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

FORM 10-Q

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended September 30, 2014

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to _____

Commission File No. 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)	(IRS Employer Identification No.)

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

Registrant's telephone number, including area code: **(818) 775-1624**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 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 at least 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 the definitions of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒

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

There were 73,951,096 shares of the Registrant's $0.01 par value common stock outstanding as of May 5, 2015.

INDEX

PART I — FINANCIAL INFORMATION

PROVISION HOLDING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2014 Unaudited	June 30, 2014
CURRENT ASSETS		
Cash	$ 556,766	$ 739,479
Accounts receivable	924	3,444
Accounts receivable, related party	41,513	-
Inventory, net	8,087	-
Other current assets	3,000	3,000
TOTAL CURRENT ASSETS	610,290	745,923
EQUIPMENT, net of accumulated depreciation	-	107
PREPAID FINANCING COSTS	3,125	4,688
INTANGIBLES, net of accumulated amortization	199,471	200,095
TOTAL ASSETS	$ 812,886	$ 950,813
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 1,800,473	$ 1,717,668
Payroll taxes, interest and penalties	707,067	758,269
Accrued interest	2,107,486	2,034,924
Unearned revenue	1,028,000	1,028,000
Loss contingency payable	592,312	592,312
Current portion of convertible debt, net of debt discount of $-0- and $-0-	3,873,820	3,918,820
Derivative liability	129,416	152,253
Notes payable	108,000	68,000
TOTAL CURRENT LIABILITIES	10,346,574	10,270,246
CONVERTIBLE DEBT, net of current portion and debt discount of $49,662 and $54,367	50,338	45,633
TOTAL LIABILITIES	10,396,912	10,315,879
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 –71,020,504 and 69,451,849, respectively	71,020	69,452
Additional paid-in capital	18,428,307	18,327,158
Less receivable for stock	(50,000)	(50,000)
Accumulated deficit	(28,033,353)	(27,711,676)
TOTAL STOCKHOLDERS' DEFICIT	(9,584,026)	(9,365,066)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 812,886	$ 950,813

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

PROVISION HOLDING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED

	Three Months Ended September,	
	2014	**2013**
REVENUES		
Advertising revenues	$ 8,135	$ 33,210
Service related revenues, related party	41,513	-
	49,648	33,210
COST OF REVENUES	24,843	1,600
GROSS PROFIT (LOSS)	24,805	31,610
EXPENSES		
General and administrative	249,179	136,125
Research and development	33,142	33,654
TOTAL EXPENSES	282,321	169,779
(LOSS) FROM OPERATIONS	(257,516)	(138,169)
OTHER INCOME (EXPENSE)		
Change in the fair value of derivative	22,837	262,024
Interest expense	(86,998)	(158,121)
TOTAL OTHER INCOME (EXPENSE)	(64,161)	103,903
(LOSS) BEFORE INCOME TAXES	(321,677)	(34,266)
Income tax expense	-	-
NET (LOSS)	$ (321,677)	$ (34,266)
NET (LOSS) PER COMMON SHARE		
Basic and diluted	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic and diluted	69,537,102	67,511,551

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

PROVISION HOLDING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
UNAUDITED

	Common Stock		Additional Paid-in	Receivable	Accumulated	Total Stockholders'
	Shares	Amount	Capital	for Stock	Deficit	Deficit
Balance, June 30, 2014	69,451,849	69,452	18,327,158	(50,000)	(27,711,676)	$ (9,365,066)
Issuance of Common Stock	1,538,462	1,538	98,462	-	-	100,000
Issuance of Common Stock for Debt and Accrued Interest Conversion	30,193	30	2,687	-	-	2,717
Net (loss) for the three months Ended September 30, 2014	-	-	-		(321,677)	(321,677)
Balance, September 30, 2014	71,020,504	71,020	18,428,307	(50,000)	(28,033,353)	$ (9,584,026)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

PROVISION HOLDING, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
UNAUDITED

	Three Months Ended September, 2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (321,677)	$ (34,266)
Adjustments to reconcile net (loss) to net cash		
(used) by operating activities:		
Non-cash compensation	-	11,250
Depreciation expense	107	71
Amortization	624	624
Amortization of debt discount	4,705	26,487
Change in the fair value of derivative	(22,837)	(262,024)
Non-cash expenses	217	-
Changes in operating assets and liabilities:		
Accounts receivable	(38,993)	-
Inventory	(8,087)	-
Prepaid financing costs	1,563	31,551
Accounts payable and accrued liabilities	82,805	10,549
Payroll taxes, interest and penalties	(51,202)	77,111
Accrued interest	75,062	100,084
Unearned revenue	-	(5,765)
NET CASH (USED) BY OPERATING ACTIVITIES	(277,713)	(44,328)
CASH FLOWS FROM INVESTING ACTIVITIES:		
NET CASH (USED) BY INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(5,000)	-
Stock Issued	100,000	10,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	95,000	10,000
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(182,713)	(34,328)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	739,479	35,076
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 556,766	$ 748
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Taxes paid	$ -	$ -
SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Issuance of 30,193 shares of common stock for debt and accrued interest conversion	$ 2,717	$ -
Re-class convertible notes into notes payable	$ 40,000	$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements

PROVISION HOLDING, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014
UNAUDITED

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

Business Description and Presentation

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 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 retail 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.

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 had accumulated deficit at September 30, 2014 of $28,033,353. The Company has incurred a loss of $321,677 in the three months ended September 30, 2014 and has negative working capital of $9,736,284 as of September 30, 2014. These matters raise substantial doubt about the Company's ability to continue as a going concern. The condensed 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.

Basis of presentation

The condensed consolidated balance sheet presented as of June 30, 2014 has been derived from our audited consolidated financial statements. The unaudited condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in the annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been omitted pursuant to those rules and regulations, but we believe that the disclosures are adequate to make the information presented not misleading. The unaudited condensed consolidated financial statements and notes included herein should be read in conjunction with the annual financial statements and notes for the year ended June 30, 2014 included in our Annual Report on Form 10-K filed with the SEC on May1, 2015. In the opinion of management, all adjustments, consisting of normal, recurring adjustments and disclosures necessary for a fair presentation of these interim statements have been included. The results of operations for the three-month period ended September 30, 2014 are not necessarily indicative of the results for the year ending June 30, 2015.

