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 March 31, 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 ☒

As of March 31, 2010, the issuer had 32,359,094 outstanding shares of common stock.

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PART I

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (Unaudited)	June 30, 2009
ASSETS		
CURRENT ASSETS		
Cash	$ 410,677	$ 19,339
Accounts Receivable	800	-
Inventory	278,885	222,712
Prepaid expenses	144,287	106,875
Investments	3,000	3,000
TOTAL CURRENT ASSETS	837,649	351,926
EQUIPMENT, net of accumulated depreciation	319,757	472,715
PREPAID EXPENSES, non current	57,070	93,781
INTANGIBLES, net of accumulated amortization	190,735	174,649
TOTAL ASSETS	$ 1,405,211	$ 1,093,071
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$ 878,586	$ 599,835
Accrued interest	805,242	571,417
Unearned revenue	99,282	71,557
Loss contingency payable	592,312	592,312
Current portion of convertible debt, net of debt discount	2,836,780	921,881
Notes payable, current portion	155,000	138,000
TOTAL CURRENT LIABILITIES	5,367,202	2,895,002
CONVERTIBLE DEBT, net of current portion and debt discount	104,089	219,805
TOTAL LIABILITIES	5,471,291	3,114,807
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 – 32,359,094 and 26,465,372, respectively	32,359	26,465
Additional paid-in capital	13,929,807	12,198,454
Less receivable for stock	(50,000)	(50,000)
Accumulated deficit	(17,978,246)	(14,196,655)
TOTAL STOCKHOLDERS' DEFICIT	(4,066,080)	(2,021,736)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,405,211	$ 1,093,071

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND NINE MONTHS ENDED MARCH 31, 2010 AND 2009
(UNAUDITED)

	For the Three Months Ended March 31, 2010	For the Three Months Ended March 31, 2009	For the Nine Months Ended March 31, 2010	For the Nine Months Ended March 31, 2009
REVENUES	$ 8,446	$ 65,275	$ 143,905	$ 407,392
COST OF REVENUES	3,732	33,366	61,215	204,842
GROSS PROFIT	4,714	31,909	82,690	202,550
EXPENSES				
General and administrative	556,299	442,228	1,523,680	1,603,321
Research and development	51,499	49,797	136,460	132,644
TOTAL EXPENSES	607,798	492,085	1,660,140	1,735,965
(LOSS) FROM OPERATIONS	(603,084)	(460,176)	(1,577,450)	(1,533,415)
OTHER INCOME (EXPENSE)				
Unrealized loss on securities	-	-	-	(3,000)
Gain on disposal of fixed asset	-	-	-	5,725
Interest expense	(1,057,729)	(179,178)	(2,204,141)	(559,640)
TOTAL OTHER INCOME (EXPENSE)	(1,057,729)	(179,178)	(2,204,141)	(556,915)
(LOSS) BEFORE INCOME TAXES	(1,660,813)	(639,354)	(3,781,591)	(2,090,330)
Income tax expense	-	-	-	-
NET (LOSS)	$ (1,660,813)	$ (639,354)	(3,781,591)	(2,090,330)
NET (LOSS) PER COMMON SHARE				
Basic and diluted	$ (0.05)	$ (0.03)	(0.13)	(0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic and diluted	31,167,416	24,982,039	29,138,958	24,665,132

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2010 AND 2009
(UNAUDITED)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss)	$ (3,781,591)	$ (2,090,330)
Adjustments to reconcile net (loss) to net cash		
(used) by operating activities:		
Non-cash compensation	-	36,313
Stock issued for services	863,020	427,062
Depreciation expense	52,403	91,007
Amortization	1,872	1,872
Gain on disposal of fixed asset	-	(5,725)
Unrealized loss on securities	-	3,000
Amortization of debt discount	1,735,347	313,382
Changes in operating assets and liabilities:		
Accounts receivable	(800)	-
Inventory	44,382	96,897
Prepaid expenses	85,031	70,049
Accounts payable and accrued expenses	308,601	109,640
Accrued interest	243,106	160,914
Unearned revenue	27,725	62,577
NET CASH (USED) BY OPERATING ACTIVITIES	(420,904)	(723,342)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(43,319)
Patents	(17,958)	(35,306)
NET CASH (USED) BY INVESTING ACTIVITES	(17,958)	(78,625)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from note payable, net of fees	819,500	516,750
Proceeds from the sale of common stock	10,700	-
NET CASH PROVIDED BY FINANCING ACTIVITES	830,200	516,750
NET INCREASE (DECREASE) IN CASH		
AND CASH EQUIVALENTS	391,338	(285,217)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD		
THE PERIOD	19,339	287,641
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	$ 410,677	$ 2,424

