishing

Stan Lee is a recognized figure in the comic-book publishing industry, and print publication of his creations is a natural extension of these media brands. The Company plans to leverage off Stan Lee's structure and license character creations to third parties engaged in the publishing of both comic books and graphic novels.

Advertising and Sponsorship

The Company plans to establish co-branding ventures in order to add entertainment value to other party's intellectual properties.

Intellectual Property

The Company's primary assets are the intellectual property created by Stan Lee, including our ownership of Stan Lee's name, likeness, brand and signature slogans, "Stan Lee Presents", "Excelsior", and "Stan's Soap Box" by assignment from Stan Lee, as well as all new properties being developed by the Company. The Company holds the registered trademarks "Stan Lee Presents" and "Excelsior" in the United States, and it believes it holds common law trademarks in the United States to "Stan Lee" and "Stan's Soapbox", among others. (*See* "Projects in Development" above).

The Animated and Live-Action Fantasy Entertainment Industry

The animated and live-action fantasy entertainment industry continues to enjoy high growth, with animated and live-action fantasy and superhero characters being exploited through network and cable television and movies. The lucrative potential of entertainment media in this genre can be seen by the commercial success of full-length motion pictures such as: Spider-Man, X-Men and Iron Man and their sequels. However, there can be no guarantee that any of the Stan Lee's projects for the Company will be produced at all or, if so produced will be a commercial success like Spider Man, X-Men and Iron Man.

Competition

The entertainment industry is highly competitive, with many companies vying for market share in specific industry segments. The Company has a broad array of competitors in creating and exploiting entertainment properties. Many of our competitors are very large companies such as Disney, and Time Warner, Inc., with vastly greater resources than the Company. On the other end of the spectrum, we also compete with individuals or small companies with ideas for entertainment projects. Many of the large entertainment companies have financing and distribution capabilities and production facilities constantly seeking creative content to license and exploit. Thus, these entities may also be the Company's partners for collaboration on various projects. While this approach allows us to utilize the resources of these large companies, it makes us vulnerable to problems or business decisions at these companies that may cause them to delay or terminate production of various Company projects without our consent or control.

Competitors of ours that are or may be our customers or partners on various projects include:

- Disney, which is a major force in the creation and exploitation of properties and has exceptional distribution capabilities in traditional media and licensing. Disney also owns Marvel, which is one of the major comic book publishers in the world. Marvel has a library of superhero characters, the most famous of which were created or co-created by Stan Lee, that have formed the basis of many traditional media properties. Among these are Spider-Man™, the X-Men™, Iron-Man™, the Incredible Hulk™, and Daredevil™.

- Time Warner, Inc, which is not only a leading authority in film and television, but also owns DC Comics, a major competitor of Marvel.

Competitive Advantages and Challenges

Our competitive advantage in the entertainment industry is Stan Lee's ability to create new intellectual properties and the Company's ability to promote projects with global appeal to both production third parties and consumers. As a recognized figure in the comic book industry, Stan Lee created or co-created franchises for Marvel Comics that has sold millions of comic books. In addition, these franchises have enjoyed decades of derivative exposure in the form of merchandising, licensing, animated and live action television, and motion pictures. The Company now owns the Stan Lee name and brand, signature slogans, and the new properties developed and being developed by Stan Lee for the Company.

Additional advantages lie in the production, distribution, and licensing partners that the Company has and continues to engage, the Hollywood talent that wants to collaborate with Stan Lee in creating animated and live action properties, and Stan Lee's ability to attract well-known writers and artists to assist in the development of his original creations. As noted above, the Company believes that its ability to operate by partnering with major production, distribution, development and licensing companies for revenue participation is also a major advantage.

The competitive challenges lay in the inherent nature of the entertainment industry with many intellectual companies vying for the limited opportunities of financial production to eventual distribution to the public consumer. We reside within the inherent limitations of the industry.

See "Risk Factors – Developing projects into commercially successful programs may be difficult"

Employees

The Company had 13 employees as of March 5, 2014. We may engage independent consultants in the future as needed to assist in the execution of our strategy.

Item 1A. Risk Factors

Risks relating to Our Business

We rely on one major partner. We are reliant on the Silver Creek Agreement for the majority of our working capital (See Transactions with Affiliates of the Walt Disney Company above). Relying on the extended term and the increased payments to be made by Silver Creek on a monthly basis, the Company eliminated the requirement that its key employees defer substantial portions of their salaries.   If the amount of payments under the Silver Creek Agreement is scaled back due to our loss of Stan Lee's services or Silver Creek fails to pay us pursuant to the terms of the Silver Creek Agreement, we may not generate sufficient revenues in the future, not be able to implement our business plan, and need to scale back operations.

Going Concern . The Silver Creek Agreement as described above in *Transactions with Affiliates of the Walt Disney Company* expires in December 2014. There is no assurance that the agreement will be extended or if extended what the terms of such extension would provide. The Company has sustained recurring losses in prior years. The current combined cash and marketable securities will sustain operations for only a short period of time. With the absence of revenue streams from the Silver Creek Agreement, these conditions raise substantial doubt about the Company's ability to continue as a going concern.

Our future revenues are unpredictable . As a result of the competitive nature of the markets in which the Company competes, the unpredictability of revenue flow in the entertainment industry in general, and in the particular sector of the entertainment business that the Company intends to pursue, the Company is unable to accurately forecast its revenues. The Company's strategy, to engage, or partner with, third parties to implement the line production and provide the production costs of products based on the Company's concepts, means that the timing, and quality of the productions, and our resulting revenue have been and will continue to be affected by decisions and actions of third parties and therefore, to some extent, will be out of the Company's control.

Fluctuations in operating results. The Company is likely to experience significant fluctuations in its future quarterly and annual operating results due to a variety of factors, many of which are outside the Company's control. Factors that may adversely affect the Company's operating results include:

- the Company's ability to accurately predict consumer demands and to maintain consumer satisfaction with the Company's productions;
- the ability of entities that produce the Company's projects to complete productions on time and on budget;
- delays in revenue recognition at the end of a fiscal period as a result of logistical problems;
- the impact of governmental regulations; and
- general economic conditions.

Developing projects into commercially successful programs may be difficult . Although the Company has a number of projects in development, the term “in development” in the entertainment industry embraces a wide variety of activities, including writing a script and identifying and negotiating with potential actors, directors and/or producers willing to participate in the project. At any given time, there are hundreds of projects in development by various parties, the majority of which may never be produced or may be produced only after lengthy delays. Although a project in development may not be produced at the time that it is originally proposed, it may succeed in attracting sufficient interest in subsequent years when conditions change. Failure to produce successful projects will have a material adverse effect on our reputation and business prospects and condition.

Stan Lee’s creative output is important to our business plan. Although the Company has an inventory of Stan Lee’s treatments and holds the rights and title to the Stan Lee brand by assignment from Stan Lee, the Company’s success is still based on the future creative output and marketing presence of Stan Lee, who is 91 years old. The Company has a number of projects based on Stan Lee’s creations in development at present and its goal is to develop a sufficient number of these projects in order to produce an ongoing revenue stream well after the time that Stan Lee remains active to alleviate this risk. The Company also intends to hire a number of writers to supplement and complement Stan Lee’s output. However, no assurances can be given that these plans will be successful. Additionally, the Silver Creek Agreement (see Working with Established Partners above), provides that the Company’s annual payment from Silver Creek will be reduced from $2,500,000 to $1,250,000 per year upon Stan Lee‘s disability.

We depend on our management; loss of key management may be detrimental to the Company . The Company's success is dependent to a large degree on the services and presence of Stan Lee, its Chairman and Chief Creative Officer, and Gill Champion, its Chief Executive Officer. The loss of either officer could have a material adverse effect on the Company's business or results of operations. The Company has an employment agreement with each of them that limits their right to compete with the Company. Stan Lee has a lifetime employment agreement with Marvel Comics, which currently requires Stan Lee to devote 10-15 hours per week to Marvel matters, and in return for which Stan Lee currently receives an annual salary of $1,000,000. As a result, Stan Lee is unable to devote his full time and attention to the Company’s business. Currently we do not hold key-man insurance for Stan Lee. The Company currently holds a key-man policy for Gill Champion with a death benefit of approximately $4 million.

Our success also depends in large part on our ability to attract and retain highly skilled executive, technical, managerial, sales and marketing personnel and writing talent. If we lose the services of Stan Lee, Gill Champion or other personnel, we may not have the resources to implement our business plan, and may not be able to replace any of these personnel with similarly experienced individuals. Competition is intense for skilled and talented personnel in the entertainment industry, and it may be difficult to attract or retain qualified key employees. Without strong management and talented employees, business growth will be hindered and we are likely to experience a material adverse effect on our business results and future prospects.

Our intellectual property rights may be violated or subject to litigation. We believe that the creative output of Stan Lee on which our content and products are based is proprietary and is our intellectual property. We believe we have ownership rights to Stan Lee’s name and likeness by assignment from Stan Lee and have a common law trademark in the “Stan Lee” name. We have filed for registration the name “Stan Lee” as a trademark in the United States. Our ability to develop our business and compete effectively depends to a significant extent on our ability to protect our intellectual property. We will rely primarily upon confidentiality procedures, trade secrets, and copyright, trademark and trade name laws to protect our intellectual property rights. We will generally control access to our content, technology and other proprietary information. Despite these precautions, however, it may be possible for competitors to copy all or part of our ideas or to obtain information that we regard as proprietary. Misappropriation of our content or development by our competitors of content that are substantially equivalent or superior to our ideas would have a material adverse effect on our operations and financial condition. In addition, litigation may be necessary in the future to enforce our intellectual property rights, to protect trade secrets, or to determine the validity and scope of the proprietary rights of others. Such litigation could result in substantial costs and diversion of our financial and personnel resources. Additionally, we may not have adequate financial resources to effectively police our intellectual property or to institute and sustain legal action against infringers. As a result, the integrity and value of our intellectual property could erode having a material adverse effect on our business, financial condition and results of operations.

