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

Form 10-Q

(Mark One)

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2010

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________ to __________

COMMISSION FILE NUMBER 333-127347

PROVISION HOLDING, INC.

(Exact Name of registrant as specified in its charter)

Nevada	20-0754724
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9253 Eton Avenue, Chatsworth, California 91311
(Address of principal executive offices) (Zip Code)

Registrant's telephone Number: (818) 775-1624

Check whether the issuer (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 ☐

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 whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐	Accelerated filer ☐	Non-accelerated filer ☐ (do not check if smaller reporting company)	Smaller reporting company ☒

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

The number of shares outstanding of the registrant's common equity was 42,551,896 shares at November 15, 2010.

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PART I

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2010 (Unaudited)	June 30, 2010
ASSETS		
CURRENT ASSETS		
Cash	$ -	$ 161,962
Inventory, net	103,520	130,168
Prepaid expenses	221,299	160,704
Other current assets	4,050	4,050
TOTAL CURRENT ASSETS	328,869	456,884
EQUIPMENT, net of accumulated depreciation	319,117	313,445
PREPAID FINANCING COSTS	547,977	498,223
INTANGIBLES, net of accumulated amortization	207,470	208,094
TOTAL ASSETS	$ 1,403,433	$ 1,476,646
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 445,348	$ 523,302
Payroll taxes, interest and penalties	336,188	277,867
Accrued interest	963,831	881,208
Unearned revenue	93,473	94,640
Loss contingency payable	592,312	592,312
Current portion of convertible debt, net of debt discount of $2,130	616,370	2,277,489
Current portion notes payable	53,000	53,000
TOTAL CURRENT LIABILITIES	3,100,522	4,749,818
CONVERTIBLE DEBT, net of current portion and debt discount of $439,903	2,672,597	882,168
NOTES PAYABLE, net of current portion	50,000	50,000
TOTAL LIABILITIES	5,823,119	5,631,986
STOCKHOLDERS' DEFICIT		
Preferred stock, par value $0.001 per share		
Authorized – 4,000,000 shares		
Issued and outstanding – 0 shares	-	-
Common stock, par value $0.001 per share		
Authorized – 100,000,000 shares		
Issued and outstanding – 42,795,467 and 39,097,845, respectively	42,795	39,098
Additional paid-in capital	15,246,936	14,992,205
Less receivable for stock	(50,000)	(50,000)
Accumulated deficit	(19,659,417)	(19,136,643)
TOTAL STOCKHOLDERS' DEFICIT	(4,419,686)	(4,155,340)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,403,433	$ 1,476,646

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(UNAUDITED)

	2010	2009
REVENUES	$ 35,711	$ 54,139
COST OF REVENUES	21,139	20,842
GROSS PROFIT	14,572	33,297
EXPENSES		
General and administrative	264,218	473,713
Research and development	26,152	46,850
TOTAL EXPENSES	290,370	520,293
(LOSS) FROM OPERATIONS	(275,798)	(486,996)
OTHER INCOME (EXPENSE)		
Loss on debt conversion	(16,625)	
Interest expense	(230,351)	(604,350)
TOTAL OTHER INCOME (EXPENSE)	(246,976)	(604,350)
LOSS BEFORE INCOME TAXES	(522,774)	(1,091,346)
Income tax expense	-	-
NET LOSS	$ (522,774)	$ (1,091,346)
NET LOSS PER COMMON SHARE		
Basic and diluted	$ (0.01)	$ (0.04)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	39,129,410	25,101,493

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(UNAUDITED)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (522,774)	$ (1,091,346)
Adjustments to reconcile net loss to net cash		
used by operating activities:		
Non-cash compensation	125,027	189,794
Depreciation expense	6,855	25,984
Amortization	624	624
Amortization of debt discount	121,953	503,669
Loss on debt conversion	16,625	-
Changes in operating assets and liabilities:		
Accounts receivable	-	(41,500)
Inventory	16,112	16,781
Prepaid financing costs	(49,754)	52,628
Prepaid expenses	(60,595)	2,688
Accounts payable and accrued liabilities	(77,954)	138,637
Payroll taxes, interest and penalties	58,321	-
Accrued interest	91,756	77,771
Unearned revenue	(1,167)	47,931
NET CASH USED BY OPERATING ACTIVITIES	(274,971)	(76,339)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	(1,991)	-
NET CASH USED BY INVESTING ACTIVITIES	(1,991)	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable, net of fees	115,000	57,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	115,000	57,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(161,962)	(19,339)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	161,962	19,339
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ -	$ -

