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| Job Number: | 13090 |
| Filer: | Fuego Entertainment, Inc. |
| Form Type: | 10QSB |
| Reporting Period / Event Date: | 02/29/08 |
| Customer Service Representative: | Marie 602-375-0888 |
| Revision Number: | First Draft |

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| Submission Type | 10QSB |
| Live File | on |
| Return Copy | on |
| Submission Contact | Marie |
| Submission Contact Phone Number | 602-375-0888 |
| Exchange | NONE |
| Confirming Copy | off |
| Filer CIK | 0001336277 |
| Filer CCC | xxxxxxxx |
| Period of Report | 02/29/08 |
| Notify via Filing website Only | off |

Documents

| | |
|---------|--|
| 10QSB | fuego_entertainment-10qsb.htm Fuego Entertainment, Inc. 10-QSB |
| EX-31.1 | exhibit_31-1.htm Certificate of Principal Executive Officer |
| EX-31.2 | exhibit_31-2.htm Certificate of Principal Accounting Officer |
| EX-32.1 | exhibit_32-1.htm Certification Pursuant to 18 U.S.C. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| EX-32.2 | exhibit_32-2.htm Certification Pursuant to 18 U.S.C. 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

Module and Segment References

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-QSB

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended February 29, 2008

Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission file number: 000-52054

FUEGO ENTERTAINMENT, INC.

(Exact name of small business issuer as specified in its charter)

Nevada

20-2078925

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

8010 NW 156 Terrace

Miami, FL 33018

(Address, including zip code, of principal executive offices)

Issuer's telephone number : (305) 829-9999

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: COMMON STOCK, PAR VALUE \$.001 PER SHARE

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Check whether the Registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

The number of outstanding shares of the Registrant's common stock, \$0.001 par value, as of February 29, 2008 was 39,396,020.

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PART I: FINANCIAL INFORMATION

Item 1. Financial Statements

**FUEGO ENTERTAINMENT, INC. AND AFFILIATE
CONSOLIDATED BALANCE SHEETS**

| | February 29, 2008 | May 31, 2007 |
|--|------------------------------|-------------------------|
| | (Unaudited) | |
| <u>ASSETS</u> | | |
| CURRENT ASSETS | | |
| Cash | \$ 23,874 | \$ - |
| Account receivable-trade, less allowance for doubtful accounts of \$90,000 | 88,297 | 29,308 |
| Federal Income tax refund receivable | 12,115 | 12,115 |
| Total Current Assets | 124,286 | 41,423 |
| EQUIPMENT , less accumulated depreciation of \$56,430 and \$23,580, respectively | 32,850 | 39,145 |
| OTHER ASSETS | | |
| Echo-Fuego Music Group, LLC | - | - |
| Music Albums (Echo-Fuego) | 480,000 | - |
| Europaisches Getrank AG | 375,000 | - |
| Production costs-Video | 95,941 | 95,941 |
| Production costs-Music | 48,844 | - |
| Deposit on music library | 14,500 | 14,500 |
| Deposit on web portal | 11,329 | - |
| Logo, less accumulated amortization of \$ 2,700 and \$1,575, respectively | 1,125 | 1,530 |
| Total Other Assets | 1,026,739 | 111,971 |
| | \$ 1,183,875 | \$ 192,540 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</u> | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 60,420 | \$ 24,092 |
| Accounts payable - related parties | 48,543 | 83,518 |
| Accrued interest - related parties | 51,672 | 17,646 |
| Accrued expenses Echo-Fuego Music Group, LLC | - | - |
| Deposit for common stock | - | - |
| Deferred revenue | 223,659 | 6,659 |
| Income taxes payable | 3,870 | 15,985 |
| Other liabilities | 884 | 3,906 |
| Payroll Tax Liabilities | - | - |
| Total Current Liabilities | 389,048 | 151,806 |
| Long-Term Debt | | |
| Notes payable - related parties | 219,489 | 263,893 |
| Notes payable - Jeffrey Collins | 50,000 | - |
| Total Liabilities | \$ 658,537 | \$ 415,699 |

CONSOLIDATED BALANCE SHEETS - continued

COMMITMENTS AND CONTINGENCIES

STOCKHOLDERS' EQUITY (DEFICIT)

