Double Eagle Holdings, Ltd.
Form 10-Q/A
August 18, 2011

U.S. SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q/A
(Amendment No. 1)

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

For Quarter Ended: June 30, 2011

Commission File Number: 000-22991

DOUBLE EAGLE HOLDINGS, LTD.
(Exact name of small business issuer as specified in its charter)

NEVADA	87-0460247
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

20900 NE 30th Avenue, Eighth Floor, Aventura, FL 33180
(Address of principal executive office)

(305) 503-3873
(Issuer's telephone number)

Indicate by check mark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x 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 (Section 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 "large accelerated filer, "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ¨ Accelerated filer ¨ Non-accelerated filer ¨ Smaller reporting company x.

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

The number of shares outstanding of registrant's common stock, par value $0.001 per share, as of July 31, 2011 was 90,112,039.

EXPLANATORY NOTE

On August 15, 2011, our EDGAR filing agent inadvertently filed a preliminary draft of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011. This amendment files the correct version of that Report.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(DEVELOPMENT STAGE COMPANIES)

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PART 1: FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Condensed Consolidated Balance Sheets
June 30, 2011 and September 30, 2010

	June 30, 2011 (Unaudited)	September 30, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$285,314	$ 8,619
Prepaid expenses	9,500	5,000
Total current assets	294,814	13,619
Other assets:		
Available-for-sale investments	11,050	55,806
Intellectual property, net	127,667	-
Total other assets	138,717	55,806
Total assets	$433,531	$ 69,425
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	111,412	80,579
Accounts payable - related parties	56,338	30,267
Convertible notes payable, net	336,944	130,803
Accrued expenses	2,398	9,222
Total current liabilities	507,092	250,871
Commitments and contingencies		
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.001 par value; authorized 12,500 shares; no shares issued and outstanting; $100 per share liquidation preference	-	-
Common stock, $.001 par value; authorized 100,000,000 shares; 90,112,039 and 50,925,820 shares issued and outstanding at June 30, 2011 and September 30, 2010, respectively	90,112	50,926
Additional paid-in capital	10,851,884	9,946,022
Non-controlling interest	(126,344)	(126,344)
Deferred consulting fees	(175,500)	-
Accumulated other comprehensive income (loss)	5,320	(453)
Accumulated deficit:		
During the development stage	(842,179)	(174,743)
Other	(9,876,854)	(9,876,854)
Total accumulated deficit	(10,719,033)	(10,051,597)
Total stockholders' deficit	(73,561)	(181,446)
Total liabilities and stockholders' deficit	$433,531	$ 69,425

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Condensed Consolidated Statements of Operations
Three Months Ended June 30, 2011 and 2010
(Unaudited)

	2011	2010
Revenue		
Management income - related party	$-	$2,933
Total income	-	2,933
Expenses:		
Related party services	162,405	3,000
General and administrative expense	111,471	5,861
Total expenses	273,876	8,861
Loss from operations	(273,876)	(5,928)
Other income (expense):		
Interest income - related party	-	1,309
Interest expense	(194,209)	(5,409)
Other	-	-
Other income (expense)	(194,209)	(4,100)
Net loss before non-controlling interest	(468,085)	(10,028)
Non-controlling interest	-	-
Net loss	(468,085)	(10,028)
Other comprehensive income		
Unrealized gain (loss) on available-for-sale securities (none attributed to the non-controlling interest)	(2,130)	22,552
Net comprehensive loss	$(470,215)	$12,524
Loss per share, basic and diluted	$(0.01)	$(0.00)
Weighted average shares outstanding	78,807,865	50,925,820

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Condensed Consolidated Statements of Operations
Nine Months Ended June 30, 2011 and 2010 and from Inception
(January 20, 2009) through June 30, 2011
(Unaudited)

	2011	2010	Development Stage Inception (January 20, 2009) Through June 30, 2011
Revenue			
Management income - related party	$-	$8,800	$ 11,367
Total income	-	8,800	11,367
Expenses:			
Related party services	170,605	9,000	240,644
Non-cash compensation	144,000	-	144,000
General and administrative expense	153,571	20,259	204,720
Total expenses	468,176	29,259	589,364
Loss from operations	(468,176)	(20,459)	(577,997)
Other income (expense):			
Interest income - related party	-	4,700	9,596
Interest expense	(201,642)	(9,753)	(210,864)
Realized gain (loss) - related party	2,347	-	(15,553)
Miscellaneous	35	-	35
Other than temporary decline in available-for-sale securities	-	(13,280)	(50,900)
Other income (expense)	(199,260)	(18,333)	(267,686)
Net loss before non-controlling interest	(667,436)	(38,792)	(845,683)
Non-controlling interest	-	-	3,504
Net loss	(667,436)	(38,792)	(842,179)
Other comprehensive income (loss)			
Unrealized gain (loss) on available-for-sale securities (none attributed to the non-controlling interest)	5,773	(122,145)	(1,150)
Net comprehensive loss	$(661,663)	$(160,937)	$ (843,329)
Loss per share, basic and diluted	$(0.01)	$(0.00)	
Weighted average shares outstanding	60,484,150	50,925,820	