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS CONTINUED
FOR THE NINE MONTHS ENDED MARCH 31, 2010 AND 2009
(UNAUDITED)

	2010	2009
SUPPLEMENTAL DISCLOSURE OF		
CASH FLOW INFORMATION		
Interest paid	$ -	$ 12,500
Taxes paid	$ -	$ -

The Company issued 235,001 shares of common stock in 2010 in exchange for debt totaling $80,096.

The accompanying notes are an integral part of the financial statements

PROVISION HOLDING, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2010
(UNAUDITED)

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION

Basis of Presentation

Preparation of Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements for the periods ended March 31, 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, 2009. The balance sheet at June 30, 2009 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

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 $3,800,000 in the current period, has negative working capital of approximately $4,500,000 and is currently in default on a significant portion of its debt. 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. See Note 5 Subsequent Events for additional funds raised.

Principles of Consolidation

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.

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.

Basic and Diluted Income (Loss) per Share

In accordance with SFAS No. 128, "Earnings 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 March 31, 2010, the Company had debt instruments outstanding that can potentially be converted into approximately 8,500,000 shares of common stock.

Fair Value of Financial Instruments

In April 2009, the FASB issued new guidance that require disclosures about fair value of financial instruments for interim reporting periods of publicly traded companies as well as in annual financial statements. The new guidance is effective for interim and annual reporting periods ending after June 15, 2009. The fair value of certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and other current liabilities approximate their recorded carrying amounts because of their short-term nature.

The Company did not adopt fair value accounting for its financial instruments but has provided the applicable disclosure under the three-level valuation hierarchy for disclosures of fair value measurement. 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 March 31, 2010	Fair Value Measurements March 31, 2010 Using Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Convertible notes	$ 2,940,869	$ --	$ --	$ 2,940,869

The following table provides a summary of the changes in fair value of the Company's Promissory Notes, which are Level 3 liabilities as of March 31, 2010:

Balance at June 30, 2009	$ 1,141,686
Issuance of debt, net	91,836
Conversion of debt	(28,000)
Accretion of discount	1,735,347
Balance at March 31, 2010	$ 2,940,869

The Company believes that the fair market value would be equivalent to its carrying value given the current rates available to Company's in a similar financial condition in addition to other facts and circumstances at the end of March 31, 2010.

Recent Accounting Pronouncements

In October 2009, the FASB issued ASU 2009-13, *Multiple-Deliverable Revenue Arrangements,* (amendments to ASC 605, *Revenue Recognition*) (ASU 2009-13). ASU 2009-13 requires entities to allocate revenue in an arrangement using estimated selling prices of the delivered goods and services based on a selling price hierarchy. The amendments eliminate the residual method of revenue allocation and require revenue to be allocated using the relative selling price method. ASU 2009-13 should be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, with early adoption permitted. The Company does not expect adoption of ASU 2009-13 to have a material impact on the Company's results of operations or financial condition.

NOTE 2 INVENTORY

Inventory consists of the following:

	March 31, 2010
Raw materials	$ 147,983
Work in process	128,959
Finished goods	1,943
Total	$ 278,885

NOTE 3 CONVERTIBLE DEBT

In July of 2009, the Company issued $50,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.10 per share. The note pays interest at a rate of 10% per annum and is due in July 2010.

In October of 2009, the Company issued $75,000 of convertible debt. The notes are convertible into common stock at the option of the holder at a conversion price of $0.50 per share and includes warrants to purchase 150,000 shares of common stock at $0.50 per share. The notes pay interest at a rate of 10% per annum and are due in January 2011.

In November of 2009, the Company issued $12,500 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.50 per share and includes warrants to purchase 3,125 shares of common stock at $0.50 per share. The note pays interest at a rate of 8% per annum and is due in November 2011.

In December of 2009, the Company issued $100,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 500,000 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in December 2011.

In February of 2010, the Company issued $250,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 1,250,000 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in February 2012.

In March of 2010, the Company issued $100,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 666,666 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in March 2012.