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS CONTINUED
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2010 AND 2009
(UNAUDITED)

	2010	2009
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of 1,937,622 shares of common stock for debt conversion	$ 115,759	$ -
Issuance of 1,760,000 shares of common stock for services	$ 120,200	$ -
Issuance of 116,667 warrants for services	$ 4,827	$ -

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

Business Description and Presentation

The Company is focused on the development and distribution of Provision's patented three-dimensional, holographic interactive displays focused at grabbing and holding consumer attention particularly and initially in the advertising and product merchandising markets. The systems display a moving 3D image size to forty inches in front of the display, projecting a digital video image out into space detached from any screen, rendering truly independent floating images featuring high definition and crisp visibility from far distances. The nearest comparable to this technology can be seen in motion pictures such as Star Wars and Minority Report, where objects and humans are represented through full-motion holograms.

Provision's proprietary and patented display technologies and software, and innovative solutions aim to attract consumer attention. Currently the Company has multiple contracts to place Provision's products into large California grocery stores, independent Hispanic grocery stores, as well as signed agreements with advertising agents to sell ad space to Fortune 500 customers. Given the technology's potential in the advertising market, the Company is focused on creating recurring revenue streams from the sale of advertising space on each unit.

Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the periods ended September 30, 2010 and 2009 have been prepared by the Company's management, without audit in accordance with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). In the opinion of management, these interim condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments, unless otherwise noted) necessary to present fairly the Company's financial position, results of operations and cash flows for the fiscal periods presented. Certain information and note disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted in these interim financial statements pursuant to the SEC's rules and regulations, although the Company's management believes that the disclosures are adequate to make the information presented not misleading. The financial position, results of operations and cash flows for the interim periods disclosed herein are not necessarily indicative of future financial results. These interim condensed consolidated financial statements should be read in conjunction with the annual financial statements and the notes thereto included in the Company's most recent Annual Report on Form 10K for the fiscal year ended June 30, 2010. The balance sheet at June 30, 2010 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

Going Concern and Management Plans

These financial statements are presented on the basis that the Company is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. The Company has incurred a loss of approximately $523,000 in the current period and has negative working capital of approximately $2,800,000 . These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required and, ultimately, to attain profitable operations. Management's plan to eliminate the going concern situation include, but are not limited to, the raise of additional capital through issuance of debt and equity, improved cash flow management, aggressive cost reductions, and the creation of additional sales and profits across its product lines.

Principles of Consolidation and Reporting

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary. All significant inter-company balances and transactions have been eliminated in consolidation. The Company uses a fiscal year end of June 30.

Basis of comparison

Certain prior-year amounts have been reclassified to conform to the current year presentation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the Company's historical results as well as management's future expectations. The Company's actual results could vary materially from management's estimates and assumptions.

Significant Customers

During the quarter ended September 30, 2010 four customers accounted for more than 10% of the Company's revenues (36%, 22%, 16% and 14%). During the quarter ended September 30, 2009 six customers accounted for more than 10% of the Company's revenues (26%, 16%, 13%, 11%, 11% and 10%).

Fair Value of Financial Instruments

Fair value estimates discussed herein are based upon certain market assumptions and pertinent information available to management as of September 30, 2010 and 2009. The respective carrying value of certain on-balance-sheet financial instruments, approximate their fair values. These financial instruments include cash, accounts receivable, accounts payable, accrued expenses and notes payable. Fair values were assumed to approximate carrying values for these financial instruments because they are short term in nature and their carrying amounts approximate fair values or they are receivable or payable on demand.

Fair Value of Financial Instruments

The Company uses fair value measurements under the three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instruments.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value.