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Consolidated Statements of Changes in Stockholders' Deficit
From Inception (January 20, 2009) Through June 30, 2011
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-in
	Shares	Par	Shares	Par	Capital
Balance, January 20, 2009	-	$ -	50,925,820	$ 50,926	$ 9,946,022
Unrealized loss from available-for-sale securities	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, September 30, 2009	-	-	50,925,820	50,926	9,946,022
Noncontrolling interest	-	-	-	-	-
Unrealized loss from available-for-sale securities	-	-	-	-	-
Net loss	-	-	-	-	-
Balance, September 30, 2010	-	-	50,925,820	50,926	9,946,022
Unrealized gain from available-for-sale securities	-	-	-	-	-
Common stock issued for:					
Services	-	-	8,350,000	8,350	311,150
Convertible notes payable	-	-	5,539,219	5,539	134,517
License	-	-	2,000,000	2,000	76,000
Acquisition of Fuse Science, Inc	-	-	23,297,000	23,297	(23,297)
Intrinsic value of common stock options	-	-	-	-	8,119
Convertible notes payable:					
Detachable warrants	-	-	-	-	209,218
Beneficial conversion feature	-	-	-	-	190,155
Net loss	-	-	-	-	-
Balance, June 30, 2011	-	$ -	90,112,039	$ 90,112	$ 10,851,884

(continued)

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Consolidated Statements of Changes in Stockholders' Deficit, Continued
From Inception (January 20, 2009) Through June 30, 2011
(Unaudited)

	Non Controlling Interest	Deferred Consulting Fees	Accumulated Other Comprehensive Income	Accumulated Deficit Development Stage	Other	Total
Balance, January 20, 2009	$ -	$ -	$ 279,470	$ -	$ (9,999,694)	$ 276,724
Unrealized loss from available-for-sale securities	-	-	(248,385)	-	-	(248,385)
Net loss	-	-	-	(97,895)	-	(97,895)
Balance, September 30, 2009	-	-	31,085	(97,895)	(9,999,694)	(69,556)
Noncontrolling interest	(126,340)		-	3,500	122,840	-
Unrealized loss from available-for-sale securities	-		(31,538)	-	-	(31,538)
Net loss	(4)		-	(80,348)	-	(80,352)
Balance, September 30, 2010	(126,344)	-	(453)	(174,743)	(9,876,854)	(181,446)
Unrealized gain from available-for-sale securities	-	-	5,773	-	-	5,773
Common stock issued for:						
Services	-	(175,500)	-	-	-	144,000
Convertible notes payable	-	-	-	-	-	140,056
License	-	-	-	-	-	78,000
Acquisition of Fuse Science, Inc.	-	-	-	-	-	-
Intrinsic value of common stock options	-	-	-	-	-	8,119
Convertible notes payable:						
Detachable warrants	-	-	-	-	-	209,218
Beneficial conversion feature	-	-	-	-	-	190,155
Net loss	-		-	(667,436)	-	(667,436)
Balance, June 30, 2011	$ (126,344)	$ (175,500)	$ 5,320	$ (842,179)	$ (9,876,854)	$ (73,561)

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DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Condensed Consolidated Statements of Cash Flows
Nine Months Ended June 30, 2011 and 2010 and from Inception
(January 20, 2009) through June 30, 2011
(Unaudited)