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION (continued)

Principles of Consolidation and Reporting

The unaudited condensed 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.

Cash and Cash Equivalents

The Company considers all highly liquid investments, with an original maturity of three months or less when purchased, to be cash equivalents.

Accounts Receivable

Accounts receivable are not collateralized and interest is not accrued on past due accounts. Periodically, management reviews the adequacy of its provision for doubtful accounts based on historical bad debt expense results and current economic conditions using factors based on the aging of its accounts receivable. After management has exhausted all collection efforts, management writes off receivables and the related reserve. Additionally, the Company may identify additional allowance requirements based on indications that a specific customer may be experiencing financial difficulties. Actual bad debt results could differ materially from these estimates.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market. The Company periodically reviews its inventories for indications of slow movement and obsolescence and records an allowance when it is deemed necessary.

Property and Equipment:

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Long-lived tangible assets are reviewed for impairment whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses are recognized based on estimated fair values if the sum of expected future undiscounted cash flows of the related assets is less than their carrying values.

Intangibles

Intangibles represent primarily costs incurred in connection with patent applications. Such costs are amortized using the straight-line method over the useful life of the patent once issued, or expensed immediately if any specific application is unsuccessful.

Impairment of Long-Lived Assets and Goodwill

Intangible assets that are not subject to amortization shall be tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test shall consist of a comparison of the fair value of an intangible asset with its carrying amount, as defined. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. There was no impairment loss recognized during the three months ended September 30, 2014 and 2013.

The carrying value of long-lived assets, including amortizable intangibles and property and equipment, are evaluated whenever events or changes in circumstances indicate that a potential impairment has occurred relative to a given asset or assets. Impairment is deemed to have occurred if projected undiscounted cash flows associated with an asset are less than the carrying value of the asset. The estimated cash flows include management's assumptions of cash inflows and outflows directly resulting from the use of that asset in operations. The amount of the impairment loss recognized is equal to the excess of the carrying value of the asset over its then estimated fair value. There was no impairment loss recognized during the three months ended September 30, 2014 and 2013.

Revenue Recognition

The Company recognizes gross sales when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collection is probable. It recognizes revenue in accordance with Accounting Standards Codification ("ASC") 605, Revenue Recognition ("ASC 605"). Revenue from licensing, distribution and marketing agreements is recognized over the term of the contract. Revenue from the sale of hardware is recognized when the product is complete and the buyer has accepted delivery.

Unearned Revenue

The Company bills customers in advance for certain of its services. If the customer makes payment before the service is rendered to the customer, the Company records the payment in a liability account entitled customer prepayments and recognizes the revenue related to the services when the customer receives and utilizes that service, at which time the earnings process is complete.

As of September 30, 2014 and June 30, 2014, the unearned revenue was $1,028,000 and $1,028,000, respectively and $-0- as related prepaid expenses for these uncompleted customer projects.

Significant Customers

During the three months ended September 30, 2014 the Company had one customer which accounted for more than 10% of the Company's revenues (82%).

During the three months ended September 30, 2013 the Company had four customers which accounted for more than 10% of the Company's revenues (35%, 35%, 19% and 11%).

Research and Development Costs

The Company charges all research and development costs to expense when incurred. Manufacturing costs associated with the development of a new process or a new product are expensed until such times as these processes or products are proven through final testing and initial acceptance by the customer.

For the three months ended September 30, 2014 and 2013, the Company incurred $33,142 and $33,654, respectively for research and development expense which are included in the condensed consolidated statements of operations.

Depreciation and Amortization

The Company depreciates its property and equipment using the straight-line method with estimated useful lives from three to seven years. For federal income tax purposes, depreciation is computed using an accelerated method.

Shipping and Handling Costs

The Company's policy is to classify shipping and handling costs as a component of Costs of Revenues in the Statement of Operations.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was $-0- and $-0- during the three months ended September 30, 2014 and 2013, respectively.

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, 2014 and June 30, 2014. 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.

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION (continued)

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.

			Fair Value Measurements Using Fair Value Hierarchy		
	Carrying Value		Level 1	Level 2	Level 3
Convertible notes (net of discount) – September 30, 2014	$	3,924,158	$ --	$ --	$ 3,924,158
Convertible notes (net of discount) – June 30, 2014	$	3,964,453	$ --	$ --	$ 3,964,453

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, 2014:

Balance at June 30, 2014	$ 3,964,453
Issuance of notes– net	-
Accretion of debt discount	4,705
Re-class to notes payable	(40,000)
Payments on notes	(5,000)
Balance September 30, 2014	$ 3,924,158

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 30, 2014 and June 30, 2014.

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION (continued)

Derivative Financial Instruments

We evaluate our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes-Merton pricing model to value the derivative instruments. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

We have determined that certain convertible debt instruments outstanding as of the date of these financial statements include an exercise price "reset" adjustment that qualifies as derivative financial instruments under the provisions of ASC 815-40, Derivatives and Hedging - Contracts in an Entity's Own Stock ("ASC 815-40"). Certain of the convertible debentures have a variable exercise price, thus are convertible into an indeterminate number of shares for which we cannot determine if we have sufficient authorized shares to settle the transaction with. Accordingly, the embedded conversion option is a derivative liability and is marked to market through earnings at the end of each reporting period. Any change in fair value during the period recorded in earnings as "Other income (expense) - gain (loss) on change in derivative liabilities."

			Fair Value Measurements Using Fair Value Hierarchy		
		Carrying Value	Level 1	Level 2	Level 3
Derivative liability – September 30, 2014	$	129,416	$ --	$ --	$ 129,416
Derivative liability – June 30, 2014	$	152,253	$ --	$ --	$ 152,253

The following table represents the Company's derivative liability activity for the year ended:

Balance at June 30, 2014	$	152,253
Initial measurement at issuance date of the notes		-
Change in derivative liability during the three months ended September 30, 2014		(22,837)
Balance September 30, 2014	$	129,416

Commitments and Contingencies:

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations, environment liability and tax matters. An accrual for a loss contingency is recognized when it is probable that an asset had been impaired or a liability had been incurred and the amount of loss can be reasonably estimated.

At September 30, 2014 and June 30, 2014, loss for contingency payable was $592,312 and $592,312, respectively.

