

American Southwest Music Distribution, Inc  
Form 10QSB/A  
January 09, 2007

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

**FORM 10-QSB/A No. 2**

(Mark One)

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

For the quarterly period ended July 31, 2006

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.: **000-26753**

**AMERICAN SOUTHWEST MUSIC DISTRIBUTION, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**52-2190362**  
(I.R.S. Employer  
Identification No.)

**8721 Sunset Blvd., Penthouse 7**  
**Hollywood, CA 90069**  
(Address of principal executive offices)

Issuer's telephone number: **(310) 659-8770**

**GL Energy & Exploration, Inc.**  
(Former name, former address and former fiscal year, if changed since last report)

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 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 the past 90 days. Yes  No

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

**APPLICABLE ONLY TO CORPORATE ISSUERS**

As of September 19, 2006, 8,992,933 shares of our common stock were outstanding.

Transitional Small Business Disclosure Format: Yes  No

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**PART 1: FINANCIAL INFORMATION**

**GL ENERGY AND EXPLORATION, INC.**  
**(NOW KNOWN AS AMERICAN SOUTHWEST MUSIC DISTRIBUTION, INC.)**  
**(A DEVELOPMENT STAGE COMPANY)**  
**CONSOLIDATED BALANCE SHEETS**

	July 31, 2006	April 30, 2006
<b>ASSETS</b>		
Current assets:		
Cash	\$ 2,503	\$ -
Prepaid interest	7,500	-
Total current assets	10,003	-
Fixed assets:		
Furniture and fixtures	42,488	42,488
Equipment	42,501	40,501
Leasehold improvements	7,000	7,000
	91,989	89,989
Accumulated depreciation	(33,677)	(28,620)
Total fixed assets	58,312	61,369
Other assets:		
Music catalog, net of accumulated amortization of \$0	4,375,000	4,216,000
Security deposits	3,370	3,370
Deferred offering costs	10,000	-
Total other assets	4,388,370	4,219,370
<b>TOTAL ASSETS</b>	<b>\$ 4,456,685</b>	<b>\$ 4,280,739</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued expenses payable	\$ 128,864	\$ 118,539
Liability for legal settlement by Company on behalf of entity formerly owned by significant Company stockholder	1,256,458	1,244,583
Notes and loans payable, stockholders and entities owned by them	239,490	247,711
Notes and loans payable, others - unrelated third parties	956,035	689,869
<b>TOTAL LIABILITIES</b>	<b>2,580,847</b>	<b>2,300,702</b>
Stockholders' equity:		
Preferred stock - \$0.001 par value; 5,000,000 shares authorized, 23,980 issued and outstanding	24	24
Common stock - \$0.001 par value; 100,000,000 shares authorized, 65,977,042 and 59,977,042 issued and outstanding respectively	65,977	59,977
Additional paid-in capital	5,559,777	5,385,777
Deficit accumulated during the development stage	(3,749,940)	(3,465,741)
Total stockholders' equity	1,875,838	1,980,037
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 4,456,685</b>	<b>\$ 4,280,739</b>



**GL ENERGY AND EXPLORATION, INC.**  
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**CONSOLIDATED STATEMENTS OF OPERATIONS**

	Three months ended July 31, 2006	Three months ended July 31, 2005	Inception (July 1, 2004) through April 30, 2006	Inception (July 1, 2004) through July 31, 2006
<b>EXPENSES</b>				
Related party consulting fees and services	\$ 65,825	\$ -	\$ 348,975	\$ 414,800
General and administrative	153,376	-	352,629	506,005
Depreciation and amortization	24,224	3,945	46,536	70,760
Total expenses	243,425	3,945	748,140	991,565
Loss from operations	(243,425)	(3,945)	(748,140)	(991,565)
Other costs and expenses				
Loss incurred on legal settlement by Company on behalf of entity formerly owned by significant Company stockholder				
	(11,874)	0	(1,244,583)	(1,256,457)
Interest expense	(28,900)	(9,444)	(78,617)	(107,517)
Total other costs and expenses	(40,774)	(9,444)	(1,323,200)	(1,363,974)
<b>NET LOSS</b>	<b>\$ (284,199)</b>	<b>\$ (13,389)</b>	<b>\$ (2,071,340)</b>	<b>\$ (2,355,539)</b>
Net loss per share - basic and diluted				
	\$ (0.00)	\$ -	\$ (0.48)	\$ (0.48)
Weighted average shares outstanding:				
Basic and diluted	62,085,738	-	4,306,887	

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**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Three months ended July 31, 2006	Three months ended July 31, 2005	Inception (July 1, 2004) through April 30, 2006	Inception (July 1, 2004) through July 31, 2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net loss	\$ (284,199)	\$ (13,389)	\$ (2,071,340)	\$ (2,355,539)
Adjustments to reconcile net deficit to cash used in operating activities:				
Depreciation and amortization	24,224	3,945	46,536	70,760
Loss incurred on legal settlement by Company on behalf of entity formerly owned by significant Company stockholder	11,874	-	1,244,583	1,256,457
Common stock issued for services	180,000	-		180,000
Net changes in:				
(Increase) decrease in prepaid expenses	(7,500)	3,189	-	(7,500)
Increase in security deposits	-	-	(3,370)	(3,370)
Increase in accounts and accrued expenses payable	10,325	(10,336)	93,021	103,346
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(65,276)</b>	<b>(16,591)</b>	<b>(690,570)</b>	<b>(755,846)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Acquisition of music catalogs	(159,000)	-	-	(159,000)
Acquisition of furniture and equipment	(2,000)	-	(13,252)	(15,252)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(161,000)</b>	<b>-</b>	<b>(13,252)</b>	<b>(174,252)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Notes and loans payable, stockholders and entities owned by them	(8,221)	16,591	73,822	65,601
Notes and loans payable, others - unrelated third	247,000	-	628,000	875,000

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parties				
Payment of deferred offering costs	(10,000)	-	-	(10,000)
Common shares issued for cash	-	-	2,000	2,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	228,779	16,591	703,822	932,601
NET CHANGE IN CASH AND CASH EQUIVALENTS				
	2,503	-	-	2,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD				
	-	-	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD				
	\$ 2,503	\$ -	\$ -	\$ 2,503
Supplementary disclosures of cash flow information				
Cash paid during the year for:				
Income taxes	\$ -	\$ -	\$ -	\$ -
Interest expense	-	-	-	-
Non-cash operating, investing and financing activities:				
Net assets (liabilities) acquired by Company as part of merger				
Assets acquired:				
Accounts receivable	-	-	-	-
Total assets acquired	0	0	0	-