	Carrying Value September 30, 2010	Fair Value Measurements September 30, 2010 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Convertible notes (net of discount)	$ 3,288,967	$ --	$ --	$ 3,288,967

The following table provides a summary of the changes in fair value of the Company's Promissory Notes, which are both Level 3 liabilities as of September 30, 2010:

	Promissory Notes
Balance at June 30, 2010	$ 3,159,657
Issuance of notes– net	97,357
Notes converted	(90,000)
Accretion of debt discount	121,953
Balance September 30, 2010	$ 3,288,967

The Company determined the value of its convertible notes using a market interest rate and the value of the warrants and beneficial conversion feature issued at the time of the transaction less the accretion. There is no active market for the debt and the value was based on the delayed payment terms in addition to other facts and circumstances at the end of September 2010.

Basic and Diluted Income (Loss) per Share

Basic income (loss) per common share is computed by dividing net income (loss) available to common stockholders by the weighted average number of common shares outstanding. Diluted income (loss) per common share is computed similar to basic income per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As of September 30, 2010, the Company had debt instruments, options and warrants outstanding that can potentially be converted into approximately 38,500,000 shares of common stock. Inclusion of these shares is not incorporated in the computation as their effect would be anti-dilutive

Recent Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2010-06, an update that improves the requirements related to Fair Value Measurements and Disclosures Subtopic 820-10 of the FASB Accounting Standards Codification ("ASC") originally issued as FASB Statement 157. This update requires disclosures about transfers between Level 1, Level 2 and Level 3 assets and the disaggregated activity in the roll forward for level 3 Fair Value measurements. The Company adopted the measurement requirements of this guidance for the year ended June 30, 2010 with no impact to the consolidated financial statements.

There were no other recent pronouncements which would have an impact on the Company's consolidated financial statements.

NOTE 2 INVENTORY

Inventory consists of the following:

	September 30, 2010	June 30, 2010
Raw materials	$ 159,799	$ 186,447
Work in process	74,721	74,721
Finished goods	-	-
	234,520	261,168
Less Inventory Reserve	(131,000)	(131,000)
Total	$ 103,520	$ 130,168

NOTE 3 EQUIPMENT, net

Equipment consists of the following:

	September 30, 2010	June 30, 2010
Furniture and fixtures	$ 17,018	$ 17,018
Computer equipment	32,570	30,579
Equipment	166,602	166,602
Demo units	248,421	208,516
3DEO Kiosks	167,303	196,672
	631,914	619,387
Less accumulated depreciation	(312,797)	(305,942)
Total	$ 319,117	$ 313,445

NOTE 4 INTANGIBLES, net of accumulated amortization

Intangibles consist of the following:

	September 30, 2010	June 30, 2010
Patents in process	$ 162,509	$ 162,509
Patents issued	58,037	58,037
	220,546	220,546
Less accumulated amortization	(13,076)	(12,452)
Total	$ 207,470	$ 208,094

NOTE 5 CONVERTIBLE DEBT

Convertible debt consists of the following:

	September 30, 2010
Convertible notes payable, annual interest rate of 5% to 12%, due dates range from June 2010 to October 2012 and convertible into common stock at a rate of $0.06 to $1.00 per share.	$ 3,264,000
Convertible note payable, annual interest rate of 10% to 12% convertible into common stock at a rate of $0.10 to $0.75 per share. Notes have matured and are now in default and are currently being renegotiated.	467,000
Unamortized debt discount	(442,033)
	$ 3,288,967
Less current portion	616,370
Convertible debt, net of current portion and debt discount	$ 2,672,597

During July 2010, the Company issued $45,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price at the lesser of: a 30 percent discount to the average lowest bid price of the preceding ten trading days on the Over the Counter Bulletin Board or $0.07 per share. The note pays interest at a rate of 8 percent per annum and matures on July 1, 2011. During the quarter ended 30, 2010 the note was subsequently converted into 1,285,714 shares of common stock at a conversion price of $0.04 per share.

In August 2010, the Company issued $70,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion of $0.06. The note pays interest at a rate of 8 percent. In connection with the note the Company issued 350,000 warrants which with exercise prices of $0.20 per share and expire within four years of the date of issue.