| | | |
|--|---------------------|-------------------|
| Common stock, par value \$.001, 75,000,000 shares authorized, 39,396,020 and 36,639,353 issued and outstanding, respectively | 39,397 | 36,640 |
| Paid in capital | 1,004,148 | 454,905 |
| Deferred charge | - | (122,979) |
| Subscriptions Payable | 45,000 | - |
| Noncontrolling Interest | 360,100 | |
| Retained earnings(deficit) | (923,307) | (591,724) |
| Total Stockholders' Equity (Deficit) | 525,338 | (223,158) |
| | <u>\$ 1,183,875</u> | <u>\$ 192,540</u> |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERTAINMENT, INC AND AFFILIATE
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | <u>For the Three Months Ended</u> | | <u>For the Nine Months Ended</u> | |
|---|-----------------------------------|---------------------|----------------------------------|---------------------|
| | <u>February 29,</u> | <u>February 28,</u> | <u>February 29,</u> | <u>February 28,</u> |
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| REVENUES | | | | |
| Music sales, net | \$ 100,927 | \$ 95,466 | \$ 112,878 | \$ 135,254 |
| Advertising, web site | 158,000 | - | 158,000 | - |
| Filming | - | - | - | 30,550 |
| Consulting | 840 | - | 840 | 6,800 |
| | <u>259,767</u> | <u>95,466</u> | <u>271,718</u> | <u>172,604</u> |
| COSTS AND EXPENSES | | | | |
| Cost of music | | | | |
| Royalties - related party | - | 25,123 | 2,844 | 35,972 |
| Production costs | 48,216 | - | 48,852 | - |
| Cost of filming | - | - | - | 5,000 |
| Affiliation agreements | - | 50,000 | - | 50,000 |
| Selling, general and administrative: | | | | |
| Provision for bad debts | - | - | - | - |
| Stock based and contributed compensation | 63,854 | 20,470 | 221,529 | 95,728 |
| Paid Compensation & Payroll Taxes | - | - | 16,393 | - |
| Other | 79,400 | 45,031 | 234,184 | 178,036 |
| TV development | - | - | - | 97,146 |
| Web site cost | 4,800 | - | 4,800 | - |
| Impairment of investmest | - | - | - | - |
| Interest expense - related parties | 10,554 | - | 39,162 | 9,494 |
| Interest expense - other | - | 8,603 | 723 | - |
| Depreciation and amortization | 3,192 | 3,397 | 9,713 | 9,225 |
| | <u>210,016</u> | <u>152,624</u> | <u>578,200</u> | <u>480,601</u> |
| Income (loss) before income taxes | 49,751 | (57,158) | (306,482) | (307,997) |
| Income tax expense (benefit) | - | (2,406) | - | (21,832) |
| Income (loss) Before Minority Interest | \$ 49,751 | \$ (54,752) | \$ (306,482) | \$ (286,165) |
| Minority Interest in Affiliate's Earnings | (25,100) | - | (25,100) | - |
| NET INCOME (LOSS) | <u>\$ 24,651</u> | <u>\$ (54,752)</u> | <u>\$ (331,582)</u> | <u>\$ (286,165)</u> |
| INCOME (LOSS) PER SHARE - BASIC | <u>*</u> | <u>*</u> | <u>*</u> | <u>\$ (0.01)</u> |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC | <u>39,296,020</u> | <u>37,732,686</u> | <u>37,732,686</u> | <u>35,493,763</u> |

* less than \$.01 per share

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUEGO ENTERTAINMENT, INC. & AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | For the Nine Months Ended | |
|--|----------------------------------|------------------------------|
| | February 29, 2008 | February 28, 2007 |
| OPERATING ACTIVITIES | | |
| Net income (loss) | \$ (331,582) | \$ (286,165) |
| Adjustments to reconcile net income to net cash used by operating activities | | |
| Contributed services | 61,150 | 40,339 |
| Impairment loss on investment | - | - |
| Depreciation and amortization | 9,713 | 9,225 |
| Stock based compensation | 182,029 | 95,639 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | (58,988) | (131,154) |
| Accrued federal Income tax refund receivable | - | (12,115) |
| Deferred tax asset | - | - |
| Other current asset | - | - |
| Accounts payable | 1,353 | 22,417 |
| Accrued interest - related parties | 34,026 | 8,480 |
| Accrued expenses Echo-Fuego Music Group, LLC | - | - |
| Income taxes payable | (12,115) | (9,717) |
| Other current liabilities | (3,022) | 1,586 |
| Payroll tax liabilities | - | - |
| Deferred revenue | 217,000 | - |
| NET CASH (USED BY) OPERATING ACTIVITIES | 99,564 | (261,465) |
| INVESTING ACTIVITIES | | |
| Investment in Echo-Fuego Music Group, LLC | - | - |
| Investment in Europaisches Getrank AG | (375,000) | - |
| Investment in Music Albums (Echo-Fuego) | (480,000) | - |
| Noncontrolling interest in affiliate | 360,100 | - |
| Production costs-Video | - | (7,308) |
| Production costs-Music | (48,844) | - |
| Deposit on web portal | (11,329) | - |
| Deposit on music library | - | - |
| Investments-Affiliation Agreements | - | - |
| Purchase of equipment | (3,013) | (17,696) |
| NET CASH (USED BY) INVESTING ACTIVITIES | (558,086) | (25,004) |
| FINANCING ACTIVITIES | | |
| Proceeds from sale of common stock | 12,450 | 25,700 |
| Common stock subscriptions payable | 45,000 | - |
| Common stock issued for debt reduction | 419,350 | - |
| Proceeds from notes payable - related parties | 176,382 | 260,617 |
| Repayments of notes payable - related parties | (170,786) | - |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | 482,396 | 286,317 |
| NET (DECREASE) IN CASH | 23,874 | (152) |
| CASH, BEGINNING OF PERIOD | - | 152 |
| CASH, END OF PERIOD | \$ 23,874 | \$ - |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

**FUEGO ENTERTAINMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

1. BASIS OF PRESENTATION

Our consolidated financial statements include the accounts of Fuego Entertainment, Inc. and its majority-owned limited liability company, Echo-Fuego Music Group, LLC. All significant intercompany accounts and transactions have been eliminated in the consolidation.