	2011	2010	Development Stage Inception (January 20, 2009) Through June 30, 2011
Operating activities:			
Net loss	$(667,436)	$(38,792)	$ (842,179)
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:			
Amortization	433	-	433
Other than temporary decline in available-for-sale securities	-	13,280	50,900
Intrinsic value of common stock options	8,119	-	8,119
Convertible notes payable:			
Amortization of detachable warrants	1,162	-	1,162
Beneficial conversion feature	190,155	-	190,155
Gain (loss) on sale/impairment of investment in related party	-	-	17,900
Common stock issued for services	144,000	-	144,000
Gain on sale of investment	(2,347)		(2,347)
Non-controlling interest	-	-	(3,504)
Accrued interest income	-	-	(4,909)
Amortization of deferred revenue	-	(8,800)	(8,800)
Changes in operating assets and liabilities:			
Accounts receivable and accrued interest - related parties	-	(4,701)	(4,686)
Prepaid expenses	(4,500)	-	(9,500)
Accounts payable and accrued expenses	45,582	(1,470)	74,670
Accounts payable and accrued expenses - related parties	21,411	9,753	66,009
Advances from related parties for working capital	-	-	6,660
Net cash used in operating activities	(263,421)	(30,730)	(315,917)
Investing activities:			
Proceeds from investments	52,876	6,500	75,876
Intellectual property	(50,100)	-	(50,100)
Net cash provided by investing activities	2,776	6,500	25,776
Financing activities:			
Loan proceeds	540,000	-	540,000
Loan repayment	(2,660)	-	(2,660)
Loans from related parties	-	23,950	31,650
Net cash provided by investing activities	537,340	23,950	568,990
Net increase (decrease) in cash and cash equivalents	276,695	(280)	278,849
Cash and cash equivalents, beginning of period	8,619	582	6,465

Cash and cash equivalents, end of period	$285,314	$302	$ 285,314

Continued

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(Development Stage Companies)
Condensed Consolidated Statements of Cash Flows, Continued
Nine Months Ended June 30, 2011 and 2010 and from Inception
(January 20, 2009) through June 30, 2011
(Unaudited)

	2011	2010	Development Stage Inception (January 20, 2009) Through June 30, 2011
Supplemental Cash Flow Information:			
Cash paid for interest and income taxes:			
Interest	$236	$-	$ 236
Income taxes	-	-	-
Non-cash investing and financing activities:			
Note payable issued to acquire investment	$-	$-	$ 100,000
Accrued interest receivable included in amended notes	-	5,326	8,915
Convertible notes payable issued for advances from affiliates	-	63,310	63,310
Convertible notes payable issued for accounts payable to affiliates	-	67,493	67,493
Comon stock issued for convertible notes payable and accrued interest	140,055	-	140,055
Common stock issued for license	78,000	-	78,000
Common stock issued to acquire Fuse Science, Inc.	23,297	-	23,297
Intrinsic value of common stock options	107,147	-	107,147

See accompanying notes to condensed consolidated financial statements.

DOUBLE EAGLE HOLDINGS, LTD. AND SUBSIDIARIES
(DEVELOPMENT STAGE COMPANIES)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1: ORGANIZATION

GENERAL

The financial statements included in this report have been prepared by Double Eagle Holdings, Ltd. (the “Company”) pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim reporting and include all adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary for a fair presentation. These financial statements have not been audited.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations for interim reporting. The Company believes that the disclosures contained herein are adequate to make the information presented not misleading. However, these financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended September 30, 2010. The financial data for the interim periods presented may not necessarily reflect the results to be anticipated for the complete fiscal year.

CONSOLIDATION POLICY AND HISTORY OF BUSINESS

The consolidated financial statements of the Company include the accounts of the Company, Fuse Science, Inc. ("FUSE") its wholly-owned subsidiary and Ultimate Social Network, Inc. ("USN") its 60%-owned subsidiary. All significant intercompany balances and transactions have been eliminated in consolidation. The Company was originally incorporated in 1985 in Nevada. Its securities now trade on the OTCQB under the symbol DEGH.PK.

WITHDRAWAL OF ELECTION TO BE TREATED AS A BDC

On April 5, 2007, the Company elected to be treated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). Following approval by majority of its issued and outstanding common stock, the Company withdrew its election to be treated as a BDC under the 1940 Act on January 20, 2009, when the Company filed Form N-54c with the SEC.

DEVELOPMENT STAGE

At the time of filing Form N-54c with the SEC on January 20, 2009, the Company had limited resources and did not have sufficient capital to complete its business plans. Accordingly, the operations of the Company, are presented as those of a development stage enterprise, from January 20, 2009, which is treated as its inception for financial reporting purposes.

GOING CONCERN

The Company has not established sources of revenue sufficient to fund the development of business, projected operating expenses and commitments for the next twelve months. The Company had a net loss from operations of $667,436 and recognized an unrealized gain on investments of $5,773 resulting in a comprehensive loss of $661,663 during the nine months ended June 30, 2011. At June 30, 2011, current assets are $294,814 and current liabilities are $507,092. The Company has completed the acquisition of FUSE and related licenses, primarily with its common stock.