In March of 2010, the Company issued $190,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 1,300,000 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in March 2012.

The Company allocated the proceeds of issuances above between the convertible debt and the detachable warrants and beneficial conversion feature based on their relative fair values. Accordingly, a debt discount totaling $690,664 was recorded to additional paid-in capital. For the nine months ended March 31, 2010 interest expense of $1,735,347 has been accreted increasing the carrying value of the convertible notes to $2,940,869 as of March 31, 2010. The fair value of the warrants was estimated using the Black-Scholes option pricing model with an expected life ranging from 24 to 36 months, a risk free interest rate ranging from .94% to 3.14%, a dividend yield of 0%, and an expected volatility of 100%.

Convertible debt consists of the following:

		March 31, 2010
Convertible notes payable, annual interest rate of 10%, due dates range from May 2010 to February 2013; convertible into common stock at a rate of $0.10 to $1.50 per share.	$	2,949,500
Convertible note payable, annual interest rate of 10%, convertible into common stock at a rate of $1 per share. Note matured on March 8, 2009 and is now in default and due upon demand.		750,000
Unamortized debt discount		(758,631)
		2,940,869
Less current portion		(2,836,780)
Convertible debt, net of current portion and debt discount	$	104,089

Future note maturities of convertible debt for the next twelve months and beyond are $3,067,000 and $632,500, respectively.

NOTE 4 NOTES PAYABLE

In September of 2009, $7,000 of debt was issued. The note payable is due upon demand and does not bear interest. In connection with the funding of this note, the note holder is due to receive 40,000 shares of the Company's common stock within 30 days of receipt of the borrowed funds. If for any reason, the principal sum is not paid in full within 90 days of the date thereof, or if the stock above is not issued to the note holder within 30 days, the Note shall accrue interest at a rate of 7% APR, or portion thereof, until all amounts are paid in full ("Default"). This interest shall accrue from the date above. In the event a Default occurs, the stock shall still be issuable to the note holder, and the entire remaining principal sum and all interest accrued shall become immediately due.

In November of 2009, $30,000 of debt was issued in the form of three notes payable. The notes payable are due upon demand and bear interest at 10% per annum. In connection with the funding of this note, the note holders received 500,000 shares of the Company's common stock within 30 days of receipt of the borrowed funds. If for any reason, the principal sum is not paid in full within 90 days of the date thereof, or if the stock above is not issued to the note holder within 30 days, the Note shall accrue interest at a rate of 10% APR, or portion thereof, until all amounts are paid in full ("Default"). This interest shall accrue from the date above. In the event a Default occurs, the stock shall still be issuable to the note holder, and the entire remaining principal sum and all interest accrued shall become immediately due.

NOTE 5 EQUITY

Common Stock

During the nine months ended March 31, 2010, the Company issued 5,349,102 shares of its common stock to its various consultants for services rendered and term service agreements. The underlying shares had a fair market value of $897,455 on the date of issuance. In accordance with the terms of the agreements and the length of services to be provided, the Company has included $811,722 of stock compensation expense in the statement of operations for the nine months ended March 31, 2010 and recorded the balance of $85,733 as additional prepaid compensation.

NOTE 6 SUBSEQUENT EVENTS

On March 31, 2010, the Company, entered into a Location and Revenue Share Agreement (the "Agreement") with Circle K Stores, Inc. The Agreement provides that the Company and Circle K Stores, Inc. will share gross advertising revenues derived from store displays on up to 483 3D holographic screens into Circle K 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 Company will own the holographic screens as part of its planned advertising network. The Company shall also have the exclusive right to sell advertising. Circle K Stores, Inc. will provide support for the program by recommending suppliers of their stores utilize the 3D displays for advertising purposes.

During May 2010, the Company issued two additional convertible notes for a total of $64,000. The notes bear interest at 8% and are due November 4, 2010. The notes are convertible into shares of the Company's common stock at $0.06 per share.

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

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates" and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this Quarterly Report on Form 10-Q. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this Quarterly Report on Form 10-Q reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Such forward-looking statements are subject to a number of risks, assumptions and uncertainties that could cause the Company's actual results to differ materially from those projected in such forward-looking statements. These risks, assumptions and uncertainties include: the ability to develop customers and generate revenues; the ability to compete effectively in a rapidly evolving marketplace; the impact of technological change; our ability to protect our intellectual property in the United States and other countries; our ability to raise capital to implement our business plan; and other risks referenced from time to time in the Company's filings with the Securities and Exchange Commission.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this Annual Report on Form 10-K, except as required by law. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this Annual Report, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

Business History and 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 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.