The Company has valued the convertible note payable, related warrants and the beneficial conversion feature to convert the principal balance into shares, using the “Relative Fair Value” approach. Accordingly, the Company recognized a discount of $17,729 on the $70,000 principal value of the convertible note payable and is amortizing the debt discount over the 24 month life of the note.

NOTE 6 NOTES PAYABLE

At September 30, 2010, $103,000 of debt was outstanding with interest rates of 8% to 10%.

NOTE 7 COMMITMENTS

Lease Agreement - The Company leases its office space under a month-to-month lease. Rent expense for the three months ending September 30, 2010 and 2009 was $18,456 and $18,456, respectively.

Royalty Fees - The Company has entered into a royalty agreement with another company. The other entity’s technology has certain characteristics and properties used in conjunction with the Company’s products. The agreement requires royalties to be paid at 4% of applicable sales. The Company is currently in contract negotiations to purchase the other entity’s patent. Royalty expense for the three months ending September 30, 2010 and 2009 was $378 and $447 respectively.

The Company is delinquent in remitting its payroll taxes to the applicable governmental authorities. Total due at September 30, 2010, including estimated penalties and interest is $336,188.

NOTE 8 EQUITY

Common Stock

During July 2010, the Company issued 160,000 shares of its common stock to note holders in connection with a Promissory Note Extension Agreement in which the note holders agreed to extend the maturity date of the notes for an additional six months. As a result the Company recorded non cash compensation expense of $11,200 during the three months ending September 30, 2010.

During the three months ending September 30, 2010 the Company issued 1,937,622 shares of its common stock to note holders for the relief of outstanding debt. The shares had a fair market value of $115,759 on the date of issuance. As such the Company recorded a loss on the settlement of debt of $16,625

During the three months ending September 30, 2010, the Company issued 1,600,000 shares of its common stock to consultants for services. The shares had a fair market value of $109,000 on the date of issuance. As a result the company recorded non- cash compensation expense of $109,000.

On August 30, 2010 in consideration for consulting services, the Company issued a warrant to purchase 116,667 shares of its common stock at an exercise price of $.06. The warrant expires four years from the date of issuance. Using the Black Scholes pricing model, the warrant was valued at $4,827.

Stock Option Plan

The Company has one stock option plan: The Provision Interactive Technologies, Inc. 2002 Stock Option and Incentive Plan, (the "Plan"). As of September 30, 2010, there were 3,334,149 shares available for issuance under the Plan. The Plan is administered by the Company's Board of Directors, (the "Board").

As of September 30, 2010, the Plan provides for the granting of non-qualified and incentive stock options to purchase up to 5,000,000 shares of common stock. Options vest at rates set by the Board, not to exceed five years and are exercisable up to ten years from the date of issuance. The option exercise price is set by the Board at time of grant. Options and restricted stock awards may be granted to employees, officers, directors and consultants.

During the quarter ended September 30, 2010, no new options were granted to employees or consultants. Employee options outstanding as of September 30, 2010 were 665,851. The weighted average grant-date fair value of options granted under the Company's Option Plan during 2010 and 2009 was $0 and $0, respectively.

ITEM 1. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Forward-Looking Statements

Some of the statements contained in this Form 10-Q that are not historical facts are "forward-looking statements" which can be identified by the use of terminology such as "estimates," "projects," "plans," "believes," "expects," "anticipates," "intends," or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 10-Q, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation:

· Our ability to attract and retain management, and to integrate and maintain technical information and management information systems;
· Our ability to raise capital when needed and on acceptable terms and conditions;
· The intensity of competition; and
· General economic conditions.

All written and oral forward-looking statements made in connection with this Form 10-K that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Business Overview

On February 14, 2008, MailTec, Inc. (now known as Provision Holding, Inc.) (the "Company") entered into an Agreement and Plan of Merger, which was amended and restated on February 27, 2008 (as amended and restated, the "Agreement"), and closed effective February 28, 2008, with ProVision Merger Corp., a Nevada corporation and wholly owned subsidiary of the Company (the "Subsidiary") and Provision Interactive Technologies, Inc., a California corporation ("Provision"). Pursuant to the Agreement, the Subsidiary merged into Provision, and Provision became a wholly owned subsidiary of the Company. As consideration for the merger of the Subsidiary into Provision, the Company issued 20,879,350 shares of the Company's common stock to the shareholders, creditors, and certain warrant holders of Provision, representing approximately 86.5% of the Company's aggregate issued and outstanding common stock, and the outstanding shares and debt, and those warrants whose holders received shares of the Company's common stock, of Provision were transferred to the Company and cancelled.