Minority interest represents the minority partner's, Jeffrey Collins (Echo-Vista, Inc.) 49% ownership interest in Echo-Fuego Music Group, LLC.

In the opinion of management, the accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-QSB. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the Company's financial position as of February 29, 2008 and the results of its operations and cash flows for the nine months ended February 29, 2008 and 2007 have been made. Operating results for the nine months ended February 29, 2008 are not necessarily indicative of the results that may be expected for the year ended May 31, 2008.

These condensed financial statements should be read in conjunction with the financial statements and notes thereto contained in the Company's Form 10-KSB for the year ended May 31, 2007.

2. NATURE OF BUSINESS

Fuego Entertainment, Inc. (the "Company", "Fuego". "we", "our" or "us") was formed on December 30, 2004 as a Florida corporation and is primarily engaged in the directing, production, marketing, and distribution of entertainment products, including feature and short films, documentaries, television shows, music, and tour productions. We also provide management, marketing, and public relations services to the entertainment industry. During the nine months ended February 29, 2008 the majority of revenues were earned from the sale of musical tracks and advertising revenue on our website www.fuegoentertainment.net.

3. ADVERTISING REVENUE

In January 2008, Fuego entered into a Stock Subscription Agreement with Beverage Plus, Inc. relating to an equity investment of 400,000 common shares for an amount of \$300,000 in Beverage Plus, Inc., a Nevada Corporation. Subsequently, Beverage Plus, Inc. exchanged all of its issued and outstanding shares to Europäisches Getränk AG, a Swiss corporation holding company and Beverage Plus is now owned by the Europäisches. Europäisches is completing its registration with the Frankfurt Stock Exchange ("FSE") to be listed with a trading symbol to be assigned by the FSE for trading on the open market in May 2008.

The purchase price of \$300,000 is equal to the fair market value of in-kind consideration in the form of marketing assistance and the placement of a marketing banner and link to the Beverage Plus web site on www.fuegoentertainment.net website for a period of no less than 90 days. During the current three month period we reported revenues of \$150,000 for 45 days of advertising and deferred revenues of \$150,000 for the remaining 45 days.

Another Stock Subscription Agreement with Europäisches relating to an equity investment of 108,516 common shares for an amount of \$75,000 was executed on February 22, 2008 for additional advertisement exposure on www.fuegoentertainment.net website for a period of 75 days. During the current three month period we reported revenues of \$8,000 for 8 days of advertising and deferred revenues of \$67,000 for the remaining 67 days.

Another Stock Subscription Agreement with Europäisches relating to an equity investment of 72,343 common shares for an amount of \$50,000 was executed on March 1, 2008 for additional advertisement exposure on www.fuegoentertainment.net website for a period of 66 days. This advertising revenue will be reported in the next quarter.

FUEGO ENTERTAINMENT, INC.
NOTES TO FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING POLICIES

GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has an accumulated deficit, continued losses and a working capital deficit. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

Our financial position is of great concern to us and our investors, however, management's plan is to obtain additional capital and to develop, market and distribute musical tracks, increase our advertising revenue on our website and to pursue the multi-media releases of a popular film produced in Cuba. Additionally, since launching FEMI, we expanded our music and video catalog, by signing new artists, and acquiring music masters containing over 890 music tracks. We have also expanded our marketing and distribution capabilities and enhanced sales in the process. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

5. RELATED PARTY TRANSACTIONS

- Ciocan is an entertainment company, owned by our President/CEO, that creates products for the Latino Market worldwide and anticipates using us to market, promote and commercialize some of its products (music, films, documentaries, artist, etc) for the Anglo and international markets.

During the nine months ended February 29, 2008, Ciocan did not advance any funds and we paid the outstanding principal balance, leaving a balance owing as of February 29, 2008, of \$0, and accrued interest of \$5,328. In addition Ciocan was owed a total of \$40,798 for music royalties as of February 29, 2008. There were no music royalties accrued to Ciocan during the current three month period, and there were \$2,844 of music royalties accrued for the nine months ended February 29, 2008.

- Our President/CEO is owed \$219,489 as of February 29, 2008 for cash advances to the company for a variety of general and administrative expenses and the development of TV station programming. During the nine months ended February 29, 2008 he advanced \$76,382 and was repaid \$95,986. No interest was paid on this date which accrues at 15 percent per annum and is payable on June 1, 2008. Accrued interest totaled \$46,344 as of February 29, 2008.
- Fees incurred in the nine month period ended February 29, 2008 for a related party accounting firm totaled \$59,138. The accounting firm received 525,000 shares in payment of certain outstanding invoices for accounting, tax and financial statement preparation services since September, 2006. The amount owed to the firm as of February 29, 2008 was \$20,188.

**FUEGO ENTERTAINMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

6. INCOME TAXES

The following is an analysis of income taxes.