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.

Business Development

Launching our first products into grocery stores, we have developed a new patent pending application. Known as the "3DEO Rewards Center" or "3DEO", this ProVision device, also described as a kiosk or terminal, projects 3D video advertisements, promotions, and public service announcements; and allows consumers to print coupons as well as receive non-cash awards like sweepstakes. The 3DEO Rewards Center provides consumer product good ("CPG") companies, along with other brands, marketers and advertisers with a new way of promoting their products at the point of purchase, where consumers are making seventy percent of their buying decisions.

We tested our concept in Fred Meyer Stores, a division of The Kroger, Co., installing 3DEO Centers 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 manufacturers' will advertise through digital coupons that customers will receive from Provision's 3DEO Media Centers.

In August 2009, the Company announced an extremely successful market test with Unisys Japan, and its Japanese distribution partner. As reported by Unisys, Provision's 3DEO program resulted in "uncountable eye-catches "from various industries as the next generation of 3D digital signage." Earlier in the year, Provision was named as one of the Top 10 companies at Infocomm 2009 as a significant technology trend of the year. Provision was also honored by digital media giant, Scala, for the "most innovative installation" in 2008.

During 2009, Provision announced the addition of former Apple CEO and current AT&T Director, Gil Amelio, to their Advisory Board. Additionally, Digital Media Industry executive, Lyle Bunn, was also named to Provision's Advisory Board. Both of these additions have given the Company significant additional credibility in business, technology, and the digital media market.

We made two key announcements introducing Provision's strategic alliances and partnerships with IBM, Microsoft, and Intel. As an Intel Capital portfolio company, Provision's CEO, Curt Thornton, was invited to speak at the CEO forum held both in 2008 and 2009, sharing the Company's 3D holographic product line, market launch, and company strategy to over 200 global CEO's in attendance.

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. 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. As of September 30, 2009 the Company has announced a total of 1086 retail locations with signed contracts, with additional retail locations pending announcement.

We signed a five-year agreement with ADCENTRICITY, Inc. to sell advertising on our digital signage network. We also signed a letter of intent with LocalAdLink to support our local and regional advertising sales.

We will require significant additional funds to complete our business development. We cannot be certain that funding will be available on acceptable terms, or at all. To the extent that we raise additional funds by issuing equity securities, our stockholders may experience significant dilution. Any debt financing, if available, may involve restrictive covenants that impact our ability to conduct our business. If we are unable to raise additional capital on acceptable terms, or at all, we may have to significantly delay, scale back or discontinue the development and/or commercialization of one or more of our product candidates, restrict our operations or obtain funds by entering into agreements on unattractive terms.

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.

Research and Development

Research and Development Activities

At present, Provision'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.

During 2009 the Company has announced several new patents issued including the U.S. and China. Provision also filed six new patents in the European Union, further protecting its intellectual property globally.

Provision announced and demonstrated its first and second generation interactive, gesture-recognition based technologies integrated with its 3D holographic displays at the Intel Developer Forum and the National Retail Federation Expo. The significance of this gesture recognition interactive technology allows consumers and users of the 3D displays to "touch" and manipulate the holographic video images in real-time, therefore providing an immersive, engaging experience with an immediate call-to-action for the consumer, and benefiting the retailer and advertiser. In September 2009 the Company announced and demonstrated its latest development program with the University of Tokyo to bring in "feel" or "touchability" to Provision's 3D holographic video images.

The Company introduced its newest product to the marketplace earlier in the year. Called the HL17 Micro Diamond, replacing the current HL17T, the Micro Diamond is half the size of the traditional HL17T weighs only 18 pounds.

While not remaining complacent with its current technology platform being launched into the Digital Out-Of-Home advertising markets, the Company seized the opportunity to begin the development of a 3D Consumer Product. The new consumer product will be the first of its kind and will exponentially expand the reach of Provision's cutting edge technology. The "out-of-the-box, plug-and-play" 3D display will ultimately be targeted as a high volume product for the home game market. The 3D display will be designed to be completely compatible with the most popular game consoles on the market, and priced accordingly. The new 3D consumer product will also ultimately benefit Provision's market-leading, retail partners. The Company plans on applying its successful consumer development solutions to its DOOH products, providing partners with products that are lower cost, lighter weight, and have futuristic industrial design

We believe that Provision'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 Provision's proprietary technology by competitive technologies.