We may become subject to infringement claims . One of the risks of the entertainment business is the possibility of claims that the Company’s ideas infringe the intellectual property rights of third parties with respect to previously developed films, stories, characters or other creative content. The Company has in the past and may in the future receive notice of claims of infringement of other parties' proprietary rights. Irrespective of the merits of such claims, the Company would be forced to incur significant costs and diversion of resources to defend those claims which could have a material adverse effect on our business, financial condition or results of operations. If any claims or actions are asserted against us, we may seek to obtain a license under a third party's intellectual property rights to settle the matter. The Company cannot provide any assurances, however, that under such circumstances a license would be available on reasonable terms if at all. If a license is not available to us in these circumstances, we may be precluded from exploiting the intellectual property, forcing us to cancel projects at a substantial expense and causing us to incur significant monetary damages.

The Company not being listed on a Securities Exchange may make it difficult for the Company to Obtain Future Financing . The absence of the Company's listing on a Securities Exchange may make it more difficult to obtain future equity financing because many investors are unwilling or unable to invest in companies not so listed.

Risks Relating to Our Securities.

The Company's Securities are quoted on the OTCQB which leads to lack of liquidity, volatility and other problems. The Company's Common Stock is quoted on the OTCQB under the symbol POWN. The quoted price of the Company's Common Stock has ranged from approximately $0.02 to $0.09 during the year daily volume has ranged from 100 shares to approximately 600,000 shares. No assurance can be given that an active trading market in the Company's securities will be sustained. Factors such as the Company's operating results, changes in financial estimates, laws, rules or regulations, and general market conditions may have a significant impact on the market price of the Company's securities. The market price for the securities of public companies often experience wide fluctuations, which are not necessarily related to the operating performance of such public companies. For companies traded in the OTCQB, it is more difficult to obtain accurate quotes and obtain coverage for significant news events to promote and gain exposure for companies. This may cause difficulty in conducting trades.

Penny stock regulations may impose certain restrictions and limitations on the marketability of our securities . The Securities and Exchange Commission has adopted regulations which generally define a "penny stock" to be any equity security that has a market price (as defined) of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. As a result, our Common Stock is subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse). For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the Commission relating to the penny stock market. The broker-dealer must also disclose the commission payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our securities, may limit the number of broker-dealers willing to sell our securities, and may affect the ability of investors to sell our securities in the secondary market and the price at which such purchasers can sell any such securities.

We have no history of paying dividends. We have never paid cash dividends on our Common Stock and do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. We plan to retain any future earnings to finance growth.

Shares eligible for future sale may adversely affect the market. From time to time, certain of the Company's stockholders may be eligible to sell all or some of their shares of Common Stock by means of ordinary brokerage transactions in the open market pursuant to Rule 144, promulgated under the Securities Act, subject to certain limitations. In general, pursuant to Rule 144, a non-affiliate stockholder who has satisfied a six-month holding period may, under certain circumstances, sell its shares, without limitation. Any substantial sale of the Company's Common Stock pursuant to Rule 144 or pursuant to any resale prospectus may have a material adverse effect on the market price of the Common Stock.

Future sales of the Company's Common Stock could adversely affect its price and the Company's future capital-raising activities could involve the issuance of equity securities, which would dilute your investment and could result in a decline in the trading price of the Company's Common Stock. The Company may sell securities in the public or private equity markets if and when conditions are favorable, even if it does not have an immediate need for additional capital at that time. Sales of substantial amounts of Common Stock, or the perception that such sales could occur, could adversely affect the Company's ability to raise capital and the prevailing market price of the Company's Common Stock. The Company may issue additional Common Stock and/or securities exercisable or convertible into Common Stock in the future, in financing transactions or as incentive compensation for its executive management and other key personnel, consultants and advisors. Issuing any equity securities would be dilutive to the equity interests represented by the Company's then-outstanding shares of Common Stock. The market price for the Company's Common Stock could decrease as the market takes into account the dilutive effect of any of these issuances. Furthermore, the Company may enter into financing transactions at prices that represent a substantial discount to the market price of its Common Stock. A negative reaction by investors and securities analysts to any discounted sale of the Company's equity securities could result in a decline in the trading price of the Company's Common Stock.

The Company may be unable to remain in compliance with the reporting requirements of the Exchange Act. There can be no assurance that the Company will have the funding and personnel resources to comply with the Exchange Act periodic reporting requirements to prepare and file current, quarterly and annual reports on a timely basis or at all. Failure of the Company to maintain its reporting requirements could have a materially adverse effect on the liquidity of the market for the Company's Common Stock and the ability for an investor to sell the Common Stock.

The Company's stock price may be volatile. We expect that the market price of the Company's Common Stock is likely to be highly volatile and could fluctuate widely in price in response to various factors, many of which are beyond its control, including:

- the loss of Stan Lee's services;
- additions or departures of other key personnel;
- sales of the Company's Common Stock and securities exercisable or convertible into Common Stock;
- the Company's ability to implement its business plan;
- operating results below expectations;
- loss of any strategic relationship;
- industry developments;
- economic and other external factors; and
- period-to-period fluctuations in the Company's financial results.

In addition, the securities markets have from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of particular companies. These market fluctuations may also materially and adversely affect the market price of the Company's Common Stock.

The Company has a concentration of stock ownership and control, which may have the effect of delaying, preventing, or deterring a change of control. The Company's Common Stock ownership is highly concentrated. The current officers and directors of the Company, including Stan Lee, Gill Champion and Bick Le and their respective affiliates, beneficially own an aggregate of 50.9%, of the Company's total outstanding common stock. (*See* Item 12. Security Ownership of Certain Beneficial Owners and Management) As a result of the concentrated ownership of the Company's stock, a relatively small number of shareholders, acting together, will be able to control all matters requiring shareholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing or deterring a change in control of the Company. It may affect the market price of the Company's Common Stock.

Our corporate charter eliminates personal liability of our directors, officers, employees and agents . As permitted by the Delaware General Corporation Law, our Certificate of Incorporation eliminates the personal liability of the directors, officers, employees and agents to the Company and its stockholders for monetary damages for breach of fiduciary duty except in certain circumstances. Accordingly, except in such circumstances, stockholders will have limited rights to recover money damages from our directors, officers, employees and agents for breach of such duty.

Item 1B—Unresolved Staff Comments

None

Item 2 – Property

We lease 2,034 square feet of office space for our corporate office located at 9440 Santa Monica Boulevard, Beverly Hills, California pursuant to a lease which expires on June 30, 2016. The minimum future rents totals approximately $106,000 per annum.

Item 3—Legal Proceedings

From time to time the Company may become involved in various legal proceedings in the normal conduct of its business.

Stan Lee Media, Inc.

Stan Lee Media, Inc. ("SLM") was a publicly-traded entity listed on the NASDAQ during 1999. SLM operated as a typical dot com company during the dot com bubble, in that it created and developed new properties and franchises for the internet, in this case under the Stan Lee signature, but without any sustainable revenue source other than new debt or equity financings. While Stan Lee was the Chairman of the Board of Directors and Chief Creative Officer of SLM and Gill Champion was the Chief Operating Officer of SLM, the President and Chief Executive Officer of SLM was a party who is unrelated to the Company. Stan Lee terminated his employment agreement with SLM in January 2001 because, among other reasons, SLM had ceased paying him thereunder.

SLM filed for bankruptcy protection in February 2001 and ceased operations during July 2001. SLM does not have any working relationship, association or dealings with the Company, other than the Company having acquired the right to distribute some of SLM's intellectual property, subject to an agreement to pay SLM a royalty out of any revenues received from such intellectual property. This SLM intellectual property has only produced approximately $2,000 of revenues from December 2001 to December 2010 and the Company does not consider it material to its Company's business. No revenues have been earned in the years ended December 2011 to 2013. SLM's bankruptcy petition was eventually dismissed as a result of SLM's failure to pay required court fees and its corporate charter was revoked by its state of incorporation, Colorado, for failure to pay franchise taxes.

On July 9, 2007, SLM filed a lawsuit in the United States District Court for the Central District of California against Stan Lee, QED and the Company entitled Stan Lee Media, Inc. v. Lee, et al. (the "SLM Suit"). In this suit, SLM sought declaratory relief and asserted claims for misappropriation of corporate opportunity, breach of contract, civil conspiracy, an accounting for profit, violation of the Lanham Act, copyright infringement, cyber squatting, and unfair business practices naming various defendants, including the Company. Specifically, SLM petitioned the court for an order declaring that SLM is the rightful owner of certain intellectual property and, as such, is the only entity that can use and benefit from such property. In January 2011, the U.S. District Court for the Central District of California directed that SLM file a Consolidated Complaint in that Court, consolidating all the litigation pending in that Court. In February 2011, SLM filed its Consolidated Complaint seeking substantially the same relief sought in the initial complaint previously filed and dismissed in New York. In March 2011, the Company filed a motion to dismiss the newest complaint on the grounds that the claims are barred by *res judicata* and statutes of limitation, among other grounds, based in part on the prior New York Federal Court decision. On August 23, 2012, Judge Wilson dismissed the case. SLM has filed an appeal.