Accounting for Stock Option Based Compensation

The Company calculates compensation costs for all share-based awards to employees based on the grant date fair value of those awards and recognized over the period during which the employee is required to perform services in exchange for the award (generally over the vesting period of the award).

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION (continued)

Income Taxes

The Company has adopted Accounting Standards Codification subtopic 740-10, *Income Taxes* (“ASC 740-10”) which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. They are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period the enactment occurs. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations.

The Company records uncertain tax positions when they become evident. The Company recognizes in the condensed consolidated financial statements only those tax positions determined to be more likely than not of being sustained upon examination, based on the technical merits of the positions. Under these provisions, the Company must assume that the taxing authority will examine the income tax position and will have full knowledge of all relevant information. For each income tax position that meets the more likely than not recognition threshold, the Company then assesses the largest amount of tax benefit that is greater than 50 percent likely of being realized upon effective settlement with the taxing authority. Unrecognized tax positions, if ever recognized in the financial statements, are recorded in the statement of operations as part of the income tax provision. The Company's policy is to recognize interest and penalties accrued on uncertain tax positions as part of income tax provision. The Company did not identify any uncertain tax positions in 2014. The Company remains subject to examination by the Federal and State tax authorities since inception through September 30, 2014.

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, 2014, the Company had debt instruments, options and warrants outstanding that can potentially be converted into approximately 35,000,000 shares of common stock. Inclusion of these shares is not incorporated in the computation as their effect would be anti-dilutive

Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company’s condensed financial position, results of operations or cash flows.

NOTE 2 INVENTORY

Inventory consists of raw materials; work in process and finished goods. The Company’s inventory is stated at the lower of cost (FIFO cost basis) or market.

The carrying value of inventory consisted of the following:

	September 30, 2014	June 30, 2014
Raw materials	$ 100,070	$ 91,983
Work in process	88,247	88,247
Finished goods	10,270	10,270
	198,587	190,500
Less Inventory Reserve	(190,500)	(190,500)
Total	$ 8,087	$ -

For the three months ended September 30, 2014, the Company recorded no change in inventory reserve.

NOTE 3 EQUIPMENT, net

Equipment consists of the following:

	September 30, 2014	June 30, 2014
Furniture and fixtures	$ 12,492	$ 12,492
Computer equipment	11,680	11,680
Equipment	4,493	4,493
	28,665	28,665
Less accumulated depreciation	(28,665)	(28,558)
Total	$ -	$ 107

The aggregate depreciation charge to operations was $107 and $71 for the three months ended September 30, 2014 and 2013. The depreciation policies followed by the Company are described in Note 1.

NOTE 4 INTANGIBLES, net of accumulated amortization

Intangibles consist of the following:

	September 30, 2014	June 30, 2014
Patents in process	$ 164,494	$ 164,494
Patents issued	58,037	58,037
	222,531	222,531
Less accumulated amortization	(23,060)	(22,436)
Total	$ 199,471	$ 200,095

The aggregate amortization expense charged to operations was $624 and $624 for the three months ended September 30, 2014 and 2013. The amortization policies followed by the Company are described in Note 1.

NOTE 5 CONVERTIBLE DEBT

Convertible debt consists of the following:	September 30, 2014	June 30, 2014
Convertible notes payable, annual interest rate of 10%, due dates range from May 2010 to December 2010 and convertible into common stock at a rate of $0.06 to $1.00 per share. (Notes in default)	$ 3,223,820	$ 3,268,820
Convertible note payable, annual interest rate of 10%, convertible into common stock at a rate of $1.00 per share and due June 2012. (Notes in default)	750,000	750,000
Unamortized debt discount	(49,662)	(54,367)
	3,924,158	3,964,453
Less current portion	(3,873,820)	(3,918,820)
Convertible debt, net of current portion and debt discount	$ 50,338	$ 45,633

During the three months ended September 30, 2014, $40,000 convertible notes was re-classed to notes payable and $5,000 was loan repaid.

Accrued and unpaid interest for these convertible notes payable at September 30, 2014 and June 30, 2014 was $1,438,135 and $1,385,959, respectively.

For the three months ended September 30, 2014 and 2013, $4,705 and $26,487 was amortized of debt discount and shown as interest expenses, respectively.

Derivative Liability

On December 21, 2010, the Company entered into a Loan Agreement with an investor pursuant to which the Company sold and issued a convertible promissory note in the principal amount of for up to $60,000. The Note is convertible into shares of common stock at an initial conversion price subject to adjustment as contained in the Note. The Conversion Price is the 60% of the lowest trade in the 10 trading days previous to the conversion. The Note accrues interest at a rate of 8% per annum and matured on September 20, 2011. The notes were not paid or converted and are now in default.

The Company identified embedded derivatives related to the Convertible Note entered into on December 21, 2010. These embedded derivatives included certain conversion features. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the Convertible Promissory Note and to adjust the fair value as of each subsequent balance sheet date. At the inception of the Convertible Note, the Company determined a fair value of $66,521 of the embedded derivative. The fair value of the embedded derivative was determined using the Black-Scholes Model based on the following assumptions:

(1) dividend yield of 0%;

(2) expected volatility of 185%

(3) risk-free interest rate of 2.9%,

(4) expected life of 0.75 years, and

(5) fair value of the Company's common stock of $0.07 per share.

The initial fair value of the embedded debt derivative of $66,521 was allocated as a debt discount up to $38,592 with the remainder $27,930 charged to current period operations as interest expenses.

On October 12, 2011, the Company secured $250,000 in the form of a convertible promissory note. The notes bear interest at the rate of 10% until they mature, or until there is an event of default; thereafter, any portion of the principal or interest which has not been settled will be subject to interest at the rate of 22% per annum. The notes mature on September 28, 2013, and may be prepaid during the period in full, the principal balance plus accrued interest to the date of prepayment. The holder has the option to convert any balance of principal and interest into common stock of the Company. The rate of conversion for these notes is calculated as the average of the 30 trading closing prices immediately preceding such conversion, discounted by 25%.

NOTE 5 CONVERTIBLE DEBT (Continued)

Due to the variable conversion price associated with these convertible promissory notes, the Company has determined that the conversion feature is considered a derivative liability. The accounting treatment of derivative financial instruments requires that the Company record the fair value of the derivatives as of the inception date of the Convertible Promissory Note and to adjust the fair value as of each subsequent balance sheet date.