At present, our 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 our 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 our proprietary technology by competitive technologies.

We rely on a combination of patent, patent pending, copyright, trademark and trade secret laws, proprietary rights agreements and non-disclosure agreements to protect our intellectual properties. We cannot give any assurance that these measures will prove to be effective in protecting our intellectual properties. We also cannot give any assurance that our existing patents will not be invalidated, that any patents that we currently or prospectively apply for will be granted, or that any of these patents will ultimately provide significant commercial benefits. Further, competing companies may circumvent any patents that we may hold by developing products which closely emulate but do not infringe our patents. While we intend to seek patent protection for our products in selected foreign countries, those patents may not receive the same degree of protection as they would in the United States. We can give no assurance that we will be able to successfully defend our patents and proprietary rights in any action we may file for patent infringement. Similarly, we cannot give any assurance that we will not be required to defend against litigation involving the patents or proprietary rights of others, or that we will be able to obtain licenses for these rights. Legal and accounting costs relating to prosecuting or defending patent infringement litigation may be substantial.

We also rely on proprietary designs, technologies, processes and know-how not eligible for patent protection. We cannot give any assurance that our competitors will not independently develop the same or superior designs, technologies, processes and know-how.

While we have and will continue to enter into proprietary rights agreements with our employees and third parties giving us proprietary rights to certain technology developed by those employees or parties while engaged by us, we can give no assurance that courts of competent jurisdiction will enforce those agreements.

Results of Operation – Three Months Ended March 31, 2010 as Compared to the Three Months Ended March 31, 2009

Select Financial Information

		2010		2009
Total Assets	$	1,405,211	$	1,025,580
Total Liabilities	$	5,367,202	$	2,787,928
Total Stockholders' Deficit	$	4,066,080	$	1,762,348
Revenues	$	8,446	$	65,275
Cost of Revenues		3,732		33,366
Gross Profit		4,714		31,909
Expenses		607,798		492,085
Loss from Operations		(603,084)		(460,176)
Other Income (Expense)		(1,057,729)		(179,178)
Net Loss	$	(1,660,813)	$	(639,354)
Net Loss per Common Share	$	(0.05)	$	(0.03)

Revenue and Cost of Revenue

Revenues for the three months ended March 31, 2010 decreased 87% to $8,446 from $65,275 for the three months ended March 31, 2009. Our lack of available cash resources to construct more units combined with the general economic slowdown adversely impacted our revenues. Advertising sales are expected to increase as the Company continues its roll out of its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1).We have entered into several agreements with media buying agencies and ad agencies to assist in the selling of 3D holographic ads and coupon promotions; expecting to continue the growth of ad sales on a quarter by quarter basis.

Our cost of revenues were $3,732 for the three months ended March 31, 2010 as compared to $33,366 for the three months ended March 31, 2009. This decrease of $29,634 or 89% is a direct result of our decreased revenues.

We had a gross profit of $4,714 or 56% for the three months ended March 31, 2010 compared to a gross profit of $31,909 or 49% for the three months ended March 31, 2009.

Expenses

General and administrative expenses for the three months ended March 31, 2010 were $556,299 as compared to $442,228 for the three months ended March 31, 2009. During the three months ended March 31, 2010 our salaries and wages decreased $53,233 to $64,000 from $117,233 during the three months ended March 31, 2009. This is the result of reducing our employee base. We currently do not have plans to replace the departed employees. During the three months ended March 31, 2010 our marketing expenses decreased $1,421 to $11,921 from $13,347 during the three months ended March 31, 2009. These decreases were partially offset by an increase in our legal expenses to $23,117 during the three months ended March 31, 2010 from $10,439 during the three months ended March 31, 2009. Along with an increase of $124,073 in our consulting and non-employee compensation to $266,573 during the three months ended March 31, 2010 from $142,500 during the three months ended March 31, 2009. Our consulting and non-employee compensation consists of non-cash compensation paid to consultants in the form of shares of our common stock. While we cannot guarantee this, we expect our consulting and non-employee compensation to continue to increase as we rely on consultants' services and input.