Item 4 – [Removed and Reserved]

PART II

Item 5. Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters.

Our shares of Common Stock are quoted in the OTCQB under the trading symbol "POWN".

The following table sets forth the high and low bid price for our Common Stock during 2013 and 2012. The quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not represent actual transactions.

	High	Low
2012		
Quarter Ended March 31, 2012	$ 0.15	$ 0.08
Quarter Ended June 30, 2012	$ 0.09	$ 0.04
Quarter Ended September 30, 2012	$ 0.06	$ 0.04
Quarter Ended December 31, 2012	$ 0.11	$ 0.03
2013		
Quarter Ended March 31, 2013	$ 0.09	$ 0.04
Quarter Ended June 30, 2013	$ 0.05	$ 0.04
Quarter Ended September 30, 2013	$ 0.05	$ 0.03
Quarter Ended December 31, 2013	$ 0.04	$ 0.02

On March 5, 2014 the closing sale price of our common stock was $0.03.

Holders

As of March 5, 2014 there were 49 registered holders of our Common Stock. We believe that there are also a significant number of beneficial owners of our common stock whose shares are held in “street name.”

Dividend Policy

We have not paid cash dividends on our common stock and do not plan to pay such dividends in the foreseeable future. Our Board of Directors will determine our future dividend policy on the basis of many facts, including results of operations, capital requirements, and general business conditions.

Transfer Agent and Registrar

The transfer agent for the Common Stock is Broadridge Issuer Solutions, Inc., whose address is 44 W. Lancaster Ave., Ardmore, PA 19003.

Item 6 – Selected Financial Data

This item is not required to be completed by smaller reporting companies. Our consolidated financial statements appear elsewhere in this report in *Item 8. – “Financial Statements and Supplementary Data* .”

Item 7 –Management’s Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Company is a multimedia production and licensing company that creates and licenses animated and live-action fantasy and superhero entertainment content and merchandise, leveraging the creative output and branded image of Stan Lee. The Company develops originally created franchises for new media such as on-line digital content and videogames, where content is currently in high demand, and for traditional entertainment media such as feature length films in both live action and animation, DVD, live entertainment, television programming, merchandising and related ancillary markets. All of the Company’s intellectual property, which may include characters and stories, is vertically integrated in that each property is developed into as many products as possible, to create a branded franchise to accelerate global identity from the synergy created across various media.

During fiscal year 2014 and 2015, the Company plans to focus on

- creating project concepts,
- identifying select partners willing to participate in, and/or finance, the development of the Company’s projects,
- identifying talented and suitable writers to write scripts for the Company’s projects, and
- negotiating agreements, where appropriate, for the production of the projects (*i.e* ., the filming of a movie or television series, the creation of the video game, etc.).

The Company’s strategy is to outsource to, and work with, established production companies willing to finance and undertake the resource and labor intensive aspects of producing entertainment projects. The Company plans to achieve its goals by licensing its creations to third party producers, or partnering with third parties, to produce the Company’s products (movies, television shows, video games, comic books, merchandising and other ancillary opportunities) or to finance such productions. Due to the Company’s limited responsibility for any given project in this business model, the Company expects, consistent with past practices, to be able to create and manage a very large number of projects with a small staff and relatively low overhead costs and project expenses. As a result, the Company expects that it will profit from up-front fees from projects that are ultimately produced, even if they are not highly successful. The Company’s goal is to have a large number of projects produced, increasing the probability that a number of these projects will be highly successful, resulting in on-going revenues from licensing, back-end participation, merchandising and other ancillary opportunities.

Cash Requirements

The Company has an agreement with Silver Creek Pictures, Inc. (“Silver Creek”), an affiliate of The Walt Disney Company, pursuant to which Silver Creek will pay the Company $2.5 million per year through the end of 2014. Of such $2,500,000 payment, $1,250,000 is made for making Stan Lee available to consult on the exploitation of the assets of Marvel Entertainment acquired by Disney in late 2009, $700,000 is payment for the right to have a “first look” at the Company’s development projects and the right to acquire any such properties, in Silver Creek’s discretion and $550,000 is an advance against future development projects. The Company is obligated to pay a commission to an unrelated third party equal to 10% of all net amounts paid by Silver Creek pursuant to its agreement with the Company. The annual amount of $1,250,000 relating to Stan Lee’s consulting services is paid monthly and will cease in the event of, and from the time of, Stan Lee's inability to perform such services due to disability or other incapacitation.

The Company relies on the Silver Creek Agreement for revenues to support the majority of our operations. The Silver Creek Agreement expires in December 2014. There is no assurance that the agreement will be extended or if extended what the terms of such extension would provide. The Company has sustained recurring losses in prior years. The combined cash and marketable securities of approximately $500,000 will sustain operations for only a short period of time. With the absence of revenue streams from the Silver Creek Agreement, these conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company is currently exploring various other sources of revenues, but there can be no assurances that we will be successful in finding other revenue streams sufficient to support our operational requirements and we may need to scale back operations, defer executive salaries and reduce staff members.

Research and Development

The Company is the process of completing a number of concepts that could be produced. The costs of production of these concepts are currently borne by other parties and not by the Company. The Company incurred development fees $35,000 to contracted writers for various scripts developments during previous years. We will evaluate these projects in future to assess possible write-offs.

Results of Operations

We believe that, due to the complex nature and long term cycle of our business operations, period-to-period comparisons of our operating results are not necessarily meaningful and should not be relied on as an indication of future performance. However, it is still important that you review the audited financial statements and the related notes in addition to thoroughly reading our current plan of operations.

For Years Ended December 31, 2013 and 2012

The Company's revenues for the year ended December 31, 2013 were $2,380,951 compared to $2,064,784 for the year ended December 31, 2012. The increase reflects revenues earned from a comic-book convention as well as profits from the digital channel.

For the year ended December 31, 2013, net loss totaled $392,689 compared to net loss of $1,847,806 for the year ended December 31, 2012. During 2013, the amount of $217,268 of the net loss reflected a write-off for our investment in SL Power Concerts. The net loss for the year ended December 31, 2012 included the write off of $994,041 relating to amounts previously recorded as subscriptions receivable and allowance for other receivable of $66,668.

General and administrative expenses decreased by $315,020 or 10.9% for the year ended December 31, 2013 compared to the year ended December 31, 2012. The decrease was attributable to the following:

- Decrease in Professional fees by $218,234 in legal expenses due primarily to legal fees related to various litigation support during 2012;
- Decrease in stock-based compensation by $25,001 attributable to stock grants awarded to an employee for the year ended December 31, 2012;
- Rent decrease of $20,919 due to the expiration of the corporate apartment lease;
- Decrease in promotional fees of $10,644 due to reduced spending for public relations and investor relations compared to 2012; and
- Decrease in other general and administration expenses by $54,908 due to reduced travel and expenses in 2013.

Liquidity and Capital Resources

Our current liquidity and capital resources are provided principally through our current agreement with Silver Creek Pictures. We have a deficiency in working capital of $3,337,605 and $2,840,647 as of December 31, 2013 and 2012, respectively. A reduction in working capital at December 31, 2013 from December 31, 2012 is partly due to a decrease in deferred compensation offset by increases in advances payable from Silver Creek. As of December 31, 2013 and 2012 cumulative advances received from Silver Creek were $3,646,667and $3,096,667, respectively. These amounts are recoupable by Silver Creek solely from any fixed and contingent compensation related to future developments, including box office bonuses and merchandising royalties.

If Silver Creek stops paying installments of the $1,250,000 per annum that it pays for Stan Lee's consulting services paid to the Company as part of the $2,500,000 obligation per annum as a result of any future death or disability of Stan Lee, the Company believes that revenues from various projects that it has "in development" with other parties or that may shortly go into development with other parties will make up all or a portion of the lost revenue. To the extent that it does not, and to the extent that the Company is unable to raise funds from investments to cover any shortfall, the Company will have to reduce its expenses, as it has done in the past, by such approaches as deferring portions of its executive officer's salaries and reducing staff.

The Silver Creek Agreement expires in December 2014. There is no assurance that the agreement will be extended or if extended what the terms of such extension would provide. The Company has sustained recurring losses in prior years. The combined cash and marketable securities of approximately $500,000 will sustain operations for only a short period of time. With the absence of revenue streams from the Silver Creek Agreement, these conditions raise substantial doubt about the Company's ability to continue as a going concern.

Deferred compensations to executives totaled $1,627,917 and $1,927,917 as of December 31, 2013 and 2012, respectively. During 2013, the Company paid down deferred compensation totaling $300,000.

Sources of Revenue

The Company's revenue model revolves around brand creation and management, and partnering with major live action and animation studios, distributors, and licensees to achieve effective development and distribution of branded properties at a relatively low cost to the Company. The model contemplates revenue and profit sharing arrangements with strategic partners who will fund all preliminary development and distribution for varying degrees of continued interests in the properties after recouping their original investments.

The main sources of revenues are expected to be:

- theatrical and television distribution;
- live entertainment;
- interactive games and online digital content;
- merchandising and licensing;
- comic and graphic novel publishing; and
- advertising and sponsorship.

Off Balance Sheet Arrangements

We are not party to any material off-balance sheet financing arrangements.

Critical Accounting Policies and Estimates

Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources.