The initial fair value of the embedded debt derivative of $233,643 was allocated as a debt discount $13,158 was determined using intrinsic value with the remainder ($220,485) charged to current period operations as interest expenses. The fair value of the described embedded derivative was determined using the Black-Scholes Model with the following assumptions:

(1) risk free interest rate of 3%;

(2) dividend yield of 0%;

(3) volatility factor of 199%;

(4) an expected life of the conversion feature of 82 days, and

(5) estimated fair value of the company's common stock of $0.05 per share.

During the three months ended September 30, 2014, the Company recorded the loss (gain) in fair value of derivative ($22,837).

The following table represents the Company's derivative liability activity for the year ended:

Balance at June 30, 2014	$	152,253
Initial measurement at issuance date of the notes		-
Change in derivative liability during the three months ended September 30, 2014		(22,837)
Balance September 30, 2014	$	129,416

NOTE 6 NOTES PAYABLE

At September 30, 2014, $108,000 of debt was outstanding with interest rates of 8% to 10%.

Accrued and unpaid interest for these notes payable at September 30, 2014 and June 30, 2014 was $29,283 and $27,801, respectively.

NOTE 7 COMMITMENTS

Lease Agreement - The Company leases its office space under a month-to-month lease. Rent expense was $18,456 for the three months ended September 30, 2014.

The Company is delinquent in remitting its payroll taxes to the applicable governmental authorities. Total due, including estimated penalties and interest is $707,067 and $758,269 at September 30, 2014 and June 30, 2014, respectively.

NOTE 8 EQUITY

Preferred Stock

As of date, there were none shares of preferred stock issued and outstanding.

In May 2010, the Company agreed to sell up to 500 shares of Series B Preferred Stock to Socius Capital Group, LLC at a purchase price of $10,000 per share, for an aggregate purchase price of up to $5,000,000. The Preferred Shares shall, with respect to dividend, rights upon liquidation, winding-up or dissolution, rank senior to the Company's common stock and any other class or series of preferred stock of the Company unless otherwise noted and junior to the Series A Preferred stock and all existing and future indebtedness of the Corporation. In addition, the Preferred Shares shall accrue dividends at a rate of 10% per annum, payable in Preferred Shares, shall not have voting rights except as required by applicable law, and may be redeemed at the Company's option, commencing 4 years from the issuance date at a price per share of $10,000 per share plus accrued but unpaid dividends, or, at a price per share of 127% of the Series B Liquidation Value if redeemed on or after the first anniversary but prior to the second anniversary of the initial issuance date, 118% of the Series B Liquidation Value if redeemed on or after the second anniversary but prior to the third anniversary of the initial issuance date, and 109% of the Series B Liquidation Value if redeemed on or after the third anniversary but prior to the fourth anniversary of the initial Issuance Date. At this time, no Preferred Shares have been purchased by the Investor and was terminated during the year ended June 30, 2011.

Common Stock

During September 2014 the Company issued 30,193 shares of its common stock in payment of $2,500 of accrued interest. The shares had a fair market value of $2,717 on the date of issuance.

During September 2014 the Company issued 1,538,462 shares of its common stock in connection with a stock subscription agreement. The Company received $100,000 upon issuance.

Warrants

Warrant activity during the three months ended September 30, 2014, is as follows:

	Warrants	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Outstanding and exercisable at June 30,2014	14,723,268	$ 0.13	$ 759,284
Granted	-	-	-
Exercised	-	-	-
Expired	(2,716,663)	0.08	-
Outstanding and exercisable at September 30,2014	12,006,605	$ 0.15	$ 1,769,979

NOTE 9 RELATED PARTY TRANSACTION

ProDava 3D

On June 30, 2014 the Company entered into an agreement with DB Dava, LLC ("DB") to help the Company launch the 3D network in Rite Aid. The agreement creates a newly-formed entity, ProDava 3D, LLC ("ProDava 3D"), to purchase Provision's 3D Savings Center kiosks for placement into Rite Aid stores. ProDava 3D may purchase up to $50 million in 3D Savings Center kiosks. The agreement calls for an initial purchase of $2 million of 3D Savings Center kiosks in the fiscal year ending in June 30, 2015. The Company will generate revenues and gross profit from the sale of machines to ProDava 3D during the fiscal year ended June 30, 2015. The Company will also earn advertising revenue from advertisements in Rite Aid earned by ProDava 3D.

ProDava 3D is purchasing 3D Savings Center kiosks, manufactured by Provision. These will be placed in high traffic aisles of nationally recognized retail stores, initially Rite Aid, with advertisements of consumer packaged products, other consumer goods manufacturers along with local/regional advertisers. Ad sales inventory will include marquee 3D hologram images, coupons, and other rewards and transactions of products sold in the stores (focused on new product introductions).

Provision's contribution to ProDava 3D includes Provision's know-how, management, and its agreement with the national retail pharmacy that will be the first target for the 3D Savings Center kiosk launch. Provision will be responsible for manufacturing, installation, service, maintenance, technical support, network management, advertising, marketing, and accounting of each 3D Savings Center kiosk for the joint venture. Provision will be compensated for rendering and performing all of these services. The advertising and other revenues generated from the 3D Savings Center kiosks will be divided among Provision and DB.

For the three months ended September 30, 2014, total revenue includes $41,513 revenue from a related party. Also, total accounts receivables as of September 30, 2014 of $42,437 includes $ 41,513 receivables from a related party.

NOTE 10 LEGAL PROCEEDINGS

On August 26, 2004, in order to protect its legal rights and in the best interest of the shareholders at large, the Company filed, in the Superior Court of California, a complaint alleging breach of contract, rescission, tortuous interference and fraud with Betacorp Management, Inc. In an effort to resolve all outstanding issues, the parties agreed, in good faith, to enter into arbitration in the State of Texas, domicile of the defendants. On August 11, 2006, a judgment was awarded against the Company in the sum of $592,312. The Company believes the judgment is without merit and has filed an appeal. A contingency loss of $592,312 was charged to operations during the year ended June 30, 2007.