The provision for current income taxes is as follows:

| | For the nine months ended February 29, 2008 | For the nine months ended February 28, 2007 |
|---------------------------------------|--|--|
| Current tax expense (benefit): | | |
| Federal tax at 34% statutory rate | \$ (104,204) | \$ (104,719) |
| Benefit of surtax exemptions | -0- | 73,879 |
| Valuation allowance | 82,673 | 4,335 |
| Adjustment to 5/31/06 tax liability | | 9,717 |
| Permanent differences | 21,531 | 14,382 |
| Income tax expense | \$ -0- | \$ (2,406) |

The analysis of income tax expense is as follows:

| | For the nine months ended February 29, 2008 | For the nine months ended February 28, 2007 |
|---------------------------|--|--|
| Current | \$ -0- | \$ (2,406) |
| Deferred | -0- | -0- |
| Income tax expense | \$ -0- | \$ (2,406) |

A deferred tax asset was recognized of \$104,204 for the \$70,831 deferred tax benefit related to the net operating loss carry forward which expires in 2028 if unused, and \$11,843 deferred tax benefit related to temporary timing differences during the nine months ended February 29, 2008. A valuation allowance for \$82,674 was recorded as of February 29, 2008, as the Company believes it is more likely than not that this future tax benefit of this deferred tax asset will not be realized at this time.

**FUEGO ENTERTAINMENT, INC.
NOTES TO FINANCIAL STATEMENTS**

6. INCOME TAXES - continued

The following is an analysis of the change in the deferred tax asset:

| | For the nine months ended February 29, 2008 | For the nine months ended February 28, 2007 |
|---------------------------------------|--|--|
| Deferred tax asset, beginning of year | \$ -0- | \$ -0- |
| Net operating loss carryforward | 70,831 | |
| Allowance for doubtful accounts | -0- | (1,705) |
| Interest Expense related party | 11,569 | (2,877) |
| Depreciation | (274) | 248 |
| State income taxes | -0- | -0- |
| Valuation allowance | (82,674) | 4,334 |
| Deferred tax asset, end of year | <u>\$ -0-</u> | <u>\$ -0-</u> |

7. CONTRIBUTED CAPITAL

For the nine months ended February 29, 2008, the President contributed a total of \$61,150 consisting of \$40,500 for the value of services, \$6,250 for the prorata share of auto expenses, and \$14,400 for the rent of corporate office facilities.

8. DEFERRED CHARGE

On May 9, 2007, we entered into a contract with Var Growth Corporation (D.B.A. Ice Cold Stocks) and issued 875,000 shares of restricted common stock at \$.15 in exchange for consulting services to be performed over the current fiscal year. For the nine months ended February 29, 2008, \$122,979 of this cost was expensed. There is no remaining balance as a deferred charge.

9. CONTINGENCIES

In January 2008 Fuego and Jeffrey Collins (Echo Vista, Inc.) through Echo-Fuego Music Group, LLC announced plans to sell the eight "lost" Beatles' club recordings. Apple Corps Limited, representing the Beatles, is seeking to have Fuego remove any information about the planned release from Fuego's website, is requiring Fuego to cease any use of the trademark, The Beatles, for commercial purposes, and is also seeking \$15 million in the lawsuit filed against Fuego, Echo-Fuego Music Group, LLC, Hugo Cancio and Jeffrey Collins. On April 4, 2008, Apple Corps Limited and Fuego struck an injunction agreement approved by a Miami U.S. District Judge that requires Fuego to halt plans to release the eight song recordings. No trial date has been set for the case. Fuego is vigorously defending the lawsuit and does not expect to incur a loss. The case and the ultimate outcome are presently uncertain. The accompanying financial statements do not include any adjustments that might be necessary should the case result in an unfavorable outcome.

On April 8, 2008 Fuego filed a lawsuit in the Miami-Dade Circuit Court against Var Growth Corporation (D.B.A. Ice Cold Stocks) and Barry Davis for non-performance regarding a consulting agreement executed May 9, 2007. The consulting agreement required Var Growth Corporation (D.B.A. Ice Cold Stocks) and Barry Davis advise and consult Fuego in conjunction with the development of Fuego's marketing plan and business goals, scheduling and arranging meetings and conferences with strategic third party media representatives and investors. Fuego is requesting possession and return of its 875,000 shares of restricted common stock issued in exchange for consulting services. The case and the ultimate outcome are presently uncertain. The accompanying financial statements do not include any adjustments that might be necessary should the case result in a favorable outcome.

FUEGO ENTERTAINMENT, INC.
NOTES TO FINANCIAL STATEMENTS

10. ISSUANCE OF RESTRICTED COMMON STOCK

We authorized the issuance of 157,000 shares of restricted common stock at \$.15 per share on September 18, 2007, 83,000 shares of restricted common stock at \$.15 per share on September 30, 2007, and 575,000 shares of restricted common stock at \$.15 per share on October 15, 2007.

On December 7, 2007 we issued 1,841,667 restricted shares of stock to AES Capital Partners, LP regarding two separate Private Placement Memorandums. The first one was signed on October 15, 2007 for 541,667 restricted shares at \$.12 for a total subscription amount of \$65,000 and the funds deposited on October 17, 2007. The second one was signed on December 5, 2007 for 1,300,000 restricted shares at \$.212 for a total subscription amount of \$275,600, half the funds were deposited on December 10, 2007 and the other deposited on January 11, 2008.