The Company expects to raise necessary capital from private placements of its restricted securities, including common stock and convertible notes. The Company has demonstrated an ability to raise funds as needed to fund operations and investments. During the quarter ended June 30, 2011, the Company issued 8% secured senior convertible promissory notes in the total amount of $525,000 and five-year warrants to purchase 17,500,000 shares of common stock at a price of $.12 per share. However, there can be no assurance that the planned private sales of securities will provide sufficient funding to implement the Company's business plan.

These conditions raise serious doubt about the Company's ability to continue as a going concern.

STOCK-BASED COMPENSATION

The compensation cost relating to share-based payment transactions (including the cost of all employee stock options) is required to be recognized in the financial statements. That cost is measured based on the estimated fair value of the equity or liability instruments issued. A wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans are included. The Company's financial statements would include an expense for all share-based compensation arrangements granted on or after January 1, 2006 and for any such arrangements that are modified, cancelled or repurchased after that date based on the grant-date estimated fair value.

INTANGIBLE ASSETS

Other intangible assets primarily consist of intellectual property. We apply an impairment evaluation whenever events or changes in business circumstances indicate that the carrying value of our intangible assets may not be recoverable. Other intangible assets are amortized on a straight-line basis over their estimated economic lives. We believe that the straight-line method of amortization reflects an appropriate allocation of the cost of the intangible assets to earnings in proportion to the amount of economic benefits obtained annually by the Company.

IMPAIRMENT OF LONG-LIVED ASSETS

The Company evaluates its long-lived assets and intangible assets for impairment whenever events change or if circumstances indicate that the carrying amount of any assets may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the asset.

RECLASSIFICATION

Certain reclassifications have been made in the condensed consolidated financial statements at September 30, 2010 and for the three and nine months ended June 30, 2010 to conform to the June 30, 2011 presentation. The reclassifications had no effect on net loss.

FISCAL YEAR

Fiscal 2011 refers to periods in the year ending September 30, 2011. Fiscal 2010 refers to periods in the year ended September 30, 2010.

INVESTMENTS

Investments are classified into the following categories:

- Trading securities reported at fair value with unrealized gains and losses included in earnings;
- Available-for-sale securities reported at fair value with unrealized gains and losses, net of applicable deferred income taxes, reported in other comprehensive income;
- Held-to-maturity securities and other investments reported at amortized cost; and
- Investments using the equity method of accounting.

FAIR VALUE

The Company adopted fair value accounting for certain financial assets and liabilities that have been evaluated at least annually. The standard defines fair value as the price at which an asset could be exchanged in a current transaction between knowledgeable, willing parties. A liability's fair value is defined as the amount that would be paid to transfer the liability to a new obligor, not the amount that would be paid to settle the liability with the creditor. Management has determined that it will not, at this time, adopt fair value accounting for nonfinancial assets or liabilities currently recorded in the financial statements, which includes investments carried at cost, deposits and other assets. Impairment analyses will be made of all assets using fair value measurements.

NEW ACCOUNTING PRONOUNCEMENTS

Below is a listing of the most recent accounting standards and their effect on the Company, as issued by the Financial Accounting Standards Board ("FASB") in the form of Accounting Standards Updates ("ASU"). We have evaluated all recent accounting pronouncements through July 31, 2011 and find none that would have a material impact on the financial statements of the Company, except for those detailed below.

2. INVESTMENTS

While the Company was operating as a BDC and for a period after electing to no longer be subject to the BDC filing requirements, there were a number of relationships established which resulted in the majority of the Company's investments being considered investments in affiliates. Currently, all of those relationships have ceased and the Company no longer has an affiliate relationship with its investments. Available-for-sale investments may be summarized as follows:

	Cost	Realized Holding Losses	Unrecognized Holding Gains (Losses)	Fair Value
June 30, 2011				
Efftec International, Inc.	$ 4,200	$ -	$ (800)	$ 3,400
North American Energy	1,530	-	6,120	7,650
	$ 5,730	$ -	$ 5,320	$ 11,050
September 30, 2010				
Efftec International, Inc.	$ 54,729	$ -	$ (453)	$ 54,276
North American Energy	1,530	-	-	1,530
	$ 56,259	$ -	$ (453)	$ 55,806