Settlement payments

BK Sems USA, Inc. (the "Plaintiff") filed an action against the Company in the Orange County Superior Court in January , 2014, alleging a breach of contract in connection with supplying and serving a third party obligation (the "Dispute"). The Company subsequently filed a counterclaim against the Plaintiff related to the Dispute. Subsequent to the date of the financial statements, the parties entered into a Settlement Agreement and Release, which, among other things, included a provision releasing both parties of all claims and counterclaims in the matter (the "Settlement"). Under the terms of the Settlement, the Company has agreed to pay the Plaintiff $260,000, payable $25,000 on March 1, 2015 and $235,000 payable in thirteen monthly installments of $16,785 beginning on June 1, 2015 and a final installment of $16,795 on July 1, 2016, with no interest and as of September 30, 2014, the Company has been accrued said liability in the accompanying financials statements.

Litigation

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the notes thereto included elsewhere in this quarterly report on Form 10-Q and in our annual report on Form 10-K filed with the Securities and Exchange Commission on May 1, 2015.

THIS FILING, INCLUDING BUT NOT LIMITED TO "MANAGEMENT'S DISCUSSION AND ANALYSIS", CONTAINS FORWARD-LOOKING STATEMENTS. THE WORDS "ANTICIPATED," "BELIEVE," "EXPECT," "PLAN," "INTEND," "SEEK," "ESTIMATE," "PROJECT," "WILL," "COULD," "MAY," AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INCLUDE, AMONG OTHERS, INFORMATION REGARDING FUTURE OPERATIONS, FUTURE CAPITAL EXPENDITURES, AND FUTURE NET CASH FLOW. SUCH STATEMENTS REFLECT THE COMPANY'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND FINANCIAL PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, INCLUDING, WITHOUT LIMITATION, GENERAL ECONOMIC AND BUSINESS CONDITIONS, CHANGES IN FOREIGN, POLITICAL, SOCIAL, AND ECONOMIC CONDITIONS, REGULATORY INITIATIVES AND COMPLIANCE WITH GOVERNMENTAL REGULATIONS, THE ABILITY TO ACHIEVE FURTHER MARKET PENETRATION AND ADDITIONAL CUSTOMERS, AND VARIOUS OTHER MATTERS, MANY OF WHICH ARE BEYOND THE COMPANY'S CONTROL. OUR ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE ANTICIPATED IN THESE FORWARD- LOOKING STATEMENTS AS A RESULT OF SEVERAL FACTORS, INCLUDING THE RISKS FACED BY US AS DESCRIBED BELOW AND ELSEWHERE IN THIS FORM 10-Q AS WELL AS IN OUR FORM 10-K FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 1, 2015. IN LIGHT OF THESE RISKS AND UNCERTAINTIES THERE CAN BE NO ASSURANCE THAT THE FORWARD-LOOKING STATEMENTS CONTAINED IN THIS FORM 10-Q WILL OCCUR. WE HAVE NO OBLIGATION TO PUBLICLY UPDATE OR REVISE THESE FORWARD-LOOKING STATEMENTS TO REFLECT NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, EXCEPT AS REQUIRED BY FEDERAL SECURITIES LAWS AND WE CAUTION YOU NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS. WE MAY NOT UPDATE THESE FORWARD-LOOKING STATEMENTS, EVEN THOUGH OUR SITUATION MAY CHANGE IN THE FUTURE.

Business History and Overview

Provision Holding, Inc. and its subsidiary, Provision Interactive Technologies, Inc. ("Provision"), is a purveyor of intelligent interactive 3D holographic display technologies, software, and integrated solutions for both commercial and consumer focused applications.

Provision's 3D holographic display systems projects full color, high resolution videos into space detached from the screen, without any special glasses. Provision is currently a market leader in true 3D consumer advertising display products.

We are focused on the development and distribution of our patented three-dimensional, holographic interactive video 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. 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 and integrating them into Provision's 3D Savings Center kiosks.

We have a limited operating history upon which an investor can evaluate our business prospects, which makes it difficult to forecast our future operating results, in light of the risks, uncertainties and problems frequently encountered by companies with limited operating histories. These include, but are not limited to, competition, the need to develop customers and market expertise, market conditions, sales, and marketing and governmental regulation.

We were incorporated in Nevada under the name MailTec, Inc. on February 9, 2004. Pursuant to an Agreement and Plan of Merger, dated February 14, 2008, which was amended and restated on February 27, 2008 (as amended and restated, the "Agreement"), MailTec, Inc. 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"), 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. Effective February 28, 2008, pursuant to the Agreement, ProVision became a wholly owned subsidiary of the Company. At the time of the reverse acquisition, MailTec was not engaged in any active business.

Our corporate headquarters are located in Chatsworth, California and our phone number is (818) 775-1624.

Products and Services

We believe we are well positioned to capitalize on advertisers' demands as ProVision's HoloVision™ display and 3D Savings Center kiosks offer advertisers and customers an opportunity to reach a highly sought-after, captive audience outside the home, in familiar settings like grocery stores, malls, convenience stores, gas stations, banks and other retail locations. We reach the consumer and business professional at the critical time - when they are away from their homes and businesses and when they are making their buying decisions.

ProVision is marketing our patented three-dimensional, holographic interactive video display and is also developing and marketing several new point-of-purchase, and other devices, tailored to specific industries with major international companies or readying to begin shortly; including the medical, entertainment, government and home markets. ProVision's floating image display technologies have multiple potential market applications across a broad spectrum of industries. In addition to hardware sales, we are initially focusing our efforts on the point-of-purchase and advertising markets.

Business Development

Launching our first products into grocery stores and retail pharmacies, we have developed a new patented application. Known as the "3D Savings Center", this ProVision device projects 3D video advertisements and allows consumers to print coupons as well as receive non-cash awards. The 3D Savings Center kiosk provides consumer product 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 tested our concept in Fred Meyer Stores, a division of The Kroger, Co., installing 3D Savings Center kiosks in the Pacific Northwest. We 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.

We have now aligned a retail chain, a hardware purchaser to buy 3D Savings Center kiosks to install into the retail chain and advertising agencies to sell ads for the 3D Savings Center kiosks and expect to generate revenue from hardware sales and advertising sales in the year ended June 30, 2015.