Principally in connection with our efforts to obtain additional capital to sustain our business, the following restricted stock was issued. Restricted shares of stock consisted of 525,000 issued to the accounting firm in payment for outstanding invoices regarding their accounting, tax and financial statement preparation services, 175,000 shares issued to several board members, the sale of 1,924,667 shares for cash, and 132,000 shares were issued to various individuals for services rendered

Item 2. Management's Discussion and Analysis or Plan of Operation

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITION & RESULTS OF OPERATION

The following discussion is intended to provide an analysis of the Company's consolidated financial condition and Plan of Operation and should be read in conjunction with the Company's financial statements and the notes thereto set forth herein. For the first time, Fuego Entertainment, Inc. (Fuego) and its 51% majority-owned limited liability company, Echo-Fuego Music Group, LLC, will be presenting their financial statements on a consolidated basis. All significant intercompany accounts and transactions have been eliminated in the consolidation.

The matters discussed in these sections that are not historical or current facts deal with potential future circumstances and developments. The Company's actual results could differ materially from the results discussed in the forward-looking statements. Factors that could cause or contribute to such differences include those discussed below.

PLAN OF OPERATION

We have been in operation for thirty-eight months as of February 29, 2008. Our efforts during that period have largely been to generate cash flows from operations and cash flow from the sales of our common shares. The majority of these cash flows were applied towards, production costs, and the investment in a series of shows, including Havana Nights, productions of the Luny Tunes new CD soon to be release, the acquisition of over 2,000 music tracks, the formation of Echo-Fuego Music Group joint venture in which we owned 51 % and the development of our new website.

Since inception, we have sold music CD's representing the majority of our music revenue. Although the company will continue to sell music CD's we have made a full transition into the digital sales and distribution of music and video content. In the prior fiscal year we created a music business segment named Fuego Entertainment Music International (FEMI) the purpose of which is to sell our music content under this name.

In December 2007, Fuego announced it had formed a new music division, Echo-Fuego Music Group, LLC, (Echo Fuego) in a joint venture with legendary music producer and promoter Jeffrey Collins. His music catalog of more than 2,000 tracks and 15 artists will be merged into the new joint venture, with a 51% majority stake owned by Fuego Entertainment, Inc. Mr. Collins will manage the joint venture which plans to release at least two albums per month over the next five years featuring artists such as KRS-One, Father MC, Ahmir, Marcus Allen, Eriq J'Mar, Don Connor, NoXcuse, Ram Squad, Euricka, Papa San, Jeff Maddox, DJ No-Rap, Culture, Meekie Renee, C.W., World Carnival, Colonel Abrams, La Velle and The L.C.D.'s. The joint venture Echo-Fuego is actively seeking to sign exciting new artists under the new label.

Recently four members of our Board of directors resigned from our in order to pursue other opportunities. We are currently conversation with two individual that have express interest in joining our Board of Directors. Because of their experience and knowledge of our industry their contribution will be a key component to the overall development of our Company. we hired two corporate executive to our team, Ernesto Hernandez as sales manager and marketing and promotion coordinator and legendary music producer Jeffrey Collins as Head of our music divisions.

We expanded our music and video catalog, by signing new artists, and acquiring music masters containing over 890 music tracks. We recently acquired over 2,000 music tacks creating a diverse catalog of music and videos. We executed a production deal with the award-winning producing duo Luny Tunes: Francisco Saldaña (Luny) and Victor Cabrera (Tunes).Under this five-year agreement, the popular and successful Latin urban music producers will co-produce two albums per year that will be released under Fuego Entertainment's music division FEMI (Fuego Entertainment Music International). Over the past three and a half years, Luny Tunes have produced several albums generating over \$16.5 million dollars in sales for

Item 2. Management's Discussion and Analysis or Plan of Operation - continued

Universal Music Group. Lunny Tunes have produced albums, music tracks, and remixes for top Latin Reggaeton, Pop and R&B recording artists such as Janet Jackson, Paris Hilton, The Black Eye Peas, Lenny Kravitz, R Kelly, Ricky Martin, Shakira, Alejandro Sanz, Fat Joe, Daddy Yankee's "Gasolina," Wisin y Yandel's "Rakata," Don Omar's "Dale Don Dale," Tego Calderon's "Métele Sazón," Ivy Queen, Hector y Tito, and many others. The Lunny Tunes have a successful track record as the architects of the most significant crossover in Latin music in the last few years. This co-production agreement comes at a time where our music division is rapidly growing and expanding. This collaboration should generate substantial financial benefits to our company. The new Lunny Tunes Fuego production has been completed and it is expected to be released on or before June 2008.