Efftec International, Inc. ("EFFI") has developed an Internet-based chiller tool which it is installing and selling to its customer base. At June 30, 2011, the Company valued its investment in EFFI at $3,400 based on its posted bid price on that date. During the year ended September 30, 2010, the Company received 20,000 shares of Efftec common stock for a management contract valued at $8,800 (based on the trading price of Efftec on the date of the contract), collected $6,500 in cash as partial payment on its convertible note and received 624,761 shares of Efftec common stock in exchange for the balance of the convertible note and accrued interest receivable (convertible at $0.09 per share). The Company sold 110,000 shares of Efftec for $16,500 during the year ended September 30, 2010 and realized a profit of $6,600. During the three months ended December 31, 2010, the Company sold 528,761 shares of its investment in EFFI for $52,876 and realized a gain of $2,347. The Company owns 20,000 shares on June 30, 2011.

North American Energy Resources, Inc. ("NAEY") is an oil and gas development and production company with operations currently in Oklahoma. The Company valued its investment in NAEY shares at its posted trading price at June 30, 2011. The Company owns 153,000 shares on June 30, 2011.

Fair value for both available-for-sale securities is based on level one inputs, the posted bid/last trading price on June 30, 2011.

3. INTELLECTUAL PROPERTY

The Company has completed its acquisition of FUSE, which is a development stage company with no prior operations. Fuse Science has successfully developed sublingual, buccal, and transdermal delivery systems for bioactive agents that can now for the first time, effectively encapsulate and charge many varying molecules in order to produce complete product formulations which can bypass the GI track and enter the blood stream directly. The Fuse technology uses bioelectricity within its matrix and further delivers the matrix utilizing an iontopheritic delivery vehicle that contains a specific charge to shuttle the matrix through either the buccal or mucosal membrane. It is important to note that biological cells utilize bioelectricity to store and facilitate metabolic energy. By utilizing the skins innate bioelectric signaling system coupled with our iontopheritic delivery vehicle, we are able to deliver (API'S) actives efficaciously through both the dermal and buccal mucosal. The Fuse Science proprietary technology definitively penetrates the mucosa and epithelium to achieve complete and enhanced absorption. It is our firm belief that at this moment we can deliver a wide range of product formulations via these delivery systems such as aspirin, OTC pain, allergy, and cough & cold medications, as well as energy source, electrolytes and many pharmaceutical applications.

The Fundamental Benefits:
* Faster and more complete absorption into the body
* Reduced side affects associated with enteral administration
* Improved ease of consumption (A Drop under the tongue vs. a horse pill to swallow or an injection to administer)
* Improved formulations with time released technology to improve product efficacy
* And greater consumer satisfaction and usage

4. CONVERTIBLE PROMISSORY NOTES

The Company had the following convertible notes payable at June 30, 2011 and September 30, 2010.

	June 30, 2011	September 30, 2010
Convertible notes payable with interest at 12%	$ 20,000	$ 130,803
Carrying value of 8% One Year Senior Secured Convertible Promissory Notes due June 20, 2012, net	316,944	-
	$ 336,944	$ 130,803

Convertible notes payable includes one note in the amount of $5,000 which is convertible at $0.025 per share and one note in the amount of $15,000 which is convertible at $0.03 per share.

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The 8% One Year Senior Secured Convertible Notes are all convertible at $0.03 per share. Additionally, the note holders each received a Warrant which is exercisable at $0.12 per share. The Warrant is for the same number of shares as the Note can be converted into. The Notes can be converted into 17,500,000 shares at $0.03 and the warrant could be exercised for a total of 17,5500,000 shares at $0.12 per share.

Using Black-Scholes, the Company calculated a value of $209,218 for the detachable warrants and $190,155 for the beneficial conversion feature of the convertible promissory notes. Since the notes are immediately convertible, the beneficial conversion feature was expensed as interest expense. The value assigned to the warrant is classified as a debt discount and is being amortized to interest expense over the five year life of the warrant. The carrying value of the convertible promissory notes is summarized as follows.

Face value of notes			$525,000
Debt discount:			
Value of warrants	$	209,218	
Amortization		(1,162)	(208,056)
Carrying value of convertible notes			$316,944

5. RELATED PARTY TRANSACTIONS

The Company operated as a BDC until it withdrew its election to be treated as a BDC on January 20, 2009. While operating as a BDC, a part of its operations and consistent with the operating parameters of a BDC, the Company developed a number of relationships with its portfolio company investments, including members of the Company's board of directors becoming officers and directors of its portfolio company investments. The Company made loans to the portfolio companies and entered into management agreements with the portfolio companies. As a result of operating as a BDC and then converting to an operating company, a number of its previous relationships were originally required to be categorized as related party transactions. As a result of changes in relationships, i.e. no longer being actively involved in the operation of the investments, these investments are no longer considered affiliates. Other related party amounts and transactions are described as follows:

While operating as a BDC the Company had management contracts and made loans to its 60% owned subsidiary USN. These transactions are eliminated in consolidation with USN.