During the three months ended March 31, 2010 we recorded $51,500 of research and development expenses as compared to $49,797 during the three months ended March 31, 2009. Research and development expenses relate to the salary paid to two key employees who conduct ongoing technical engineering tasks for product improvements, cost reductions, new product development, and the like.

Other Income (Expense)

Interest expense increased to $1,057,729 during the three months ended March 31, 2010 from $179,178 during the three months ended March 31, 2009. The increase is directly related to the issuance of new debt and the amortization of the related debt discount.

Net Loss

As a result of the aforementioned, our net loss increased $1,021,459, to $1,660,813 during the three months ended March 31, 2010 from $639,354 during the three months ended March 31, 2009.

Results of Operation – Nine Months Ended March 31, 2010 as Compared to the Nine Months Ended March 31, 2009

Select Financial Information

	2010	2009
Total Assets	$ 1,405,211	$ 1,025,580
Total Liabilities	$ 5,367,202	$ 2,787,928
Total Stockholders' Deficit	$ 4,066,080	$ 1,762,348
Revenues	$ 143,905	$ 407,392
Cost of Revenues	61,215	204,842
Gross Profit	82,690	202,550
Expenses	1,660,140	1,735,965
Loss from Operations	(1,577,450)	(1,533,415)
Other Income (Expense)	(2,204,141)	(556,915)
Net Loss	$ (3,781,591)	$ (2,090,330)
Net Loss per Common Share	$ (0.13)	$ (0.08)

Revenue and Cost of Revenue

Revenues for the nine months ended March 31, 2010 decreased 65% to $143,905 from $407,392 for the ninemonths ended March 31, 2009. Our lack of available cash resources to construct more units combined with the general economic slowdown adversely impacted our revenues. Included in revenues for the nine months ended March 31, 2010 is $127,025 from the sale of our product coming from international distributors and the beginning shipment of our Studio One purchase agreement as well as $5,556 in advertising revenues. These international product sales came in from countries including Japan and Europe. The Company has announced additional sales to its Japanese distributor supporting the test of the Company's products by Unisys, as well as recent shipments to the U.K. to its distributor who is working with Samsung. Advertising sales are expected to increase as the Company continues its roll out of its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1).We have entered into several agreements with media buying agencies and ad agencies to assist in the selling of 3D holographic ads and coupon promotions; expecting to continue the growth of ad sales on a quarter by quarter basis.

Our cost of revenues were $61,215 for the nine months ended March 31, 2010 as compared to $204,842 for the nine months ended March 31, 2009. This decrease of $143,627 or 70% is a direct result of our decreased revenues as well as the increase in advertising revenue which carries no cost of revenue.

We had a gross profit percentage of 57% for the nine months ended March 31, 2010 compared to a gross profit percentage of 50% for the nine months ended March 31, 2009. The increase in gross margin percentage was a result of a change in our sales mixture to higher margin items, increase in some sales prices to certain regional, retail customers, along with our additional advertising revenues. As discussed above, we expect advertising revenues to increase in the coming quarters as the Company begins to roll out its 3D Reward Center in the large top demographic markets of Los Angeles (#2) and New York (#1).

Expenses

General and administrative expenses for the nine months ended March 31, 2010 were $1,523,680 as compared to $1,603,321 for the nine months ended March 31, 2009. This overall decrease is the partially the result of a decrease in our legal expenses to $28,109 during the nine months ended March 31, 2010 from $45,072 during the nine months ended March 31, 2009. We also experienced a decrease in our marketing expense of $50,473 to $16,192 during the nine months ended March 31, 2010 from $66,665 during the nine months ended March 31, 2009. During this period we chose not to order additional marketing materials. Additionally, our salaries and wages decreased $96,939 to $186,013 for the nine months ended March 31, 2010 from $282,952 during the nine months ended March 31, 2009. While we have experienced a reduction in our staff, we do not currently have plans to replace the departed employees. These decreases were partially offset by an increase of $248,877 in our consulting and non-employee compensation to $737,499 during the nine months ended March 31, 2010 from $488,622 during the nine months ended March 31, 2009. Our consulting and non-employee compensation consists of non-cash compensation paid to consultants in the form of shares of our common stock. While we cannot guarantee this, we expect our consulting and non-employee compensation to continue to increase as we rely on consultants' services and input.