As successful music producers in the Reggaeton genre, the Lunny Tunes have managed to earn an abundance of fans and awards while on the road to international stardom. Some awards include:

- Latin Billboard Awards 2004: Más Flow -- "Tropical Album of the Year / Duo or Group;"
- Latin Billboard Awards 2004: Más Flow -- "Tropical Album of the Year / New Generation;"
- Reggaeton People's Choice Awards 2004: Lunny Tunes -- "Producer of the Year;"
- Latin Grammy Awards 2005: Barrio Fino -- "Best Album of the Year / Urban" (as producers);
- Reggaeton People's Choice Awards 2005: Lunny Tunes -- "Producer of the Year;"
- Reggaeton People's Choice Awards 2005: Mayor Que Yo -- "Best Song of the Year;"
- Reggaeton People's Choice Awards 2005: Mas Flow 2 -- Best Album of the Year;"
- Latin Billboard Awards 2006: Lunny Tunes -- "Producer of the Year;"
- Premios Lo Nuestro Awards 2006: Mas Flow 2 -- "Best Album of the Year / Urban Category;" and,
- Musica Furia 2007: Lunny Tunes -- "Reggaeton Producers of the Year

We have also expanded our marketing and distribution capabilities and enhanced sales in the process. We executed an agreement with Digital Music Group, Inc, one of the leaders in the digital distribution of entertainment product. Digital Music Group, Inc. has now merged with the leading online music and video distributor, The Orchard. We also executed an agreement with UK digital distributor Vidzone. Our music and video content is now available in more than 100 retailers. We executed a publishing agreement with Ediciones Musicales Clippers. On March 1, 2007 we retained the services of Adolfo Fernandez, a prestigious publicist from F&F Media Group. Mr. Fernandez's firm represents companies such as WEA Music, Sony BMG, Televisa Group, Univision Music Group, EMI US Latin, EMI Music Colombia, Venemusic, Fonosound, Grupo Origin, Warner Music Latina, and others. Mr. Fernandez has worked with many artists such as Andrea Bocelli, Ricky Martin, Alejandro Sanz, Mark Anthony, Shakira, Gilberto Santarosa, Jennifer Lopez, and others.

QUARTER ENDED FEBRUARY 29, 2008

There was a net income for the current quarter of \$24,651. There was \$259,767 of consolidated revenues this quarter resulting in a gross profit of approximately \$211,551. There were \$161,800 of expenses this quarter; there were three major expenses which contributed to the loss for the quarter. First there was \$63,854 stock based compensation to board member for their services, to various other individuals for services rendered and the amortization of the Var Growth Corporation consulting agreement. Second, there were audit, accounting, bookkeeping and consulting fees of \$28,989 relating to the preparation of financial statements for the second quarter of the current fiscal year. Third, there was \$10,553 interest paid to a related party. The minority interest in Echo-Fuego's earnings was \$25,100.

Revenues for the current quarter-

Revenues in the current quarter were minimum due to the transition from the regular distribution of CDs to digital downloads sales and distribution of our entertainment content. However, there was advertising revenue for the first time this quarter. In January 2008, Fuego entered into a Stock Subscription Agreement with Beverage Plus, Inc. relating to an equity investment of 400,000 common shares for an amount of \$300,000 in Beverage Plus, Inc., a Nevada Corporation. Subsequently, Beverage Plus, Inc. exchanged all of its issued and outstanding shares to Beverage Plus AG, a Swiss corporation holding company and Beverage Plus is now owned by Beverage Plus AG. The Swiss Corporation has been assigned an international securities identification number of CH0038503253 and the Swiss regulatory authorities issued a securities identification number also known as Valorennummer (VAL) of 3850325. Beverage Plus is completing its application for registration with the Frankfurt Stock Exchange ("FSE") to be listed with a trading symbol to be assigned by the FSE for trading on the open market in May 2008. The German regulatory authority has issued its securities registration number or Wertpapierkennnummer (WKN) as follows: A0NJNV

Item 2. Management's Discussion and Analysis or Plan of Operation - continued

Beverage Plus' stock is expected to open at approximately one Euro per share. Beverage Plus provides no assurances to its investors as to the liquidity of its share capital or its ability to maintain such share price in the market place.

The purchase price of \$300,000 is equal to the fair market value of in-kind consideration in the form of marketing assistance and the placement of a marketing banner and link to the Beverage Plus web site on www.fuegoentertainment.net website for a period of no less than 90 days. During the current three month period we reported revenues of \$150,000 for 45 days of advertising and deferred revenues of \$150,000 for the remaining 45 days.

Another Stock Subscription Agreement with Beverage Plus relating to an equity investment of 108,516 common shares for an amount of \$75,000 was executed on February 22, 2008 for additional advertisement exposure on www.fuegoentertainment.net website for a period of 75 days. During the current three month period we reported revenues of \$8,000 for 8 days of advertising and deferred revenues of \$67,000 for the remaining 67 days.

Furthermore, we reported and consolidated 100% of the net music sales of \$100,642 from Echo-Fuego. A net adjustment for the Minority Interest in Affiliate's Earnings was made on the consolidated statements of operations.

In October of 2007, we released 70 CD's, approximately 900 music tracks to major online retailers such as iTunes, Yahoo Music, Wal-Mart Music, Virgin Mobile, Vodafone, Movistar, YouTube, MySpace, CD Baby and others.

Selling, General and Administrative Expenses-

This category has routinely consisted of all of the recurring and/or normal corporate overhead expenses not separately identified such as depreciation and amortization. This category did not increase, as in the current quarter, for such items as Stock Based Compensation, Bonus to Officer and Accounting & Auditing Fees. If it were not for these large items, selling, general and administrative expense for the quarter would be indicative of the level of such expenses for this time period of approximately \$80,257.