Related party amounts included in the balance sheet may be summarized as follows:

Accounts payable - related parties:

		2011		2010
Hank Durschlag	$	16,178	$	30,267
Brian Tuffin		9,260		-
Aitan Zacharin		21,640		-
Adam Adler		9,260		-
	$	56,338	$	30,267

Brian Tuffin is a shareholder, the Company's President, Chief Operating Officer and a director. Aitan Zacharin is a shareholder, the Company's director of Marketing and a director. Adam Adler is a shareholder, the Company's CEO and a director.

Transactions with related parties in the statement of operations for the three months ended June 30, 2011 and 2010 include:

	2011	2010
Management income - Efftec International, Inc.	$ -	$ 4,440

	2011	2010
Interest income - Efftec International, Inc.	$ -	$ 1,592

	2011	2010
Related party expenses:		
Prior CEO compensation	$ -	$ 3,000
New officer compensation	162,405	-
	$ 162,405	$ 3,000

Transactions with related parties in the statement of operations for the nine months ended June 30, 2011 and 2010 include:

	2011	2010
Management income - Efftec International, Inc.	$ -	$ 8,800

	2011	2010
Interest income - Efftec International, Inc.	$ -	$ 4,700

	2011	2010
Related party expenses:		
Hank Durschlag - former CEO	$6,000	$9,000
Non-cash compensation - Aitan Zacharin	144,000	-
Compensation of new officers and directors	164,605	-
	$314,605	$9,000

6. STOCKHOLDERS' EQUITY

Common stock

At June 30, 2011 and September 30, 2010, the Company had 100,000,000 shares authorized and 90,112,039 and 50,925,820 shares issued and outstanding, respectively, of its $0.001 par value common stock.

Transactions during the nine-month period ended June 30, 2011

During the nine months ended June 30, 2011, the Company issued (a) 5,539,219 shares of common stock upon conversion for convertible notes payable with a principal balance and accrued interest of $140,056; (b) 2,000,000 shares in pursuant to a license agreement for formulation technology valued at $78,000; (c) 23,297,000 shares in exchange for all of the outstanding common stock of FUSE; and (d) 1,950,000 shares pursuant to a consulting agreement valued at $175,500 for services to be performed over the next twelve (12) months.

Transactions during the year ended September 30, 2010

None.

Warrants

The Company issued five-year warrants to acquire 17,500,000 shares of its common stock at $0.12 per share as a part of the issuance of $525,000 of its 8% One Year Senior Secured Convertible Promissory Notes in a private placement. The warrants expire on June 19, 2016.

Options

During the three months ended June 30, 2011, the Company granted options to acquire up to 1,000,000 shares of its common stock to its independent directors and granted options to acquire up to 1,600,000 shares of its common stock to its independent advisory directors. The intrinsic value of $107,147 of the options was determined using the Black-Scholes method and will be amortized over the two year vesting period.

7. COMMITMENTS AND CONTINGENCIES

A vendor of the Company is claiming he is owed $40,200 for services rendered in 2008 and 2009, which amount is included in accounts payable. The attorney for the vendor has offered to accept $5,000 for full settlement of the obligation.

Consulting agreement - The Company entered into a consulting agreement with Mr. Durschlag under which he should receive $100,000 over the next year. In addition, in accordance with the terms of his patent assignment and technology transfer agreement, Mr. Durschlag is entitled to royalties on Fuse Science sales as follows:

Sales Range	Commission Rate	
$0 - $100,000	0.00	%
$100,001 - $10,000,000	5.00	%
$10,000,001 - $50,000,000	2.50	%

Employment agreements - The Company entered into at-will basis employment agreements with Adam Adler, Aitan Zacharin and Brian Tuffin under the same terms and conditions: $18,000 monthly salary, provided the Company has adequate funds to make such payment; monthly car allowance of $1,000; and a discretionary performance bonus.

8. DISCLOSURES ABOUT FAIR VALUE

Assets and liabilities measured at fair value on a recurring basis are summarized in the following tables according to FASB ASC 820 pricing levels.