The Company and Provision are focused on the development and distribution of Provision's patented three-dimensional, holographic interactive displays focused at grabbing and holding consumer attention particularly and initially in the advertising and product merchandising markets. The systems display a moving 3D image size to forty inches in front of the display, projecting a digital video image out into space detached from any screen, rendering truly independent floating images featuring high definition and crisp visibility from far distances. The nearest comparable to this technology can be seen in motion pictures such as Star Wars and Minority Report, where objects and humans are represented through full-motion holograms.

We are also developing and marketing several new point-of-purchase, and other devices, tailored to specific industries that are currently in Pilot Programs with major international companies or readying to begin shortly; including the medical, entertainment, government and home markets. In addition to selling the hardware for our patented three-dimensional, holographic interactive video displays, we are building our business into a digital media company offering advertising on a network of our 3D holographic video displays.

One of our new products is known as the "HL40 Diamond", an extraordinary 3D holographic video display system, to the retailing and advertising industries is smaller and lighter than its predecessor, the HL40C. Used to promote all type of products and services, the HL40D is a powerful tool to break through the clutter of traditional in store advertising and merchandising. Our other powerful 3D products can be used for a wide variety of interactive applications including order-taking and information retrieval.

Significant Events and Trends

The Company believes that the calendar year 2010 will be characterized as the 'tipping point' for 3D technology in the marketplace, and for Provision itself. Beginning in early 2010, the consumer industry was changed forever by two major events. The first event was the successful launch of the Hollywood blockbuster, "*Avatar*", produced by icon, James Cameron. The financial success of this movie, reaching close to $3 Billion in a very short period of time, demonstrated that 3D (with glasses) technology at the movie theater has finally 'made it' in the eyes of the consumer. Now, every major motion picture production company has a slate of 3D movies on the calendar for the next 5 years. The second major event was seen at the 2010 Consumer Electronics Show (CES) in Las Vegas, where the 'buzz' was nothing but 3D. Major consumer electronics companies like Sony, Samsung, LG, and Panasonic have all launched significant campaigns for 3D TV sets for the consumers' living room – all requiring 3D glasses. Complementing the 3D TV sets, major networks like ESPN and Discovery have announced 3D networks dedicated to providing programming for the 3D TV sets for our living rooms. As a result of these two events, the Company is well positioned with its 3D Holographic Display technology (requiring NO special glasses) in the Digital Out-Of-Home (DOOH) market place.

Our 3D holographic, floating image display technologies have multiple market applications across a broad spectrum of industries. Extensive audience migration across and within media categories is driving major shifts in advertising spending, benefiting captive, auditable media vehicles. Traditional media vehicles like radio, TV, newspapers and magazines continue to lose audience share and advertising dollars to new media vehicles, which include the point-of-purchase or wherever there might be a captive audience. The current media and traditional displays (TV, LCD and Plasma screens) are stale and ubiquitous resulting in significant ineffectiveness.

Launching our first products into grocery stores, we have developed a new patent pending application. Known as the "3DEO Rewards Center" or "3DEO", this device projects 3D video advertisements and allows consumers to print coupons as well as receive non-cash awards. The 3DEO device provides consumer products goods companies and other advertisers with a new way of promoting their products at the point of purchase, where consumers are making 70% (seventy percent) of their buying decisions.

We plan to build, own, and operate networks of 3DEO Rewards Centers. In March 2008 we signed three-year agreements with several independent Hispanic grocery store chains to install 3DEO Reward Centers in 47 locations in southern California. The term of these agreements do not begin until we have fully installed according to the terms of the contract.