Rite Aid Pharmacies

We plan to build, own, and operate networks of 3D Savings Center kiosks. In April 2013 we have an agreement with Rite Aid Pharmacies ("Rite Aid") to install 3D Savings Centers kiosks in all participating Rite Aid stores throughout the United States. We successfully completed the pilot test phase with nine stores in Los Angeles, and are currently completing the manufacturing of the first 200 3D Savings Center kiosks in March 2015. The first 200 stores will begin shipping at the end of March 2015, with installation and deployment continuing through June. We will commence operations in these stores in April/May and should start to produce advertising revenue during the same fiscal quarter. With the successful incorporation of Rite Aid's wellness and loyalty program onto the 3D Savings Center kiosks in New York and Los Angeles, we will then continue to expand with 800 additional stores in Rite Aid's top 10 demographic markets in 2015, and make plans for additional Rite Aid stores and markets after that. The Company will earn advertising revenue from advertisements in Rite Aid.

ProDava 3D

On June 30, 2014 the Company entered into an agreement with DB Dava, LLC ("DB") to help the Company launch the 3D network in Rite Aid. The agreement creates a newly-formed entity, ProDava 3D, LLC ("ProDava 3D"), to purchase Provision's 3D Savings Center kiosks for placement into Rite Aid stores. ProDava 3D may purchase up to $50 million in 3D Savings Center kiosks. The agreement calls for an initial purchase of $2 million of 3D Savings Center kiosks in the fiscal year ending in June 30, 2015. The Company will generate revenues and gross profit from the sale of machines to ProDava 3D during the fiscal year ended June 30, 2015. The Company will also will earn advertising revenue from advertisements in Rite Aid earned by ProDava 3D.

ProDava 3D is purchasing 3D Savings Center kiosks, manufactured by Provision. These will be placed in high traffic aisles of nationally recognized retail stores, initially Rite Aid, with advertisements of consumer packaged products, other consumer goods manufacturers along with local/regional advertisers. Ad sales inventory will include marquee 3D hologram images, coupons, and other rewards and transactions of products sold in the stores (focused on new product introductions).

Provision's contribution to ProDava 3D includes Provision's know-how, management, and its agreement with the national retail pharmacy that will be the first target for the 3D Savings Center kiosk launch. Provision will be responsible for manufacturing, installation, service, maintenance, technical support, network management, advertising, marketing, and accounting of each 3D Savings Center kiosk for the joint venture. Provision will be compensated for rendering and performing all of these services. The advertising and other revenues generated from the 3D Savings Center kiosks will be divided among Provision and DB.

Lifestyle Ventures LLC

The Company also received a $900,000 deposit from Lifestyle Ventures LLC for the purchase and marketing of Provision's 3D Savings Center kiosk to be installed in approved retail store chains. Lifestyle Ventures LLC is required to deposit an additional $1.1 million with an option to increase its investment up to $20 million.

Advertising Agencies

Provision has engaged Health Media Network (HMN) to provide exclusive national advertising sales to the OTC (over-the-counter) and DTC (direct-to-consumer) brands in support of the 3D Saving Center kiosks being deployed inside Rite Aid. HMN will incorporate the 3D Savings Center kiosks interactive touch screen interface, 3D advertising and video screen as part of HMN's Point of Care sales offerings.

We have also engaged Pharmark, Inc. Digital Video Advertising Network (DVAN) to provide local and regional advertising sales to support the 3D Savings Center kiosks in retail stores. The clients of Pharmark and DVAN will provide local coupons, promotions and other advertising campaigns in digital format expanding advertising to include local merchants joining national brands.

Other Business Arrangements

The Company has signed a Master Collaboration Agreement with Intel Corporation to identify and collaborate on certain technical and marketing activities as contained in the agreement. Collaboration includes joint technical development and marketing activities as determined by the two companies.

In April 2014, Provision announced that it has shipped its first two 3D Holovision displays, models HL40D and HL17MD to an international shopping center group. Operating one of the world's largest shopping center portfolios with interests in 90 shopping centers around the world, the group is testing Provision's 3D holographic display as a potential marketing tool, including the use of interactive features.

RESULTS OF OPERATIONS

SEPTEMBER 30, 2014 COMPARED TO SEPTEMBER 30, 2013

The following table sets forth, for the periods indicated, certain data derived from our Statements of Operations:

	Three Months Ended September,	
	2014	**2013**
REVENUES	$ 49,648	$ 33,210
COST OF REVENUES	24,843	1,600
GROSS PROFIT (LOSS)	24,805	31,610
OPERATING EXPENSES		
General and administrative	249,179	136,125
Research and development	33,142	33,654
TOTAL OPERATING EXPENSES	282,321	169,779
(LOSS) FROM OPERATIONS	(257,516)	(138,169)
OTHER INCOME (EXPENSE)		
Change in the fair value of derivative	22,837	262,024
Interest expense	(86,998)	(158,121)
TOTAL OTHER INCOME (EXPENSE)	(64,161)	103,903
(LOSS) BEFORE INCOME TAXES	(321,677)	(34,266)
Income tax expense	-	-
NET (LOSS)	$ (321,677)	$ (34,266)

REVENUES

The Company recognizes revenues from hardware sales, advertising and from licensing, distribution and marketing agreements. Revenues for the quarters ended September 30, 2014 were $49,648, a 49% increase from $33,210 generated in the quarter ended June 30, 2013. The increase in revenues was from an increase in service sales of $41,513 partially offset by the decrease in hardware sales of $17,150 and a decrease in advertising sales of $7,340. During the three months ended September 30, 2014 the Company had one customer which accounted for more than 10% of the Company's revenues (82%). During the three months ended September 30, 2013 the Company had four customers which accounted for more than 10% of the Company's revenues (35%, 35%, 19% and 11%). For the three months ended September 30, 2014, total revenue includes $41,513 revenue from a related party.

COST OF REVENUES

Cost of revenues for the quarter ended September 30, 2014 were $24,843, a $23,243 increase from $1,600 incurred in the quarter ended September 30, 2013. Cost of revenues for the fiscal year ended June 30, 2014 increased from the cost of revenues related to the service income due to an increase of $11,964 and $6,500 due to outside services.