During the nine months ended March 31, 2010 we recorded $136,460 of research and development expenses as compared to $132,644 during the nine months ended March 31, 2009. Research and development expenses relate to the salary paid to two key employees who conduct ongoing technical engineering tasks for product improvements, cost reductions, new product development, and the like.

Other Income (Expense)

Interest expense increased to $2,204,141 during the nine months ended March 31, 2010 from $559,640 during the nine months ended March 31, 2009. The increase is directly related to the issuance of new debt and the amortization of the related debt discount.

Net Loss

As a result of the aforementioned, our net loss increased $1,691,261 to $3,781,591 during the nine months ended March 31, 2010 from $2,090,330 during the nine months ended March 31, 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 $410,677 at March 31, 2010 compared to cash of $19,339 at June 30, 2009. Our working capital deficit increased to $4,529,553 at March 31, 2010 from a deficit of $2,543,076 at June 30, 2009. The reason for the increase in the working capital deficit was the increase in current portion of convertible debt of approximately $1,800,000.

During the nine months ended March 31, 2010, we used $420,904 of cash for operating activities versus $723,342 during the nine months ended March 31, 2009. The primary difference was the deferral of paying many of our creditors and wages to conserve cash.

Cash used in investing activities during the nine months ended March 31, 2010 and 2009 was $17,958 and $-0-, respectively, to purchase patents.

Cash provided by financing activities during the nine months ended March 31, 2010 was $819,500 as a result of the proceeds from notes payable, net of fees and $10,700 resulting from the sales of common stock. Cash provided by financing activities during the nine months ended March 31, 2009 was $516,750 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 SFAS No. 144, "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 $3,800,000 in the current period and has negative working capital of approximately $4,500,000. 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.

Accounting for Stock Option Based Compensation

Effective July 1, 2006, the Company adopted SFAS No. 123(R), "Share-Based Payment: An Amendment of FASB Statements No. 123 and 95" using the modified prospective method. Under this method, compensation cost is recognized on or after the effective date for the portion of outstanding awards, for which the requisite service has not yet been rendered, based on the grant date fair value of those awards. Prior to July 1, 2006, the Company accounted for employee stock options using the intrinsic value method in accordance with Accounting Principles Board (APB) Opinion No. 25 (APB No. 25), "Accounting for Stock Issued to Employees," and adopted the disclosure only alternative of SFAS No. 123. For stock-based awards issued on or after July 1, 2006, the Company recognizes the compensation cost on a straight-line basis over the requisite service period for the entire award. Measurement and attribution of compensation cost for awards that are unvested as of the effective date of SFAS No. 123(R) are based on the same estimate of the grant-date or modification-date fair value and the same attribution method used under SFAS No. 123.

On November 10, 2005, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 123(R)-3 "Transition Election Related to Accounting for Tax Effects of Share-Based Payment Awards". The Company has elected to adopt the alternative transition method provided in the FASB Staff Position for calculating the tax effects of stock-based compensation pursuant to SFAS No. 123(R). The alternative transition method includes simplified methods to establish the beginning balance of the additional paid-in capital pool (APIC pool) related to the tax effects of employee stock-based compensation, and to determine the subsequent impact on the APIC pool and Consolidated Statements of Cash Flows of the tax effects of employee stock-based compensation awards that are outstanding upon adoption of SFAS No. 123(R). As the Company is currently in a net operating loss position and has placed valuation allowances on its net deferred tax assets, there is no net impact on the Company's APIC pool related to stock-based compensation for the nine months ended March 31, 2010.

Recent Accounting Pronouncements

In the first quarter of fiscal 2009, the Company adopted Statement of Financial Accounting Standards No. 157, Fair Value Measurements, ("SFAS No. 157") for all financial assets and financial liabilities and for all non-financial assets and non-financial liabilities recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure. The adoption of SFAS No. 157 did not have a significant impact on our consolidated financial statements, and the resulting fair values calculated under SFAS No. 157 after adoption were not significantly different than the fair values that would have been calculated under previous guidance.

In February 2007, the FASB issued SFAS 159, *The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115 (ASC 825)* . SFAS 159 permits companies to measure certain financial instruments and other items at fair value. We have not elected the fair value option applicable under SFAS 159.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements presented in conformity with generally accepted accounting principles in the United States of America. SFAS No. 162 will be effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board (PCAOB) amendments to AU Section 411, "The Meaning of, Present fairly in conformity with generally accepted accounting principles". The Company does not believe the implementation of SFAS No. 162 will have a material impact on its consolidated financial statements.