We have identified the first tier of estimates and assumptions as significant areas of estimation and assumptions to be the valuation of derivatives liabilities from the utilization of the Black-Scholes Pricing Model, which has inherent volatility that may greatly differ from the actual results. The second tier of estimation consists of stock-based compensation, the allowance for doubtful accounts and the net deferred income tax asset valuation allowance. While we deem the latter estimates to be significant, their infrequent occurrence in our operations are considered secondary compared to the first tier.

Item 7A-Quantitative and Qualitative Disclosure about Market Risk

None

ITEM 8. – FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
POW! Entertainment, Inc.

We have audited the accompanying consolidated balance sheets of POW! Entertainment, Inc. (a Delaware corporation) and Subsidiaries (the "Company") as of December 31, 2013 and 2012, and the related consolidated statements of operations and comprehensive income, shareholders' deficit, and cash flows for the years then ended. POW! Entertainment, Inc.'s management is responsible for these consolidated financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of POW! Entertainment, Inc. and Subsidiaries as of December 31, 2013 and 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has incurred recurring net losses. The Company has been reliant on the annual cash flows from its contract with Silver Creek Pictures, which expires in December 2014. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 1. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Rose, Snyder & Jacobs LLP

Encino, California

March 28, 2014

POW! ENTERTAINMENT, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2013 AND DECEMBER 31, 2012
(AUDITED)

	December 31, 2013	December 31, 2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 245,585	$ 251,431
Letter of credit	32,544	32,544
Marketable securities	238,619	540,813
Accounts receivable, net of allowance for doubtful accounts of $0	131,736	27,699
Other receivables	132,065	2,047
Prepaid expenses	14,980	18,839
TOTAL CURRENT ASSETS	795,529	873,373
Property and Equipment, net	31,399	39,384
INTANGIBLE AND OTHER ASSETS		
Trademarks, net	18,296	18,204
Investment in SL Power Concerts	-	50,000
Development Fees	35,000	35,000
TOTAL ASSETS	$ 880,224	$ 1,015,961
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 240,697	$ 241,413
Advances payable	3,646,667	3,096,667
Deferred compensation-current	200,000	300,000
Deferred Rent	36,275	44,908
Derivatives Liability	9,495	31,032
TOTAL CURRENT LIABILITIES	4,133,134	3,714,020
Deferred compensation-long term	1,427,917	1,627,917
COMMITMENT AND CONTINGENCIES, note 9		
SHAREHOLDERS' DEFICIT		
Common shares, $0.001 par value. 199,000,000 common shares authorized, 1,000,000 preferred shares authorized 132,357,356 and 133,107,356, respectively, common shares issued and outstanding at December 31, 2013 and 2012, respectively	132,358	133,108
Additional paid in capital	9,622,797	9,584,726
Accumulated deficit	(14,440,669)	(14,047,980)
Accumulated other comprehensive income	4,687	4,170
TOTAL SHAREHOLDERS' DEFICIT	(4,680,827)	(4,325,976)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 880,224	$ 1,015,961

See Report of the Independent Registered Public Accounting Firm and the accompanying notes to consolidated financial statements.

POW! ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(AUDITED)

	DECEMBER 31, 2013	DECEMBER 31, 2012
REVENUES	$ 2,380,951	$ 2,064,784
OPERATING COSTS AND EXPENSES		
Wages and benefits	1,610,123	1,593,983
Commission	125,389	126,843
Stock-based Compensation	37,321	62,322
Professional fees	357,347	575,581
Promotional and Marketing	68,606	79,250
Rent and office	117,913	138,832
Other general and administration	262,882	317,790
TOTAL OPERATING COSTS AND EXPENSES	2,579,581	2,894,601
LOSS FROM OPERATIONS	(198,630)	(829,817)
OTHER INCOME AND (EXPENSES)		
Dividend and Interest income, net	12,372	30,789
Write off other receivable	-	(66,668)
Write off subscription receivable	-	(994,041)
Loss on investment in SL Power Concerts	(217,268)	-
Income from legal settlement	-	25,000
Gain (loss) on change of derivative value	21,537	(2,269)
LOSS BEFORE TAXES	(381,989)	(1,837,006)
Income taxes	(10,700)	(10,800)
NET LOSS	$ (392,689)	$ (1,847,806)
Net loss per share, basic and diluted	$ (0.00)	$ (0.01)
Weighted average shares outstanding, basic and diluted	132,482,356	132,899,023
Condensed Statement of Comprehensive Income		
Net Loss	$ (392,689)	$ (1,847,806)
Other comprehensive Loss		
Unrealized gain on marketable securities	517	49,111
Comprehensive Loss	$ (392,172)	$ (1,798,695)

See Report of the Independent Registered Public Accounting Firm and the accompanying notes to consolidated financial statements

POW! ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2013 AND 2012
(AUDITED)

	DECEMBER 31, 2013	DECEMBER 31, 2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (392,689)	$ (1,847,806)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	14,754	3,497
Loss on disposal of property and equipment	-	563
(Gain) loss on sale of marketable securities	(2,436)	14,060
Write off subscription receivable	-	994,041
Write off other receivable	-	66,668
Loss on investment in SL Power Concerts	50,000	-
Stock based compensation	37,321	62,322
Changes in valuation of derivatives liability	(21,537)	2,269
Deferred Rent	(8,633)	(5,460)
Change in assets and liabilities:		
Accounts receivable	(104,037)	58,484
Prepaid expenses	3,859	166
Inventory	-	13,513
Other receivable	(130,018)	(750)
Deposits	-	2,192
Accounts payable and accrued expenses	(715)	7,761
Advances payable	550,000	550,000
Deferred compensation	(300,000)	(200,000)
NET CASH USED IN OPERATING ACTIVITIES	(304,131)	(278,480)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for trademarks	(1,500)	(775)
Purchase of property and equipment	(5,361)	(33,489)
Purchase of marketable securities	(13,201)	(31,587)
Sale of marketable securities	318,347	297,002
Investment in SL Power Concerts	-	(50,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	298,285	181,151
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from subscriptions receivable	-	8,455
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	8,455
NET DECREASE IN CASH	(5,846)	(88,874)
Cash and cash equivalents at beginning	251,431	340,305
Cash and cash equivalents at end of the year	$ 245,585	$ 251,431
Supplemental disclosures of cash flow information:		
Income taxes paid in cash	$ 10,700	$ 10,800

See Report of the Independent Registered Public Accounting Firm and the accompanying notes to consolidated financial statements.

POW! ENTERTAINMENT, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT
YEARS ENDED DECEMBER 31, 2013 AND 2012
(AUDITED)

	Common Stock		Accumulated Other Comprehensive Income	Additional Paid-in Capital	Subscription Receivable	Accumulated Deficit	Total
	Shares	Amount					
Balance, December 31, 2011	132,607,356	$ 132,608	$ (44,941)	$ 9,522,904	$ (1,002,496)	$(12,200,174)	$ (3,592,099)
Proceeds from subscriptions receivable					8,455		8,455
Write off subscription receivable					994,041		994,041
Common Stock issuance for future services	500,000	500		61,822			62,322
Accumulated other comprehensive income			49,111				49,111
Net loss						(1,847,806)	(1,847,806)
Balance, December 31, 2012	133,107,356	$ 133,108	$ 4,170	$ 9,584,726	$ -	$(14,047,980)	$ (4,325,976)
Common Stock cancellation	(750,000)	(750)		750			-
Common Stock issuance for future services				37,321			37,321
Accumulated other comprehensive income			517				517
Net loss						(392,689)	(392,689)
Balance, December 31, 2013	132,357,356	$ 132,358	$ 4,687	$ 9,622,797	$ -	$(14,440,669)	$ (4,680,827)

See Report of the Independent Registered Public Accounting Firm and the accompanying notes to consolidated financial statements.

POW! ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The Company and Basis of Presentation

Business Activity and Organization-- The Company is a Delaware corporation, incorporated on August 17, 1998. POW! Entertainment, Inc. ("POW", "Company", “we”) has the following subsidiaries: POW! Entertainment, LLC (the operating company), QED Productions, LLC, PFD, LLC, and an inactive Delaware corporation: Pharmelle, Inc.

QED Productions, LLC was formed in 2001 to acquire rights to license intellectual properties and creative assets of Mr. Stan Lee stemming from the bankruptcy of Stan Lee Media (“SLM”). The Company was not required to contribute any up-front consideration. The Company agreed with SLM that it would share revenue generated from the licensing of these properties. From the fiscal years ended December 31, 2001 to December 31, 2010, approximately $2,200 of revenue has been generated for SLM and approximately $14,000 of revenue has been generated for the Company. No revenues from the intellectual properties acquired by QED were earned for the year ended December 31, 2013 and 2012, respectively. Given the minimal revenues to date and the fact that none of the properties owned by QED are currently in development, the Company has valued these assets at $0.

Going Concern

The Company has relied on the Silver Creek Agreement for revenues to support the majority of our operations since 2010. The Silver Creek Agreement as described under Revenue Recognition (Note 2) below expires in December 2014. There is no assurance that the agreement will be extended or if extended what the terms of such extension would provide. The combined cash and marketable securities of approximately $500,000 will sustain operations for only a short period of time. The Company had net losses for years ended December 31, 2013 and 2012 of $392,689 and $1,847,806, respectively. These conditions raise substantial doubt about the Company’s ability to continue as a going concern.