Income Tax Liability / Benefit-

There was no income tax liability or benefit earned in this quarter.

QUARTER ENDED FEBRUARY 29, 2008 COMPARED TO THE QUARTER ENDED FEBRUARY 28, 2007

The income for the current quarter increased compared to the loss for the same quarter a year ago by approximately \$79,402 due to an increase in revenue.

Revenues-

Revenues in comparison to a year ago on a quarterly basis increased due to the transition from the regular distribution of CDs to digital downloads sales and distribution of our entertainment content, and advertising revenue.

Item 2. Management's Discussion and Analysis or Plan of Operation - continued

As discussed above in detail we generated \$ 158,000 of advertising revenue from our Stock Subscription Agreement with Beverage Plus, Inc.

In October of 2007, we released 70 CD's, approximately 900 music tracks to major online retailers such as iTunes, Yahoo Music, Wal-Mart Music, Virgin Mobile, Vodaphone, Movistar, YouTube, MySpace, CD Baby and others.

As a result of the recent joint venture with Jeffrey Collins, Echo-Fuego Music Group, LLC, we reported and consolidated 100% of the net music sales of \$100,642 from Echo-Fuego. A net adjustment for the Minority Interest in Affiliate's Earnings was made on the consolidated statements of operations.

Echo-Fuego Music Group, LLC acquired over 2,000 music tracks and the company plans to release 2 CD's per months for the next 5 years. The first CD's scheduled to be released in the coming months have contributed to 37,983 advance sales of (preorders) of CD's which translates into approximately \$322,000 in revenues This does not includes the anticipated release of the first Lunny Tunes production soon to be released. Management expects music revenues to increase significantly as more music titles will be released in the coming months and our valuable and diverse library of music and video continues to be distributed to all major online music downloads retailers. As of the day of this filing the company has not received a sales report from our digital distributors. The launching of our new website has given us a new revenue stream opportunity, from music and video downloads, membership subscriptions and now advertising. We are aggressively pursuing other corporate advertisers who recognize the impact their ad dollars can have via advertising on our website. We are currently negotiating several advertising deals.

Cost of Revenues-

Revenues in the current quarter were not the type which required music royalties to be paid to any related or third party.

Selling, General and Administrative Expenses-

The current quarter's selling, general and administrative expenses exceeded the comparable quarter's expenses by approximately \$81,000 due largely to an increase in stock based compensation of \$43,000. The balance of the increase was due mainly to the increase in legal, auditing and accounting expenses which together were approximately \$24,000 for the current quarter..

Income Tax Liability / Benefit-

There was no income tax liability or benefit earned in this quarter.

NINE MONTHS ENDED FEBRUARY 29, 2008 COMPARED TO THE NINE MONTHS ENDED FEBRUARY 28, 2007

Compared to the previous nine month period a year ago, the current nine month's loss was approximately \$45,000 higher due to various expense items. There was an increase in overall expenses of approximately \$50,000.

Revenues-

Please refer to the three months ended February 29, 2008 comparison for a detail explanation for the increase in revenue.

In addition, no Filming revenues or work for hire occurred as a result of the president of the company spending considerable time developing the music division of Fuego. There was a significant increase in advertising revenue.

Item 2. Management's Discussion and Analysis or Plan of Operation - continued

Selling, General and Administrative Expenses-

This category resulted in approximately \$202,000 more in expenses than last year's nine month period. Though there was a significant decrease of \$97,000 in Radio/TV Development Start-up Costs, the most influential of expense increases were related to Stock Based Compensation of \$85,000, Interest Expense-Related Party of \$30,000, Consulting and Auditing & Accounting Fees of \$52,000, Marketing & Corporate Expenses of \$16,000 and paid Compensation of Officers-Bonus of \$15,000. Though Compensation to Officers increased by \$13,500, Hugo has contributed his services to the company and has never been paid.

Income Tax Liability / Benefit-

There was no income tax liability or tax benefit in the current nine month period. There was an income tax benefit in the prior nine month period of approximately \$21,800 as a result of carrying back losses to prior periods in which the company reported income.

OFF-BALANCE SHEET ARRANGEMENTS

We have no off-balance sheet arrangements.

MATERIAL COMMITMENTS

We have no material commitments as at the date of this registration statement.

PURCHASE OF SIGNIFICANT EQUIPMENT

We do not intend to purchase any significant equipment during the next twelve (12) months.

LIQUIDITY AND CAPITAL RESOURCES

The Company has working capital of approximately \$24,000 at the end of the nine months ended February 29, 2008.

Item 3. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act of 1934 are recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the Securities and Exchange Commission. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Principal Executive Officer and Principal Accounting Officer, as appropriate, to allow timely decisions regarding required disclosure.

Within the 90 days prior to the filing date of this report, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. This evaluation was done under the supervision and with the participation of our Principal Executive Officer/Principal Accounting Officer. Based upon that evaluation, we have concluded that our disclosure controls and procedures are effective in gathering, analyzing and disclosing information needed to satisfy our disclosure obligations under the Exchange Act.