In June 2008, we announced our signed three-year agreement with Fred Meyer Stores, a division of The Kroger, Co., to install Fred Meyer 3DEO Centers in 127 locations in the Pacific Northwest. Installation of the centers will begin this month in Portland, OR, in high traffic, high visibility locations close to the main entrance of the store. We have received advertising placements from some of the largest manufacturers in the country, including Unilever, Proctor & Gamble, Johnson & Johnson, BIC and Kimberly Clark. The Company has published a case study of this successful market trial which is available from the Company. This agreement has concluded and the Company is in the process of redeploying the 3DEO Rewards Centers in the Los Angeles grocery network of their Hispanic stores as stated elsewhere herein.

In September 2008, we signed an agreement with the Long Island Gasoline Retailers Association ("LIGRA") to install its patented 3D holographic displays in up to 800 member stores throughout New York. Provision's displays will be located inside the independent convenience stores of major franchise gasoline retailers including Shell, ExxonMobil, Citgo, Sunoco, BP, Amoco and Gulf. The term of this agreement does not begin until we have fully installed according to the terms of the contract. The Company plans to install this network following the installation of the first 500 convenience stores as part of the Circle K agreement.

In December 2008, we signed an agreement with ADCENTRICITY Inc. to sell advertising on its revolutionary 3D digital signage network. ADCENTRICITIY's advertisers will be able to feature their messaging on the Company's extraordinary network in a variety of forms, including 3D holographic videos and digital coupons.

In May 2010 we signed an agreement with Circle K Stores, Inc. to install our patented 3D holographic displays in up to 483 Circle K convenience stores throughout the western region of the United States. The Agreement is for three years with an option to extend the contract for an additional three years upon mutual agreement. The term of this agreement does not begin until we have fully installed according to the terms of the contract.

In June 2010 the Company signed a new agreement with KODAK (NASDAQ: EK), Service and Support, to provide installation services of the Company's 3DEO Rewards Centers beginning in Los Angeles. Kodak's involvement will include set-up, installation, and sign-off, providing total accountability to the retailers assuring total customer satisfaction. Working with Kodak provides our customers with professional expertise, speed-to-market and high levels of support throughout the entire installation process. Users of Provision's 3D digital networks receive a single source provider to quickly and effortlessly implement 3D digital signage as appropriate for the environment of each retailer. We see this as a long term relationship, beginning in Los Angeles with our grocery store network, and expanding into convenience stores and other retailers coming on line in the future.

We also have continued hardware sales of our patented three-dimensional, holographic interactive video displays.

Research and Development Activities

At present, the Company's patents and patent applications are supplemented by substantial intellectual property we are currently protecting as trade secrets and proprietary know-how. This includes matter related to all three product lines. We expect to file additional patent applications on a regular basis in the future.

We believe that the Company's intellectual property and expertise constitutes an important competitive resource, and we continue to evaluate the markets and products that are most appropriate to exploit this expertise. In addition, we maintain an active program of intellectual property protection, both to assure that the proprietary technology developed by us is appropriately protected and, where necessary, to assure that there is no infringement of the Company's proprietary technology by competitive technologies.

In September 2010 the Company filed six (6) new patent applications in Canada. The new patents boost the Company's intellectual property protection in Canada through the international PCT (Patent Cooperation Treaty) process recognized by countries around the world. Canada clearly represents a huge opportunity for the Company. These six patents will protect Provision, its technology and product line, as Canada continues to develop the digital media marketplace following the U.S.

Results of Operation – Three Months Ended September 30, 2010 as Compared to the Three Months Ended September 30, 2009

	September 30, 2010	September 30, 2009
Total Assets	$ 1,403,433	$ 1,049,465
Total Liabilities	$ 5,823,119	$ 3,905,739
Total Stockholders' Deficit	$ 4,419,686	$ 2,856,274
Revenues	$ 35,711	$ 54,419
Cost of Revenues	21,139	22,047
Gross Profit (Loss)	14,572	32,372
Expenses	290,370	520,292
Loss from Operations	(275,798)	(487,920)
Other Income (Expense)	(246,976)	(604,350)
Net Loss	$ (522,774)	$ (1,092,270)
Net Loss per Common Share	$ (0.01)	$ (0.04)

Revenue and Cost of Revenue

Revenues for the three month period ended September 30, 2010 decreased 34% to $35,711 from $54,139 for the three month period ended September 30, 2009. Revenues are slightly reduced due to revenue being recognized in the second quarter.