The Company is currently exploring various other sources of revenues, but there can be no assurances that we will be successful in finding other revenue streams sufficient to support our operational requirements and we may need to scale back operations, defer executive salaries and reduce staff members. The financial statements for the year ended December 31, 2013 do not contain any adjustments to reflect future effects on the recoverability or classification of assets and liabilities that may result should we not able to continue as a going concern.

2. Summary of Significant Accounting Policies

Principles of Consolidation-- The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All inter-company transactions and balances have been eliminated in consolidation.

Revenue Recognition-- As a creator of intellectual property, the majority of the Company’s business is derived from contracts with third parties providing for the development and use of intellectual property developed by the Company.

The Company records revenue from these sources: artist consulting, film rights, animated television and comic-book royalties. In accounting for these contracts, the Company recognizes revenue when services have been rendered or when contractual parameters have been satisfied and are measureable.

Our contract with Silver Creek Pictures (“Silver Creek”), an affiliate of The Walt Disney Company, calls for per annum payments of nonrecoupable overhead allowance of $700,000 and nonrecoupable consulting services for Stan lee of $1,250,000. The contract expires in December 2014. The $1,250,000 per annum for Stan Lee’s consulting services cease in the event of his disability or incapacitation. Revenue from Silver Creek is recorded based on the guidance from ASC 605: revenues are considered to have been earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues.

Related Party— From time to time, Stan Lee has appeared and will continue to appear at certain events or projects for which both he and the Company receive payments. There were no such payments during 2012. Both Mr. Lee and the Company were paid approximately $122,000, respectively during 2013.

Advances Payable -- The contract with Silver Creek also contains recoupable advance payments per annum of $550,000. The Company recorded the full $550,000 for the years ended December 31, 2013 and 2012, respectively, as advances payable pursuant to the contractual clause in which the advances are recoupable by Silver Creek solely from any fixed and contingent compensation related to future developments, including box office bonuses and merchandising royalties. The Company has not met the performance measurement of the revenue and accordingly has not recorded the payments as revenue. In addition, any properties that Silver Creek rejects or accepts and subsequently abandons may be offered by the Company elsewhere subject to participation by Silver Creek. Depending on the nature of the project so offered to a third party and the time when such project was originally offered to Silver Creek, Silver Creek is entitled to receive up to $100,000 per project, and the assignment of 50% or 25% of the Company’s compensation from the third-party producer.

Use of Estimates -- The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the appropriate application of certain accounting policies, many of which require estimates and assumptions about future events and their impact on amounts reported in the financial statements and related notes. Since future events and their impact cannot be determined with certainty, the actual results will inevitably differ from our estimates. Such differences could be material to the financial statements. We have identified the most significant areas of estimation and assumptions as being estimation of the allowance for doubtful accounts, estimation of derivatives liabilities, estimation of stock compensation and estimation of the net deferred income tax asset valuation allowance.

Cash, Cash Equivalents and Marketable Securities— Cash, cash equivalents and marketable securities include cash, certificates of deposit, mutual funds and liquid investments with original maturities of three months or less.

Concentration of Credit Risk-- The Company maintains cash at financial institutions which may, at times, exceed insured limits.

Accounts Receivable-- The Company extends credit to its customers. These customers have specific contracts that detail the payments expected under their contract terms. Accounts receivable are customer obligations due under these contract terms. Management reviews accounts receivable on a regular basis, based on contracted terms and how recently payments have been received, to determine if any such amounts will potentially be uncollected. After all attempts to collect a receivable have failed, the receivable is written off.

Property and Equipment-- Property and equipment are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets over five years. For the years ended December 31, 2013 and 2012, depreciation expenses were $13,347 and $2,178, respectively.

Investment in SL Power Concerts— The Company formed a joint venture with a third party for 50% equity ownership with an investment of $50,000 and accounted for under the equity method. Loss on investment in the joint venture totaled $217,268 for the year ended December 31, 2013. The loss includes a write-down of the initial equity investment of $50,000.

Development Costs-- The Company capitalizes costs directly related to the creation and development of intellectual properties that are incurred by non-employees, related to the development of scripts and stories. The Company periodically reviews the properties in development to determine whether they will ultimately be used in the production of a film. The costs capitalized are written off if the property has not been set for production within three years from the time of the first capitalized transaction.

Intellectual Property --Intellectual property consisted of trademarks registered with the US Patent and Trademark Office. Trademarks are being amortized over 10 years to 20 years. Amortization expense was $1,409 and $1,319 for the years ended December 31, 2013 and 2012, respectively.

Fair Value Measurements— The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. exit price) in an orderly transaction between market participants at the measurement date. Additionally, the Company is required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e. inputs) used in the valuation. Level 1 provides the most reliable measure of fair value while Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

1. Level I – Quoted prices in active markets for identical assets and liabilities.
2. Level II – Other significant observable inputs for assets or liabilities through corroboration with market data at measurement date,
3. Level III – Significant unobservable inputs that reflect management’s best estimate of what market participants would use to price assets or liabilities at the measurement date.

The following table summarizes fair value measurements by level at December 31, 2012 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 251,431			$ 251,431
Letter of credit	$ 32,544			$ 32,544
Marketable securities	$ 540,813			$ 540,813
Derivatives liability			$ 31,032	$ 31,032

The following table summarizes fair value measurements by level at December 31, 2013 for assets and liabilities measured at fair value on a recurring basis:

	Level I	Level II	Level III	Total
Cash	$ 245,585			$ 245,585
Letter of credit	$ 32,544			$ 32,544
Marketable securities	$ 238,619			$ 238,619
Derivatives liability			$ 9,495	$ 9,495

The table below sets forth a summary of changes in fair value of the Company's Level III liabilities for the year ended December 31, 2013.

Balance as of December 31, 2012	$ 31,032
Change in Value	(21,537)
Balance as of December 31, 2013	$ 9,495

The Company's management believes the carrying amounts of accounts receivable, accounts payable and accrued expense approximate fair value due to their short maturity.

Valuation of Derivative Instruments— ASC 815-40 (formerly SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities") requires that embedded derivative instruments be bifurcated and assessed, along with free-standing derivative instruments such as warrants, on their issuance date and in accordance with ASC 815-40-15 (formerly EITF 00-19 "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock") to determine whether they should be considered a derivative liability and measured at their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option pricing formula. At December 31, 2013, the Company adjusted its derivative liability to its fair value, and reflected the decrease of $21,537, which represents the gain on change in derivative.

Marketable Securities— The following tables show the Company's securities classified as available for sale with adjusted cost, unrealized gains (loss), and fair value by investment category recorded as of December 31, 2013 and December 31, 2012:

	December 31, 2013			
	Adjusted Cost	Unrealized Gain (Loss)	Aggregate Fair Value	Securities Available for Sale
Mutual Funds	$ 233,932	$ 4,663	$ 238,619	$ 238,619

	December 31, 2012			
	Adjusted Cost	Unrealized Gain (Loss)	Aggregate Fair Value	Securities Available for Sale
Mutual Funds	536,679	4,134	540,813	540,813

Gain on Sale of Marketable Securities— The Company sold securities classified as available for sale with adjusted cost basis of $315,911 for net proceeds of $318,347 with gain on sale totaling $2,436 during the year ended December 31, 2013.

Other Comprehensive Income— The Company's other comprehensive income consists of unrealized gains (losses) on securities classified as available for sale that are recorded as an element of shareholders' equity but are excluded from net income.

Accounting for Stock-Based Compensation to Employees — The Company measures and recognizes compensation expense for all share-based payment awards to employees based on estimated fair values on the grant date. The Company recognizes the expense on a straight-line basis over the requisite service period, which is the vesting period.

Income Taxes —Income taxes are accounted for under an asset and liability approach that requires the recognition of deferred income tax assets and liabilities for the expected future consequences of events that have been recognized in the Company's financial statements and income tax returns. The Company provides a valuation allowance for deferred income tax assets when it is considered more likely than not that all or a portion of such deferred income tax assets will not be realized.

The Company adopted guidance issued by the FASB that clarifies the accounting for uncertainties in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company's policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $0 for the years ended December 31, 2013 and 2012.

Earnings Per Share— Basic earnings per share is computed by dividing earnings available to common shareholders by the weighted-average number of common shares outstanding. Diluted earnings per share is computed similar to basic earnings per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common share equivalents had been issued and if the additional common shares were dilutive. Common equivalent shares are excluded from the computation if their effect is anti-dilutive. For the years ended December 31, 2013 and 2012, the diluted earnings per share are the same as basic earnings per share as the 1,650,000 warrants outstanding would have an anti-dilutive effect.

Concentrations— The Company has one major customer that individually exceeded 10% of total revenue and accounted for 81.9% and 94.4% of total revenue for the years ended December 31, 2013 and 2012, respectively.

Two customers who are not major customers accounted for 88.0% of total accounts receivable as of December 31, 2013.

One customer who is not a major customer accounted for 90.1% of total accounts receivable as of December 31, 2012

Recently Issued or Newly Adopted Accounting Standards-- In December 2011, the FASB issued ASU No. 2011-11, *Disclosures about Offsetting Assets and Liabilities* and in January 2013, the FASB issued ASU No. 2013-01 *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities* . The amendments in this update require enhanced disclosures around financial instruments and derivative instruments that are either (1) offset in accordance with either ASC 210-20-45 or ASC 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either ASC 210-20-45 or ASC 815-10-45. An entity should provide the disclosures required by those amendments retrospectively for all comparative periods presented. The Company adopted the disclosure requirements of ASU 2011-11. After considering the scope clarification in ASU 2013-01, the Company does not believe there will be a material effect on our consolidated financial statements or disclosures.