		Fair Value Measurement Using		
	Recorded value	Quoted prices in active markets of identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2011				
Assets:				
Available-for-sale securities	$ 11,050	$ 11,050	$ -	$ -
September 30, 2010				
Assets:				
Available-for-sale securities	$ 55,806	$ 55,806	$ -	$ -

At June 30, 2011 and September 30, 2010, the Company's available-for-sale equity securities were valued using Level 1 inputs as summarized above. Level 1 inputs are based on unadjusted prices for identical assets in active markets that the Company can access.

Level 2 inputs are based on quoted prices for similar assets other than quoted prices in Level 1, quoted prices in markets that are not yet active, or other inputs that are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets. The Company does not have any investments that are measured on a recurring basis using Level 2 inputs.

Level 3 inputs have significant inputs which are not observable. The Company does not have any investments that are measured on a recurring basis using Level 3 inputs.

Certain assets are not carried at fair value on a recurring basis, including investments accounted for under the equity and cost methods. Accordingly, such investments are only included in the fair value hierarchy disclosure when the investment is subject to re-measurement at fair value after initial recognition and the resulting re-measurement is reflected in the consolidated financial statements.

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

FORWARD LOOKING STATEMENTS

From time to time, the Company may publish forward-looking statements relative to such matters as anticipated financial performance, business prospects, technological developments and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. All statements other than statements of historical fact included in this section or elsewhere in this report are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act of 1934. Important factors that could cause actual results to differ materially from those discussed in such forward-looking statements include, economic factors including, but not limited to, changes in interest rates and trends in disposable income; information and technological advances; competition; and success of marketing, advertising and promotional campaigns.

CRITICAL ACCOUNTING ESTIMATES AND POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us 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 periods. On an on-going basis, we will evaluate our estimates and judgments, including those related to revenue recognition, valuation of investments, accrued expenses, financing operations, contingencies and litigation. We will base our estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the "Notes to Financial Statements" included in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2011, we had a working capital deficit of $212,278 as compared to a working capital deficit of $237,252 at September 30, 2010.

We will need capital in the next twelve months which we expect to raise through private placements of our restricted common stock and convertible notes in order to pursue our development plan for FUSE.

RESULTS OF OPERATIONS

Comparison of three months ended June 30, 2011 to three months ended June 30, 2010 -

Revenues – We had management income in the three months ended June 30, 2010 of $2,933. We received 20,000 shares of Efftec common stock valued at $8,800, based on the trading price of the Efftec common stock on the date received, for management services provided to Efftec. The agreement was for a period of six months, and the remaining balance of $2,933 was reported during the three months ended June 30, 2010. We had no revenue during the 2011 period.

Related party services increased from $3,000 in 2010 to $162,405 in 2011, primarily due to the employment contracts discussed in Note 7 to the condensed consolidated financial statements.

Other general and administrative expense increased from $5,861 in the three months ended June 30, 2010 to $111,471 in the three months ended June 30, 2011. This increase is primarily a result of the increased level of professional services,(legal, accounting and consulting) involved with the fund raising and start-up of the business.

Other income (expense) for the three months ended June 30, 2011 and 2010 was as follows:

	2011	2010
Interest income - related party	$-	$1,309
Interest expense	(194,209)	(5,409)
	$(194,209)	$(4,100)

The increase in interest expense is primarily the $190,155 charge to expense for the beneficial conversion feature of the 8% Senior Secured Convertible Notes Payable, issued during the period.

Other comprehensive income amounted to a loss of $2,130 in the 2011 period and income of $22,552 in the 2010 period, from temporary changes in the value of the Company's investment in Efftec and NAEY.

Comparison of nine months ended June 30, 2011 to nine months ended June 30, 2010 –

Revenues – We had management income in the nine months ended June 30, 2010 of $8,800. We received 20,000 shares of Efftec common stock valued at $8,800, based on the trading price of the Efftec common stock on the date received, for management services provided to Efftec. The agreement was for a period of six months. We had no revenue during the 2011 period.

Related party services increased from $9,000 in 2010 to $170,605 in 2011, primarily due to the employment contracts discussed in Note 7 to the condensed consolidated financial statements.

Other general and administrative expense increased from $20,259 in the nine months ended June 30, 2010 to $155,771 in the nine months ended June 30, 2011. This increase is primarily a result of the increased level of professional services,(legal, accounting and consulting) involved with the fund raising and start-up of the business and the due diligence on the Company's acquisition of FUSE.