In October 2008, the Financial Accounting Standards Board (“FASB”) issued Financial Staff Position 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active, (“FSP 157-3”). FSP 157-3 clarifies the application of SFAS No. 157 in a market that is not active, and addresses application issues such as the use of internal assumptions when relevant observable data does not exist, the use of observable market information when the market is not active, and the use of market quotes when assessing the relevance of observable and unobservable data. FSP 157-3 is effective for all periods presented in accordance with SFAS No. 157. The adoption of FSP 157-3 did not have a significant impact on our consolidated financial statements or the fair values of our financial assets and liabilities.

In December 2008, the FASB issued Financial Staff Position (“FSP”) Financial Accounting Standard No. 140-4 and FASB Interpretation 46(R)-8, Disclosures by Public Entities (Enterprises) about Transfers of Financial Assets and Interests in Variable Interest Entities (“FSP FAS 140-4” and “FIN 46(R)-8”). The document increases disclosure requirements for public companies and is effective for reporting periods (interim and annual) that end after December 15, 2008. FSP FAS 140-4 and FIN 46(R)-8 became effective for us on December 31, 2008. The adoption of FSP FAS 140-4 and FIN 46(R)-8 did not have a significant impact on our consolidated financial statements.

In April 2009, the FASB issued FSP 107-1 and Accounting Principles Board Opinion (APB) 28-1, *Interim Disclosures about Fair Value of Financial Instruments* (ASC 820). FSP 107-1 amends SFAS 107, *Disclosures about Fair Value Instruments* and APB 28, *Interim Financial Reporting* (ASC 820), to require disclosures about fair value of financial instruments during interim reporting periods. The Company adopted the provisions of FSP 107-1 and APB 28-1 during the quarter ended September 30, 2009.

In May 2009, the FASB issued SFAS 165, which establishes general standards of accounting for and disclosures of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS 165 also requires the disclosure of the date through which subsequent events have been evaluated and the basis for that date. The Company adopted the provisions of SFAS 165 during the quarter ended June 30, 2009.

ITEM 3. **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

N/A

ITEM 4T. **CONTROLS AND PROCEDURES.**

Evaluation of Disclosure Controls and Procedures. Internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) refers to the process designed by, or under the supervision of, our principal executive officer and principal financial officer, and effected by our board of directors, management and other personnel, 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. Management is responsible for establishing and maintaining adequate internal control over financial reporting.

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Based upon this evaluation, our CEO has concluded that, without third-party specialists, our current disclosure controls and procedures are not effective to provide reasonable assurance that material information required to be included in our periodic SEC reports is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and accumulated and communicated to our senior management, including our CEO, to allow timely decisions regarding required disclosures. Management's report is not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting. During the most recent quarter ended March 31, 2010, there has been no change in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is 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.

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

In February of 2010, the Company issued $250,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 1,250,000 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in February 2012.

In March of 2010, the Company issued $100,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 666,666 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in March 2012.

In March of 2010, the Company issued $190,000 of convertible debt. The note is convertible into common stock at the option of the holder at a conversion price of $0.15 per share and includes warrants to purchase 1,300,000 shares of common stock at $0.20 per share. The note pays interest at a rate of 8% per annum and is due in March 2012.

During the three months ended March 31. 2010, the Company issued 936,830 shares of its common stock to its various consultants for services rendered and term service agreements. The underlying shares had a fair market value of $160,323 on the date of issuance.

These foregoing shares were issued pursuant to an exemption from registration under Section 4(2) of the Securities Act and Regulation D promulgated pursuant thereto. No general solicitation or advertising was used to market the securities:

ITEM 3. **DEFAULTS UPON SENIOR SECURITIES.**

None

ITEM 4. **(Removed and Reserved).**

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.

May 24, 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 this quarterly report on Form 10-Q of Provision Holdings, Inc., for the quarter ended March 31, 2010;

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

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

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

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others, 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; and

(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. I have disclosed, based on the 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.

May 24, 2010

/s/ Curt Thornton

Curt Thornton
Chief Executive Officer (Principal Executive Officer)
(Principal Accounting and Financial Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report of Provision Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2010 as filed with the Securities and Exchange Commission on the date hereof (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:

(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 result 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.

May 24, 2010

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