Our cost of revenues was $21,139 for the three month period ended September 30, 2010 as compared to $20,842 for the three month period ended September 30, 2009.

Expenses

Research and Development Expenses for the three month period ended September 30, 2010 decreased $20,428 to $26,152 as compared to $46,580 for the three month period ended September 30, 2009. While the Company still has the same employee resources in R&D, the Company spent less cash outside on R&D expenses as part of budget control.

General and administrative expenses for the three month period ended September 30, 2010 were $264,216 as compared to $473,713 for the three month period ended September 30, 2009.

During the three month period ended September 30, 2010 our Accounting Expense decreased $18,275 to $5,325 from $23,600 during the three month period ended September 30, 2009. The decrease was directly related to less outside consultants used for same period. Accounting Expenses will be back to normal next quarter.

During the three month period ended September 30, 2010 our Depreciation Expense decreased $19,129 to $6,855 from $25,984 during the three month period ended September 30, 2009. The decrease in depreciation expense is a result of lower equipment purchases and the Company's older assets becoming fully depreciated.

During the three month period ended September 30, 2010 our Marketing Expense increased $20,041 to $22,619 from $2,578 during the three month period ended September 30, 2009. Marketing Expenses increased as the Company utilizes outside marketing services for advertising sales.

During the three month period ended September 30, 2010 our Salaries and Wages Expense decreased $40,355 to $72,945 from $113,300 during the three month period ended September 30, 2009. The Company lost one employee during this period of time.

During the three month period ended September 30, 2010 our Travel Expense increased $11,477 to $22,556 from $11,079 during the three month period ended September 30, 2009. Travel expenses increased due to sales and marketing related travel; public and investor relations road shows for Company financing activities.

During the three month period ended September 30, 2010 our Non-cash Compensation Expense decreased $64,967 to $125,027 from $189,794 during the three month period ended September 30, 2009. The Company utilized less investor relations consulting activities during this quarter.

Other Income (Expense)

Interest expense decreased 62% to $230,351 during the three month period ended September 30, 2010 from $604,350 during the three month period ended September 30, 2009. The decrease is directly related to the decrease in the beneficial conversion feature interest expense related to the issuance of new debt and the discount the note holder experiences.

During the three month period ended September 30, 2010 our Gain/Loss on Debt Conversion Expense increased $16,626 to $16,626 from $0 during the three month period ended September 30, 2009. This increase is a direct result of the number of notes converted to stock in this quarter.

Net Loss

As a result of the aforementioned, our net loss decreased 52% or $568,572 to $522,774 during the three month period ended September 30, 2010 from $1,091,346 during the three month period ended September 30, 2009.

Financial Condition, Liquidity and Capital Resources

Management remains focused on controlling cash expenses. We have limited cash resources and plan our expenses accordingly.

We had cash of $0 at September 30, 2010 compared to cash of $161,692 at June 30, 2010. Our working capital deficit increased to $2,771,653 at September 30, 2010 from a deficit of $2,631,564 at June 30, 2010. The reason for the increase in the working capital deficit was the increase in our prepaids and a decrease in our inventory of approximately $45,000 and $27,000, respectively, a decrease in our accounts payable current portion of long term debt of approximately $78,000 and 50,000 and an increase in our accrued interest and payroll withholdings of approximately $82,000 and 58,000 respectively.

During the three month period ended September 30, 2010, we used $274,971 of cash for operating activities versus $76,339 during the three months ended September 30, 2009. The primary difference was the amortization of debt discount and stock issued for services in 2009.

Cash used in investing activities during the three months ended September 30, 2010 and 2009 was $1,991 and $0, respectively. During the three months ended September 30, 2009, we used $1,991 to purchase additional equipment to support our infrastructure.

Cash provided by financing activities during the three months ended September 30, 2010 was $115,000 as a result of the proceeds from notes payable, net of fees. Cash provided by financing activities during the three month period ended September 30, 2009 was $57,000 as a result of the proceeds from notes payable net of fees.

Given our plans and expectation that we will need additional capital, we will need to issue additional shares of capital stock or securities convertible or exercisable for shares of capital stock, including preferred stock, options or warrants. The issuance of additional capital stock may dilute the ownership of the current stockholders.