OPERATING EXPENSES

The Company incurred $282,321 in operating expenses for the quarter ended September 30, 2014; a 107% increase from $136,125 incurred during the quarter ended September 30, 2013. General and administrative expenses accounted for the increase with research and development expenses remaining flat. General and administrative expenses for the quarter ended September 30, 2014 were higher as a result of increased travel expenses due to a planned ramp-up in business as well as accounting and legal expenses associated with the preparation of regulatory filings.

INTEREST EXPENSE / CHANGE IN FAIR VALUE OF DERIVATIVE

The Company has promissory notes and convertible notes. The Company incurred $86,998 in interest expense for the quarter ended September 30, 2014, a 45% decrease from $158,121 incurred during the for the quarter ended September 30, 2013. Interest expense decreased due to a decrease in debt amortization expense.

The Company has certain convertible debt instruments outstanding that include an exercise price "reset" adjustment that qualifies as derivative financial instruments under the provisions of ASC 815-40, Derivatives and Hedging - Contracts in an Entity's Own Stock ("ASC 815-40"). The Company recognized a gain of $22,837 for the quarter ended September 30, 2014 from the change in fair value of derivative instruments compared to a gain of $262,024 from the change in fair value of derivative instruments for the for the quarter ended September 30, 2013 as a result of fluctuating market prices.

NET LOSS:

Net loss for the quarter ended September 30, 2014 was $321,677 compared to net loss of $34,266 for the quarter ended September 30, 2013. The greater loss in the quarter ended September 30, 2014 was a result of higher general and administrative expenses and a lower gain from the change in the fair value of derivatives.

Liquidity and Capital Resources

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 had accumulated deficit at September 30, 2014 of $28,033,353. The Company has incurred a loss of $321,677 in the three months ended September 30, 2014 and has negative working capital of $9,736,284 as of September 30, 2014. These matters raise substantial doubt about the Company's ability to continue as a going concern. The condensed 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.

Failure to raise additional capital or improve its performance in the next 12 months will cause the Company to significantly curtail its business activities and expansion plans within the next twelve months.

The Company does, however, have $556,766 in cash as of September 30, 2014 as a result of a deposit received from Lifestyle Ventures LLC. Further, the Company has arranged to increase its business in the fiscal year ended June 30, 2015 working with Rite Aid and ProDava 3D, LLC ("ProDava 3D"), which will purchase Provision's 3D Savings Center kiosks for placement into Rite Aid stores.

During the quarter ended September 30, 2014, the Company used $277,713 of cash for operating activities compared to a use of $44,328 in the quarter ended September 30, 2013. The increase in cash used was due an increase of approximately $285,000 in net loss offset by non-cash items and an increase in current assets. Cash from financing activities increased to $95,000 due stock issued in the quarter ended September 30, 2014.

CRITICAL ESTIMATES AND JUDGMENTS

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management evaluates its estimates and judgments, including those related to receivables and accrued expenses. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable based on the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of the Company's financial statements include estimates as to the appropriate carrying value of the Company's intangible assets, the amount of stock compensation, and the amount of accrued liabilities that are not readily attainable from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the consolidated financial statements.

CRITICAL ACCOUNTING POLICIES

Cash and Cash Equivalents

The Company considers all highly liquid investments, with an original maturity of three months or less when purchased, to be cash equivalents.

Accounts Receivable

Accounts receivable are not collateralized and interest is not accrued on past due accounts. Periodically, management reviews the adequacy of its provision for doubtful accounts based on historical bad debt expense results and current economic conditions using factors based on the aging of its accounts receivable. After management has exhausted all collection efforts, management writes off receivables and the related reserve. Additionally, the Company may identify additional allowance requirements based on indications that a specific customer may be experiencing financial difficulties. Actual bad debt results could differ materially from these estimates.

Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market. The Company periodically reviews its inventories for indications of slow movement and obsolescence and records an allowance when it is deemed necessary.

Property and Equipment:

Property and equipment are stated at cost. When retired or otherwise disposed, the related carrying value and accumulated depreciation are removed from the respective accounts and the net difference less any amount realized from disposition, is reflected in earnings. For financial statement purposes, property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives. Long-lived tangible assets are reviewed for impairment whenever events or changes in business circumstances indicate the carrying value of the assets may not be recoverable. Impairment losses are recognized based on estimated fair values if the sum of expected future undiscounted cash flows of the related assets is less than their carrying values.

Intangibles

Intangibles represent primarily costs incurred in connection with patent applications. Such costs are amortized using the straight-line method over the useful life of the patent once issued, or expensed immediately if any specific application is unsuccessful.

Impairment of Long-Lived Assets and Goodwill

Intangible assets that are not subject to amortization shall be tested for impairment annually or more frequently if events or changes in circumstances indicate that the asset might be impaired. The impairment test shall consist of a comparison of the fair value of an intangible asset with its carrying amount, as defined. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess. There was no impairment loss recognized during the three months ended September 30, 2014 and 2013.

The carrying value of long-lived assets, including amortizable intangibles and property and equipment, are evaluated whenever events or changes in circumstances indicate that a potential impairment has occurred relative to a given asset or assets. Impairment is deemed to have occurred if projected undiscounted cash flows associated with an asset are less than the carrying value of the asset. The estimated cash flows include management's assumptions of cash inflows and outflows directly resulting from the use of that asset in operations. The amount of the impairment loss recognized is equal to the excess of the carrying value of the asset over its then estimated fair value. There was no impairment loss recognized during the three months ended September 30, 2014 and 2013.

Revenue Recognition

The Company recognizes gross sales when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable, and collection is probable. It recognizes revenue in accordance with Accounting Standards Codification ("ASC") 605, Revenue Recognition ("ASC 605"). Revenue from licensing, distribution and marketing agreements is recognized over the term of the contract. Revenue from the sale of hardware is recognized when the product is complete and the buyer has accepted delivery.

Unearned Revenue

The Company bills customers in advance for certain of its services. If the customer makes payment before the service is rendered to the customer, the Company records the payment in a liability account entitled customer prepayments and recognizes the revenue related to the services when the customer receives and utilizes that service, at which time the earnings process is complete.

As of September 30, 2014 and June 30, 2014, the unearned revenue was $1,028,000 and $1,028,000, respectively and $-0- as related prepaid expenses for these uncompleted customer projects.