Non-cash compensation amounted to $144,000 for the 6,400,000 shares of common stock granted to Aitan Zacharin as an employment bonus, based on the value of the stock at the date of the grant.

Other income (expense) for the nine months ended June 30, 2011 and 2010 was as follows:

	2011	2010
Interest income - related party	$-	$4,700
Interest expense	(201,642)	(9,753)
Realized gain - related party	2,347	-
Other than temporary decline in available-for-sale securities	-	(13,280)
Miscellaneous	35	-
	$(199,260)	$(18,333)

The increase in interest expense is primarily the $190,155 charge to expense for the beneficial conversion feature of the 8% Senior Secured Convertible Notes Payable.

Other comprehensive income amounted to income of $5,773 in the 2011 period and a loss of $122,145 in the 2010 period, from temporary changes in the value of the Company's investment in Efftec and NAEY.

Liquidity and Capital Resources

The Company has not established sources of revenue sufficient to fund the development of business, projected operating expenses and commitments for the next twelve months. The Company had a loss of $667,436 for the nine months ended June 30, 2011, and had a unrealized gain of $5,773 on available-for-sale securities for a total comprehensive loss of $661,663. Expenses have been reduced to the minimum until additional capital can be obtained.

The Company expects to raise any necessary additional capital from the private placement of its restricted common stock and convertible promissory notes. On June 20, 2011, the Company completed an initial round of financing in a private offering (the “Offering”) made to a limited number of “accredited investors” pursuant to the exemptions from registration afforded by Rule 506 of Regulation D and under Section 4(2) of the Securities Act of 1933. The amount of the Offering was initially set at $400,000, increased to $500,000 to meet investor interest and ultimately closed at $525,000. In the Offering, the Company sold 21 units (the “Units”), each Unit consisting of a $25,000 principal amount, 8% one-year senior secured convertible promissory note (the “Note”) and a warrant (the “Warrant”) to purchase 833,334 shares of our common stock (the “Shares”).

Interest on the Notes accrues and is payable together with the principal amount of the Notes at maturity, which is one year from the date of issuance (the "Maturity Date"). The Notes are convertible at the option of the holders at any time prior to the Maturity Date, into Shares at a conversion price of $.03 per Share, subject to adjustment in the case of stock splits, stock dividends and similar recapitalization events. The Notes are secured by a first lien on the Company's assets.

The Warrants are exercisable at an exercise price of $.12 per Share for a period of five (5) years from issuance. The exercise price is subject to adjustment in the case of stock splits, stock dividends and similar recapitalization events. The Warrants may also be exercised on a cashless basis.

The Company is currently seeking additional investment capital to implement its business plan. There can be no assurance that the planned sale of common stock and convertible promissory notes will provide sufficient funding to develop the Company's current business plan.

Off Balance Sheet Arrangements

None.

Contractual Obligations

None.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Under the PCAOB standards, a control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit the attention by those responsible for oversight of the company's financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) and Rule 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended, as of June 30, 2011. Our management has determined that, as of June 30, 2011, the Company's disclosure controls and procedures are effective.

Changes in internal control over financial reporting

There have been no significant changes in internal controls or in other factors that could significantly affect these controls during the quarter ended June 30, 2011, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II – OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

None.

ITEM 1A: RISK FACTORS

Not applicable.

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

During the three months ended June 30, 2011, the Company issued (a) 3,485,546 shares of common stock upon conversion of convertible notes payable with a principal balance and accrued interest of $88,713; (b) 2,000,000 shares in pursuant to a license agreement for formulation technology valued at $78,000; (c) 23,297,000 shares in exchange for all of the outstanding common stock of FUSE; and (d) 1,950,000 shares pursuant to a consulting agreement valued at $175,500 for services to be performed over the next twelve (12) months.

All of the foregoing shares of common stock were issued pursuant to the exemption from registration afforded by Section 4(2) promulgated under the Securities Act of 1933, as amended.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

Not applicable.

ITEM 5: OTHER INFORMATION

Not applicable.

ITEM 6: EXHIBITS

(a) EXHIBITS

31.1 Certification pursuant to 18 U.S.C. Section 1350 Section 302 of the Sarbanes-Oxley Act of 2002

32.1 Certification pursuant to 18 U.S.C. Section 1350 Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURE

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

DOUBLE EAGLE HOLDINGS, LTD.

August 16, 2011	By:	/s/Adam Adler
	Adam Adler, Chief Executive Officer and Chief Financial Officer	