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2013-02, *Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* , ("ASU 2013-02"). ASU 2013-02 amends Accounting Standards Codification ("ASC") 220, *Comprehensive Income* ("ASC 220"), and requires entities to present the changes in the components of accumulated other comprehensive income for the current period. Entities are required to present separately the amount of the change that is due to reclassifications, and the amount that is due to current period other comprehensive income. These changes are permitted to be shown either before or net-of-tax and can be displayed either on the face of the financial statements or in the footnotes. ASU 2013-02 was effective for our interim and annual periods beginning January 1, 2013. The adoption of ASU 2013-02 did not have a material effect on our consolidated financial position or results of operations.

In July 2013, the FASB issued ASU 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists* , which eliminates diversity in practice for the presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss or a tax credit carryforward is available to reduce the taxable income or tax payable that would result from disallowance of a tax position. ASU 2013-11 affects only the presentation of such amounts in an entity's balance sheet and is effective for fiscal years beginning after December 15, 2013 and interim periods within those years. Early adoption is permitted. We are evaluating the impact, if any, of the adoption of ASU 2013-11 on our balance sheet.

3. Subscription Receivable

On November 15, 2005, a subscription for shares equal to the principal amount of $525,000 was entered into, fully amortized over thirty years with the interest rate of 5% per annum. The subscription was payable in equal monthly payments of $2,818. The payments on the subscription defaulted. On December 31, 2012, the Company wrote off the receivable. During March 2013, shares of common stock totaling 750,000 held by the shareholder under this subscription receivable were returned to the Company. Such shares are treated by the Company as authorized but unissued.

4. Deferred Compensation

Deferred compensation consists of accrued for unpaid salaries of executives, which will be paid as the Company increases its cash, over time, or by obtaining additional financing. The balance at December 31, 2013 reflects payments made during the year in the amount of $300,000.

5. Related Party Transactions

During March 2011, the Company entered into an agreement with a minority shareholder, who is also a former employee, to loan the individual an amount totaling $66,668. The loan is non-interest bearing and is collateralized by the stock of the Company already owned by such shareholder. At December 31, 2012, the balance of the receivable was $66,668. The receivable is considered to be in default and the Company recorded an allowance for the full amount at December 31, 2012.

From time to time, Stan Lee has appeared and will continue to appear at certain events or projects for which both he and the Company receive payments. There were no payments to Mr. Lee during 2012. Both the Company and Mr. Lee were paid approximately $122,000, respectively during 2013.

During the year ended December 31, 2013, the Company paid $297,536 of costs on behalf of SL Power Concerts ("SLPC"). At December 31, 2013, $130,268 is due from the other equity owner of SLPC. During the year ended December 31, 2013, the Company wrote off $217,268 of amounts due from SLPC, including the Company's initial investment in SLPC of $50,000. As of December 31, 2013, SLPC had been dissolved. The Company deems the receivable due from the other equity owner of SLPC to be collectible as of December 31, 2013 and subsequent to the balance sheet date.

6. Share-based Compensation

On March 15, 2010, the Company granted warrants to purchase a total of 1,300,000 shares of common stock to two of its executives, 650,000 shares each. The warrants vested immediately and are exercisable for five years from the date of issuance, at a strike price of $0.40 per share. The warrants were issued in conjunction with Deferred Compensation Agreements entered into which limits payment of the outstanding deferred compensation to the two executives. These warrants have an anti-dilution clause, whereby the exercise price can be adjusted downward in the event equity is raised at a price lower than $0.40 per share. The outstanding number of warrants at December 31, 2013 was 1,300,000 shares.

- **Restricted Stock Grant**

On June 1, 2011, the Company granted restricted stock to an employee. The agreement called for grants of common stock priced at $0.17 per share, which was the closing market price, equal to 0.05% of the Company's outstanding shares or 658,608 shares to be vested equally each on December 1, 2011, 2012 and 2013. All shares have vested as of December 31, 2013.

The Company granted additional restricted stock to the same employee during June 2012. The agreement calls for grants of 500,000 shares of common stock priced at $0.05 per share, which was the closing market price. The shares vested in full on date of grant. Stock-based compensation recognized by the Company related to this stock grant amounted to $25,000 and was recorded in June 2012.

The Company adopted the guidance provided by ASC 718 to measure and to record the expense over the requisite service period for the entire award. Stock-based compensation recognized by the Company for the years ended December 31, 2013 and 2012 amounted to $37,321 and $62,322 respectively.

Non-Vested Shares	**Shares**
Non-vested shares at 12/31/12	219,536
Granted	-
Vested	219,536
Non-vested shares at 12/31/13	-

7. Warrants and Options for Non-Employees

On December 2, 2010, the Company issued warrants to purchase 350,000 shares of common stock at $0.1905 per share in lieu of the remaining balance of an accrued commission of $125,000 to a consultant. The contract has an anti-dilutive clause, vests immediately and originally was scheduled to expire in 2012 and was later extended to expire in December 2017. Accordingly, the Company uses the guidance in ASC 815-40-15 to scope and measure the warrants for non-employees as a derivative liability.

A gain (loss) on change in derivative liability was recorded to reflect a decrease (increase) of $21,537 and ($2,269) for the years ended December 31, 2013 and 2012, respectively.

The fair value of stock warrants and options at the date of grant and derivative liability were estimated using the Black-Scholes option-pricing model, based on the following assumptions:

	Years Ended December 31,	
	2013	**2012**
Risk-free interest rate	1.75%	0.72%
Expected life	4 years	5 years
Expected Volatility	193.8%	192.0%
Dividend yield	0.00%	0.00%

8. Income taxes

The Company files income tax returns with the Internal Revenue Service ("IRS") and various state jurisdictions. For jurisdictions in which tax filings are prepared, the Company is subject to income tax examinations by state tax authorities and federal tax authorities for all tax years.

The deferred tax assets are mainly comprised of net loss carryforwards and expenses not currently deductible. The Company has Federal net loss carryforwards of approximately $5.7 million that expires through 2033. The net loss carryforwards can be used to offset a certain amount of taxable income in future years, therefore generating deferred income tax assets. The net loss carryforwards are subject to significant limitations by Section 382 of IRS code due to changes in ownership.

A reconciliation of the provision for income tax expense with the expected income tax computed by applying the federal statutory income tax rate to income before provision for income taxes was as follows for the years ended December 31, 2013 and 2012:

	2013	2012
Income tax computed at federal statutory tax rate	$ (129,876)	$ (624,582)
Non-deductible expenses	5,367	360,641
Change in valuation allowance	149,514	312,905
State taxes, net of federal benefit	(14,305)	(38,164)
Total expense	$ 10,700	$ 10,800

At December 31, 2013, based on the weight of available evidence, including cumulative losses in recent years and expectations of future taxable income, the Company determined that it was more likely than not that its deferred tax assets of approximately $4.4 million would not be realized. Accordingly, the Company has recorded a valuation allowance equal to 100% of its total deferred tax assets.

9. Commitments and Contingencies

Operating leases

The Company has an operating lease agreement for its corporate office facility, which expires on June 30, 2016. The lease contains a 6.5 month rent abatement. Future minimum rental payments are as follows:

Year ended December 31	
2014	106,000
2015	110,000
2016	57,000
Thereafter	-
Total	$ 273,000

Total lease expense was $94,613 and $114,137 for the years ended December 31, 2013 and 2012, respectively.

Legal Proceedings

From time to time the Company may become involved in various legal proceedings in the normal conduct of its business.

On February 14, 2011, the Company and its subsidiary, QED Productions, LLC, were named in a lawsuit citing, among other things, trademark infringement. The Company filed a motion to dismiss the lawsuit on March 15, 2011. On August 23, 2012, Judge Wilson of the U.S. District Court for the Central District of California dismissed the case. The Plaintiffs have filed an appeal.

Item 9-Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 9A-Controls and Procedures

Evaluation of Disclosure Controls and Procedures
Our management is responsible for establishing and maintaining a system of disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) that is designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive officer or officers and principal financial officer or officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report, we have carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Under the direction of our Chief Executive Officer, we evaluated our disclosure controls and procedures and concluded that our disclosure controls and procedures were not effective as of December 31, 2013. We have disclosed to our auditors and the Board of Directors the following material weaknesses of our internal controls which render our disclosure controls and procedures ineffective:

- Lack of sufficient accounting staff to segregate duties necessary for an adequate framework of internal control and reporting; and
- Lack of independent Board of Directors.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over our financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America.

The Company's internal control over financial reporting includes those policies and procedures that

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

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

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

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company assessed the effectiveness of its internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in *Internal Control-Integrated Framework.*

Based upon management's assessment using the criteria contained in COSO, and for the reasons discussed below, management has concluded that, as of December 31, 2013, our internal control over financial reporting was not effective.

Based on its evaluation, the Company's President and Chief Financial Officer identified a major deficiency that existed in the design or operation of its internal control over financial reporting that it considers to be a "material weakness". The Public Company Accounting Oversight Board has defined a material weakness as a "significant deficiency or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected." The material weaknesses were first identified at the beginning of 2010 and remained unchanged through December 31, 2013 and are as follow:

- Lack of segregation of duties due to the size of the accounting department as a result of the Company's limited resources; and
- Lack of independent Board of Directors

There were no changes in the Company's internal controls over financial reporting during the most recently completed fiscal year that have materially affected or are reasonable likely to materially affect the Company's internal control over financial reporting.