Research and Development Costs

The Company charges all research and development costs to expense when incurred. Manufacturing costs associated with the development of a new process or a new product are expensed until such times as these processes or products are proven through final testing and initial acceptance by the customer.

For the three months ended September 30, 2014 and 2013, the Company incurred $33,142 and $33,654, respectively for research and development expense which are included in the condensed consolidated statements of operations.

Depreciation and Amortization

The Company depreciates its property and equipment using the straight-line method with estimated useful lives from three to seven years. For federal income tax purposes, depreciation is computed using an accelerated method.

Shipping and Handling Costs

The Company's policy is to classify shipping and handling costs as a component of Costs of Revenues in the Statement of Operations.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was $-0- and $-0- during the three months ended September 30, 2014 and 2013, respectively.

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, 2014 and June 30, 2014. 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.

			Fair Value Measurements Using Fair Value Hierarchy		
	Carrying Value		Level 1	Level 2	Level 3
Convertible notes (net of discount) – September 30, 2014	$ 3,924,158		$ --	$ --	$ 3,924,158
Convertible notes (net of discount) – June 30, 2014	$ 3,964,453		$ --	$ --	$ 3,964,453

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, 2014:

Balance at June 30, 2014	$ 3,964,453
Issuance of notes– net	-
Accretion of debt discount	4,705
Re-class to notes payable	(40,000)
Payments on notes	(5,000)
Balance September 30, 2014	$ 3,924,158

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 30, 2014 and June 30, 2014.

Derivative Financial Instruments

We evaluate our financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the statements of operations. For stock-based derivative financial instruments, the Company uses the Black-Scholes-Merton pricing model to value the derivative instruments. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

We have determined that certain convertible debt instruments outstanding as of the date of these financial statements include an exercise price "reset" adjustment that qualifies as derivative financial instruments under the provisions of ASC 815-40, Derivatives and Hedging - Contracts in an Entity's Own Stock ("ASC 815-40"). Certain of the convertible debentures have a variable exercise price, thus are convertible into an indeterminate number of shares for which we cannot determine if we have sufficient authorized shares to settle the transaction with. Accordingly, the embedded conversion option is a derivative liability and is marked to market through earnings at the end of each reporting period. Any change in fair value during the period recorded in earnings as "Other income (expense) - gain (loss) on change in derivative liabilities."

			Fair Value Measurements Using Fair Value Hierarchy		
	Carrying Value		Level 1	Level 2	Level 3
Derivative liability – September 30, 2014	$ 129,416		$ --	$ --	$ 129,416
Derivative liability – June 30, 2014	$ 152,253		$ --	$ --	$ 152,253

The following table represents the Company's derivative liability activity for the year ended:

Balance at June 30, 2014	$	152,253
Initial measurement at issuance date of the notes		-
Change in derivative liability during the three months ended September 30, 2014		(22,837)
Balance September 30, 2014	$	129,416

Commitments and Contingencies:

In the normal course of business, the Company is subject to loss contingencies, such as legal proceedings and claims arising out of its business, that cover a wide range of matters, including, among others, government investigations, environment liability and tax matters. An accrual for a loss contingency is recognized when it is probable that an asset had been impaired or a liability had been incurred and the amount of loss can be reasonably estimated.

At September 30, 2014 and June 30, 2014, loss for contingency payable was $592,312 and $592,312, respectively.

Recent Accounting Pronouncements

There were various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's condensed financial position, results of operations or cash flows.

ECONOMY AND INFLATION

Except as disclosed herein, we have not experienced any significant cancellation of orders due to the downturn in the economy and only a small number of customers requested delays in delivery or production of orders in process. Our management believes that inflation has not had a material effect on our results of operations.

OFF-BALANCE SHEET AND CONTRACTUAL ARRANGEMENTS

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Our Chief Executive Officer and Chief Financial Officer (collectively the "Certifying Officers") maintain a system of disclosure controls and procedures that is designed to provide reasonable assurance that information, which is required to be disclosed, is accumulated and communicated to management timely. The Certifying Officers have concluded that the disclosure controls and procedures are effective at the "reasonable assurance" level. Under the supervision and with the participation of management, as of the end of the period covered by this report, the Certifying Officers evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). Furthermore, the Certifying Officers concluded that our disclosure controls and procedures in place are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported on a timely basis in accordance with applicable Commission rules and regulations; and (ii) accumulated and communicated to our management, including our Certifying Officers and other persons that perform similar functions, if any, to allow us to make timely decisions regarding required disclosure in our periodic filings.

Changes in Internal Control Over Financial Reporting

During the three months ended September 30, 2014, the Company has not made any changes to our internal control processes.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In the ordinary course of business, the Company may become a party to various legal proceedings generally involving contractual matters, infringement actions, product liability claims and other matters.

BK Sems USA, Inc. (the "Plaintiff") filed an action against the Company in the Orange County Superior Court in January , 2014, alleging a breach of contract in connection with supplying and serving a third party obligation (the "Dispute"). The Company subsequently filed a counterclaim against the Plaintiff related to the Dispute. Subsequent to the date of the financial statements, the parties entered into a Settlement Agreement and Release, which, among other things, included a provision releasing both parties of all claims and counterclaims in the matter (the "Settlement"). Under the terms of the Settlement, the Company has agreed to pay the Plaintiff $260,000, which has been accrued as a liability.

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

During September 2014 the Company issued 30,193 shares of its common stock in payment of $2,500 of accrued interest. The shares had a fair market value of $2,717 on the date of issuance.

During September 2014 the Company issued 1,538,462 shares of its common stock in connection with a stock subscription agreement. The Company received $100,000 upon issuance.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1	Certification of Chief Executive Officer 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
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

** XBRL (Extensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURES

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

PROVISION HOLDING, INC.

Dated: May 21, 2015

By: /s/ *Curt Thornton*
Name: Curt Thornton
Title: Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 31

CERTIFICATION

I, Curt Thornton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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. I am 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. 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.

/s/ Curt Thornton
Curt Thornton
Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Date: May 21, 2015

EXHIBIT 32

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

In connection with the Quarterly Report on Form 10-Q of Provision Holding, Inc. (the "Company") for the quarter ended September 30, 2014, as filed with the Securities and Exchange Commission (the "Report"), I, Curt Thornton, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(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

/s/ Curt Thornton
Curt Thornton
Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

Date: May 21, 2015