Off Balance Sheet Arrangements

We do not engage in any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, and liquidity or capital expenditures.

Critical Accounting Policies

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts and timing of revenues and expenses, the reported amounts and classification of assets and liabilities, and the disclosure of contingent assets and liabilities. These estimates and assumptions are based on the Company's historical results as well as management's future expectations. The Company's actual results could vary materially from management's estimates and assumptions.

Revenue Recognition — We recognize revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collectability is probable. We recognize revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition." Sales are recorded net of sales returns and discounts, which are estimated at the time of shipment based upon historical data.

Impairment of Long-Lived Assets — We review the recoverability of the carrying value of long-lived assets using the methodology prescribed in Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 360,, "Accounting for the Impairment and Disposal of Long-Lived Assets" whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. Upon such an occurrence, recoverability of these assets is determined by comparing the forecasted undiscounted net cash flows to which the assets relate, to the carrying amount. If the asset is determined to be unable to recover its carrying value, it is written down to fair value. Fair value is determined based on discounted cash flows, appraised values or other information available in the market, depending on the nature of the assets. Methodologies for determining fair value are inherently based on estimates that may change, such as the useful lives of assets and our cash flow forecasts associated with certain assets. A change in these estimates may result in impairment charges, which would impact our operating results.

Going Concern

These financial statements are presented on the basis that the Company is a going concern. Going concern contemplates the realization of assets and the satisfaction of liabilities in the normal course of business over a reasonable length of time. The Company has incurred a loss of approximately $523,000 in the current period and has negative working capital of approximately $2,800,000. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to generate sufficient cash flow to meet its obligations on a timely basis, to obtain additional financing or refinancing as may be required and, ultimately, to attain profitable operations. Management's plan to eliminate the going concern situation include, but are not limited to, the raise of additional capital through issuance of debt and equity, improved cash flow management, aggressive cost reductions, and the creation of additional sales and profits across its product lines.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

N/A

ITEM 4T. CONTROLS AND PROCEDURES.

Evaluation of Disclosure and Procedures

We have adopted and maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods required under the SEC's rules and forms and that the information is gathered and communicated to our management, including our Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), as appropriate, to allow for timely decisions regarding required disclosure.

As required by SEC Rule 15d-15(b), our Chief Executive Officer and Chief Financial Officer carried out an evaluation under the supervision and with the participation of our management, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Exchange Act Rule 15d-14 as of the end of the period covered by this report. Based on the foregoing evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are not effective in timely alerting them to material information required to be included in our periodic SEC filings and to ensure that information required to be disclosed in our periodic SEC filings is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure about our internal control over financial reporting.

Changes in Internal Controls

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by the rules promulgated under the Exchange Act during the quarter ended September 30, 2010 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

There are no material legal proceedings, to our knowledge, pending against us or being pursued by us.

IITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

N/A

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.

Exhibit Number	Description
31.1	Certification by Chief Executive Officer and Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
32.1	Certification by Chief Executive Officer and Chief Financial Officer, required by Rule 13a-14(b) or Rule 15d-14(b) of the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code.

SIGNATURES

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

PROVISION HOLDING, INC.

November 22, 2010

By:/s/ Curt Thornton
Curt Thornton
Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer and Accounting Officer) and Director

Exhibit 31.1

CERTIFICATION

I, Curt Thornton, certify that:

1. I have reviewed the quarterly report on Form 10-Q for the period ended September 30, 2010 of Provision Holding, 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 controls 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;

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 the registrant's board of directors (or persons performing the equivalent function):

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 controls over financial reporting.

Date: November 22, 2010

By: /s/ Curt Thornton
Chief Executive Officer, Chairman of the Board,
President and Director
(Principal Executive Officer and 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 report on Form 10-Q for the period ended September 30, 2010 of Provision Holding, Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Curt Thornton, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350 of the Sarbanes-Oxley Act of 2002, 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 results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. section 1350 and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Date: November 22, 2010

By: /s/ Curt Thornton
Chief Executive Officer, Chairman of the Board,
President and Director
(Principal Executive Officer and Principal
Financial Officer)