Item 9B- Other Information

None

PART III

Item 10-Directors, Executive Officers, and Corporate Governance

Our directors, executive officers and other significant employees, their ages and positions are as follows:

Name	AGE	Position with the Company
Stan Lee	91	Chairman of the Board, Director and Chief Creative Officer
Gill Champion	72	President, Director and Chief Executive Officer
Bick Le	40	Chief Financial Officer

Stan Lee -- Chairman of the Board, Director and Chief Creative Officer

Stan Lee has served as the Company's Chairman of the Board and Chief Creative Officer since 2004. Prior to that, in 2001, Mr. Lee co-founded POW! Entertainment, LLC with Mr. Champion and the late Arthur Lieberman, which was acquired by the Company in 2004. Mr. Lee also has a non-exclusive, part-time employment agreement with Marvel Entertainment, LLC and serves as its Chairman Emeritus. Mr. Lee was the Chairman of the Board of Directors and Chief Creative Officer of Stan Lee Media, Inc. ("SLM") from July 1999 until approximately January 2001. SLM filed for bankruptcy protection in February 2001 and terminated operations in July 2001. Mr. Lee was employed on a full time basis by Marvel Comics or its predecessor entities for over 50 years. Mr. Lee started in the comic book industry in 1940 when he started with Timely Comics which eventually became Marvel Comics. Stan Lee's co-creations include Spider-Man™ [1] , The Incredible Hulk™ [1] , X-Men™ [1] , The Fantastic Four™ [1] , Iron Man ™[1] , Daredevil™ [1] , Silver Surfer™ [1] and Dr. Strange™ [1] .

[1] These are the registered trademarks and characters of Marvel Characters, Inc.

Gill Champion -- President, Director and Chief Executive Officer

Gill Champion is the President and, since January 26, 2011, Chief Executive Officer and a director of the Company. Previously, he served as President and Chief Operating Officer of the Company since 2004. Prior to 2001, Mr. Champion co-founded POW! Entertainment LLC with Mr. Lee and the late Arthur Lieberman, which was acquired by the Company in 2004. He has been executive producer on all Company projects and continues to supervise their development. Mr. Champion was Chief Operating Officer of SLM from July 1999 until June 2001. SLM filed for bankruptcy protection in February 2001. Mr. Champion has over 30 years of executive experience in global entertainment, marketing, retail and licensing industries. Prior to SLM, he was COO and Vice President of Mirage Holdings, Inc. and concurrently worked as a production executive on the motion picture Jinnah. Mr. Champion was CEO and Chairman of American CinemaStores, Inc., a public company that operated approximately 150 location-based retailing outlets and an extensive apparel division that created designs and marketing strategies for Baywatch and Forrest Gump. Mr. Champion was executive in charge of Faerie Tale Theatre with Shelley Duvall while Vice President of Gaylord Productions. He was the Producer for Fort Apache the Bronx with Paul Newman and won the Producer of the Year Award in 1981. In addition, he was in charge of production for The Shining and The Boys from Brazil, while Vice President of the Producers Circle Company.

Bick Le, Chief Financial Officer

Bick Le joined the Company in December 2010. Prior to joining the Company, Ms. Le served as Manager of Financial Reporting at the apparel company Frederick's of Hollywood for three years and spent five years at Fineman, West & Company, a boutique CPA firm located in Beverly Hills.

To the best of the Company's knowledge, during the past ten years, except as described herein and Item 3, none of the following occurred with respect to a present or former director or executive officer of the Company: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses); (3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of any competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; and (4) being found by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or the commodities futures trading commission to have violated a Federal or state securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Committees of the Board of Directors

We presently do not have an audit committee, compensation committee, or other committee or committees performing similar functions.

Family Relationships

There are no family relationships among our directors or officers.

Shareholder Communications

Although we do not have a formal policy regarding communications with the Board, shareholders may communicate with the Board by writing to the POW! Entertainment, Inc., 9440 Santa Monica Boulevard, #620, Beverly Hills California 90120, Attention Gill Champion. Shareholders who would like their submission directed to a member of the Board may so specify, and the communication will be forwarded, as appropriate.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), requires our officers, directors and persons who beneficially own more than ten percent of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). These reporting persons are also required to furnish us with copies of all Section 16(a) forms they file.

Code of Ethics

The Company has not adopted a Code of Ethics. Given the small size of the Company and the fact that the Board of Directors and senior executives are the same individuals, the Company believes that the fiduciary duties imposed by Delaware General Corporation Law provides sufficient protection to the shareholders.

ITEM 11. Executive Compensation

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Grant $ (1)	Nonqualified Deferred Compensation Earnings ($)(2)	All other Compensation ($)(3)	Total ($)
Stan Lee, Chairman of the	2013	$ 300,000			$ 100,000		$ 400,000
Board, Chief Creative Officer	2012	$ 300,000			$ 100,000		$ 400,000
Gill Champion, President,	2013	$ 475,000			$ 100,000	$ 25,785	$ 600,785
Chief Executive Officer, Director	2012	$ 475,000				$ 21,305	$ 496,305
Bick Le, Chief Financial	2013	$ 175,000		$ 37,321			$ 212,321
and Operating Officer	2012	$ 175,000		$ 62,322			$ 237,322

(1) Restricted stock grants during June 2012 and June 2011. The grants vested during years 2011, 2012 and 2013.
(2) Included in this amount is $100,000 of deferred compensation pursuant to the employment contract referenced below.
(3) Payments for monthly automobile expenses.

In 2010 under his employment agreement, Mr. Lee's salary was increased to $300,000 per annum, he was no longer required to defer any part of his ongoing salary and the Company began paying his accrued deferred salary at the rate of $50,000 per year. In consideration for Stan Lee agreeing to restrict payment of his deferred compensation as provided for in the Deferred Compensation Agreement, he received a warrant to purchase 650,000 shares of Common Stock, which is exercisable for five years at a price of $0.40 per share. In additional to his compensation from the Company, Stan Lee has a lifetime employment agreement with Marvel, which currently requires Stan Lee to devote 10-15 hours per week to Marvel matters, and in return for which Stan Lee currently receives a salary. At the end of 2011, the employment agreement was amended to pay deferred compensation at the rate of $100,000 per year commencing in 2012. The Amendment to the employment agreement was filed as an exhibit to the Company's Form 10-K.

In 2010 under his employment agreement, Mr. Champion's salary was increased to $475,000 per annum, but he is required to defer $100,000 yearly until the Company obtains $2,000,000 of additional investment. During 2011, an amended agreement no longer required the deferral of $100,000 per annum. The deferred compensation balance at December 31, 2012 was $100,000. The balance of deferred compensation was paid off at December 31, 2013. The Amendment to the employment agreement was filed as an exhibit to the Company's Form 10-K.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the outstanding equity awards as of December 31, 2013 for each of the named executive officers:

	Warrants Awards			**Stock Awards**	
Name	Number of Securities Underlying Unexercised Exercisable warrant (#)	Warrants Exercise Price Per Share ($)	Warrants Expiration Date	Number of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested
Stan Lee	650,000	0.40	3/14/2015	-	-

The warrants vest immediately on grant date of March 15, 2010. All warrants are still outstanding as of December 31, 2013.

Director Compensation .

None of the Company's Directors is paid for serving on its Board of Directors.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Certain Beneficial Owners .

The following tables set forth information as of March 5, 2014, with respect to the beneficial ownership of the outstanding shares of the Company's Common Stock by: (i) each person known by the Company to beneficially own five percent or more of the outstanding shares; (ii) executive officers and directors; and (iii) all executive officers and directors as a group. A person is deemed to be a beneficial owner of any securities of which that person has the right to acquire beneficial ownership within sixty (60) days.

Name and Address of Owner	**Amount and Nature of Beneficial Owner**	**Percentage (%) Of Class**
Directors and Executive Officers		
Stan Lee (1) (2)(3)(4) 9440 Santa Monica Blvd, #620 Beverly Hills, CA 90210	33,353,273	24.9%
Gill Champion (1)(2)(7) 9440 Santa Monica Blvd, #620 Beverly Hills, CA 90210	24,739,998	18.6%
Bick Le (1) 9440 Santa Monica Blvd, #620 Beverly Hills, CA 90210	1,158,608	0.9%
Total shares owned by Executive Officers and Directors (5) (7)	59,251,879	44.4%
5% Shareholders		
The POW! Entertainment Trust (5) 9440 Santa Monica Blvd, #620 Beverly Hills, CA 90210	8,796,353	6.6%
Catalyst Investments, LLC(6) c/o The Walt Disney Company 500 South Buena Vista St Burbank, CA, 91521	13,172,153	10.0%

(1) Executive Officer of the Company.

(2) Director of the Company.

(3) Includes 32,703,273 shares held by the Joan B. Lee Gift Trust that may be deemed to be beneficially owned by Stan Lee as trustee. Includes in shares deemed held by Stan Lee, and the total deemed outstanding for the purposes of calculating Stan Lee's percentage, 650,000 shares which Stan Lee has the right to purchase at $0.40 per share pursuant to a warrant issued to him in connection with a Deferred Compensation Agreement dated March 15, 2010.

(4) Includes shares held by the Joan B. Lee Gift Trust that may be deemed to be beneficially owned by Stan Lee as trustee. Includes in shares deemed outstanding and for the purposes of calculating the percentage owned by all Executive Officers and Directors the shares that Stan Lee has the right to purchase pursuant to the Warrants described in footnote (3) above.

(5) Shares held in trust by third party trustee, Paul G. Sessler.