Changes in Internal Controls

There were no significant changes in our internal controls or in other factors that could significantly affect those controls since the most recent evaluation of such controls.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In January 2008 Fuego and Jeffrey Collins (Echo Vista, Inc.) through Echo-Fuego Music Group, LLC announced plans to sell the eight "lost" Beatles' club recordings. Apple Corps Limited, representing the Beatles, is seeking to have Fuego remove any information about the planned release from Fuego's website, is requiring Fuego to cease any use of the trademark, The Beatles, for commercial purposes, and is also seeking \$15 million in the lawsuit filed against Fuego, Echo-Fuego Music Group, LLC, Hugo Cancio and Jeffrey Collins. On April 4, 2008, Apple Corps Limited and Fuego reached an injunction agreement approved by a Miami U.S. District Judge that requires Fuego to halt plans to release the eight song recordings. No trial date has been set for the case. Fuego is vigorously defending the lawsuit and does not expect to incur a loss. The case and the ultimate outcome are presently uncertain. The accompanying financial statements do not include any adjustments that might be necessary should the case result in an unfavorable outcome.

Subsequent Event

On April 8, 2008 Fuego filed a lawsuit in the Miami-Dade Circuit Court against Var Growth Corporation (D.B.A. Ice Cold Stocks) and Barry Davis for non-performance regarding a consulting agreement executed May 9, 2007. The consulting agreement required Var Growth Corporation (D.B.A. Ice Cold Stocks) and Barry Davis advise and consult Fuego in conjunction with the development of Fuego's marketing plan and business goals, scheduling and arranging meetings and conferences with strategic third party media representatives and investors. Fuego is requesting possession and return of its 875,000 shares of restricted common stock issued in exchange for consulting services. The case and the ultimate outcome are presently uncertain. The accompanying financial statements do not include any adjustments that might be necessary should the case result in a favorable outcome.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

On December 7, 2007 we issued 1,841,667 restricted shares of stock to AES Capital Partners, LP regarding two separate Private Placement Memorandums. The first one was signed on October 15, 2007 for 541,667 restricted shares at \$.12 for a total subscription amount of \$65,000 and the funds deposited on October 17, 2007. The second one was signed on December 5, 2007 for 1,300,000 restricted shares at \$.212 for a total subscription amount of \$275,600, half the funds were deposited on December 10, 2007 and the other deposited on January 11, 2008.

Principally in connection with our efforts to obtain additional capital to sustain our business, the following restricted stock was issued in the current quarter: 100,000 shares issued to several board members at \$0.28 per share for services rendered and the sale of 1,841,667 common shares for cash as discussed above.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

The following documents are included or incorporated by reference as exhibits to this report:

| Exhibit Number | Description |
|-----------------------|---|
| 31.1 | Certification of Chief Executive Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to Securities Exchange Act Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |

(b) REPORTS ON FORM 8-K

Form 8-K filed with the U.S. SEC on December 12, 2007 announcing the sale of \$340,000 in private placements.

Form 8-K filed with the U.S. SEC on March 13, 2008 announcing the resignation of Parnell F. Delcham, Director.

Form 8-K filed with the U.S. SEC on March 28, 2008 announcing the resignation of Marc Bodin, director, and announcing the notice of a lawsuit filed by Apple Corp. Ltd. and Apple Records Inc.

Form 8-K filed with the U.S. SEC on April 7, 2008 announcing the resignation of Barnardo Maurovich and Rene Lavandera as Directors.

Form 8-K filed with the U.S. SEC on April 21, 2008 announcing the Agreed Order for Preliminary Injunction of Apple Corp. Ltd. and Apple Records, Inc., and Fuego Entertainment, Inc.

Form 8-K filed with the U.S. SEC on April 21, 2008 announcing the lawsuit filed by the Company against Barry Davis, Ice Cold Stocks and Var Growth Corporation to prevent the block the transfer of 875,000 common shares of the Company.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FUEGO ENTERTAINMENT, INC.
(Registrant)

Date: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Executive Officer

Date: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Accounting 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.

Date: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Director

EXHIBIT 31.1
CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Hugo M. Cancio, certify that:

1. I have reviewed this Quarterly Report filed on Form 10-QSB of Fuego 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(s) 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 evaluation; and
 - 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(s) 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 the 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: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Executive Officer

EXHIBIT 31.2
CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Hugo M. Cancio, certify that:

1. I have reviewed this Quarterly Report filed on Form 10-QSB of Fuego 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(s) 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 evaluation; and
 - 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(s) 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 the 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: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Financial Officer

EXHIBIT 32.1
CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of FUEGO ENTERTAINMENT, INC. (the "Company") on Form 10-QSB for the period ended February 29, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hugo M. Cancio, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Executive Officer

EXHIBIT 32.2
CERTIFICATION PURSUANT TO
18 U.S.C. 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of FUEGO ENTERTAINMENT, INC. (the "Company") on Form 10-QSB for the period ended February 29, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Hugo M. Cancio, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: April 21, 2008

By: /s/ Hugo M. Cancio
Hugo M. Cancio
Title: Principal Financial Officer