(6) Catalyst Investments, LLC is affiliated with The Walt Disney Company.

(7) Includes shares held by his wife, Claudia Adelman, that may be deemed to be beneficially owned by Gill Champion. Gill Champion disclaims beneficial ownership of the shares owned by Claudia Adelman. Includes shares deemed outstanding and for the purposes of calculating the percentage owned by all Executive Officers and Directors.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Certain Relationships and Related Transactions .

At December 31, 2013, the Company owed Mr. Lee $832,500 for compensation which had been deferred without interest during prior periods dating back to 2001. The deferred compensation for Mr. Champion has been paid off as of December 31, 2013.

The employment agreements for Messrs Lee and Champion are described in Item 11 above. Copies of such agreements have been filed as exhibits to the Company's Form 10-K.

From time to time, Stan Lee has appeared and will continue to appear at certain events or projects for which both he and the Company receive payments. There were no such payments during 2012. Both the Company and Mr. Lee were paid approximately $122,000, respectively, during 2013. The Company believes that his ability to appear at these events enhances the Company's brand without additional costs to the Company.

Director Independence

Our Board has determined that none of our directors are independent under the NASDAQ Stock Market listing rules.

Item 14. Principal Accountant Fees and Services.

Rose, Snyder & Jacobs LLP serve as our independent registered public accounting firm and their report on the Company's audited financial statements is included in Item 8 above for the years ended December 31, 2013 and 2012. The aggregate fees billed by the Rose, Snyder & Jacobs LLP for professional services rendered for the audited financial statements and other services are as follows for the years ended December 31, 2013 and 2012:

	2013	2012
Audit fees	$ 52,900	$ 50,000
Tax fees	7,400	8,200
Total	$ 60,300	$ 58,200

The Company currently does not have an audit committee. All audit and non-audit services are approved by the Board of Directors.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules.

The following documents are filed as a part of this report or incorporated herein by reference:

1) Our Consolidated Financial Statements are contained found in response to Item 8 of this Form 10-K.
2) Financial Statement Schedules, none
3) See Exhibit Index included as the last part of this report on this Form 10-K, which index is incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 28, 2014	POW! Entertainment, Inc.
	By: /s/ GILL CHAMPION Gill Champion President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ GILL CHAMPION Gill Champion	President, Director, Chief Executive Officer (Principal Executive Officer)	March 28, 2014
/s/ STAN LEE Stan Lee	Chairman and Chief Creative Officer	March 28, 2014
/s/ BICK LE Bick Le	Chief Financial and Operating Officer (Principal Financial Officer)	March 28, 2014

Exhibit No.	Exhibit Index	Method of Filing
3.1	Restated Certificate of Incorporation of POW! Entertainment, Inc., dated December 6, 2010	Incorporated by reference as Exhibit 3.1 to Form 10 filed December 10, 2010
3.2	By-Laws of POW! Entertainment Inc., as amended and restated effective June 11, 2012	Incorporated by reference as Exhibit 3.3 to Form 8-K filed June 14, 2012
4.1	Form of Warrant granted to the Stanley L. Compton, Trustee of the Compton Family Trust dated April 11, 1988	Incorporated by reference as Exhibit 4.1 to Form 10 filed December 10, 2010
4.2	Form of Warrant Agreement granting warrants to Arthur Lieberman and Stan Lee	Incorporated by reference as Exhibit 4.2 to Form 10 filed December 10, 2010
4.3	Amendment to Form of Warrant granted to The Stanley L. Compton, Trustee of the Compton Family Trust dated April 11, 1988	Incorporated by reference as Exhibit 4.3 to Form 10-K filed March 29, 2013
10.1	Overall Agreement Dated as of March 20, 2006 Between Silver Creek Pictures, Inc. and POW! Entertainment, Inc. For Services of Stan Lee ("Silver Creek Agreement")	Incorporated by reference as Exhibit 10.1 to Form 10 filed December 10, 2010
10.2	Amendment Letter to Silver Creek Agreement, dated March 20, 2006	Incorporated by reference as Exhibit 10.2 to Form 10 filed December 10, 2010
10.3	Amendment Letter to Silver Creek Agreement, dated September 12, 2006	Incorporated by reference as Exhibit 10.3 to Form 10 filed December 10, 2010
10.4	Amendment Letter to Silver Creek Agreement, dated March 13, 2007 ("Second Amendment")	Incorporated by reference as Exhibit 10.4 to Form 10 filed December 10, 2010
10.5	Amendment Letter to Silver Creek Agreement, dated September 10, 2007 ("Third Amendment")	Incorporated by reference as Exhibit 10.5 to Form 10 filed December 10, 2010
10.6	Amendment Letter to Silver Creek Agreement, dated May 2, 2008 ("Fourth Amendment")	Incorporated by reference as Exhibit 10.6 to Form 10 filed December 10, 2010
10.7	Amendment Letter to Silver Creek Agreement, dated December 18, 2009 ("Fifth Amendment")	Incorporated by reference as Exhibit 10.7 to Form 10 filed December 10, 2010
10.8	Stock Purchase Agreement, dated December 31, 2009 by and between POW! Entertainment, Inc. and Catalyst Investments, LLC	Incorporated by reference as Exhibit 10.8 to Form 10 filed December 10, 2010
10.09	Letter Agreement between Catalyst and the Company dated December 31, 2009	Incorporated by reference as Exhibit 10.09 to Form 10 filed December 10, 2010
10.10	Employment Agreement-Stan Lee, dated as of January 1, 2010 between POW! Entertainment, Inc. and Stan Lee	Incorporated by reference as Exhibit 10.10 to Form 10 filed December 10, 2010
10.11	Employment Agreement-Champion, dated as of January 1, 2010 between POW! Entertainment, Inc. and Gill Champion	Incorporated by reference as Exhibit 10.11 to Form 10 filed December 10, 201
10.12	Employment Agreement-Lieberman, dated as of January 1, 2010 between POW! Entertainment, Inc. and Arthur Lieberman	Incorporated by reference as Exhibit 10.12 to Form 10 filed December 10, 2010

10.13	Amended and Restated Deferred Compensation Payment Agreement dated as of November 22, 2010 by and among POW! Entertainment, Inc., Stan Lee and Arthur Lieberman	Incorporated by reference as Exhibit 10.13 to Form 10 filed December 10, 2010
10.14	Agreement, dated as of June 8, 2005 between Stanley L. Compton and POW! Entertainment, Inc.	Incorporated by reference as Exhibit 10.14 to Form 10 filed December 10, 2010
10.15	Agreement, dated as of September 9, 2010 between Cooper Global Communications and POW! Entertainment, Inc.	Incorporated by reference as Exhibit 10.15 to Form 10-K filed March 28, 2011
10.16	Amendment to Employment Agreements-Stan Lee, Dated December 1, 2011 and referred to in Exhibit 10.10	Incorporated by reference as Exhibit 10.16 to Form 10-K Filed March 23, 2012
10.17	Agreement, dated June 1, 2011 between POW! Entertainment and Bick Le	Incorporated by reference as Exhibit 10.17 to Form 10-Q filed August 4, 2011
10.18	Amendment to Employment Agreements-Gill Champion, dated December 1, 2011 and referred to in Exhibit 10.11	Incorporated by reference as Exhibit 10.18 to Form 10-K filed March 23, 2012
10.19	Amendment to Employment Agreements-Arthur Lieberman, dated December 1, 2011 and referred to in Exhibit 10.12	Incorporated by reference as Exhibit 10.19 to Form 10-K filed March 23, 2012
10.20	Indemnity Agreements dated December 2004	Incorporated by reference as Exhibit 10.20 to Form 10-K filed March 23, 2012
10.21	Agreement, dated June 11, 2012 between POW! Entertainment and Bick Le	Incorporated by reference as Exhibit 10.21 to Form 10-Q filed August 14, 2012
21	Subsidiaries of Registrant	Incorporated by reference as Exhibit 21 to Form 10 filed December 10, 2010

Exhibit No.	**Exhibit Index**	**Method of Filing**
31.1	Certification by Chief Executive Officer	Filed herewith
31.2	Certification by Chief Financial Officer	Filed herewith
32.1	Section 1350 Certification by Principal Executive Officer	Filed herewith
32.2	Section 1350 Certification by Principal Financial Officer	Filed herewith

Exhibit 31.1

RULE 13a-14(a) [SECTION 302] CERTIFICATION OF PRINCIPAL EXUCTIVE OFFICER

I, Gill Champion, certify that:

1. I have reviewed this report on Form 10-K of POW! Entertainment, Inc.;

2. based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. the registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations;

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. the registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 28, 2014

/s/ Gill Champion
Gill Champion
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL EXUCTIVE OFFICER

I, Bick Le, certify that:

1. I have reviewed this report on Form 10-K of POW! Entertainment, Inc.;

2. based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. the registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluations;

(d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. the registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of registrant’s board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: March 28, 2014

/s/ Bick Le
Bick Le
Chief Financial and Operating Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of POW! Entertainment, Inc. on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof , the undersigned hereby certifies, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, in his capacity as an officer of the Company, that:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and the results of operations of the Company.

Date: March 28, 2014

By: /s/ Gill Champion
Gill Champion
President and Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of POW! Entertainment, Inc. on Form 10-K for the year ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof, the undersigned hereby certifies, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, in her capacity as an officer of the Company, that:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and the results of operations of the Company.

Date: March 28, 2014

By: /s/ Bick Le
Bick Le
Principal Financial Officer