

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

**FORM 8-K**

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

Date of Report (Date of earliest event reported): February 4, 2010

**STRATUS MEDIA GROUP, INC.**

NEVADA  
(State or other jurisdiction  
of incorporation)

000-24477  
(Commission File Number)

86-0776876  
(IRS Employer Identification  
No.)

3 East De La Guerra Street, 2<sup>nd</sup> Floor  
Santa Barbara, California 93101  
(Address of principal executive offices)

Registrant's telephone number, including area code: 805-884-9977

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

On February 4, 2010, Stratus Media Group, Inc. (the “Company”) entered into an Amendment To Strategic Investment Agreement (the “Amendment”), dated as of January 26, 2010, with ProElite, Inc. (“PEI”) pursuant to which the parties agreed to amend the terms of that certain Strategic Investment Agreement (the “Agreement”) entered into between PEI and the Company dated October 9, 2009. The Amendment (i) provides for certain interim funding by the Company to PEI prior to the closing, and contains representations regarding the Company’s ability to provide all funds necessary to perform its obligations under the Agreement and the Amendment, (ii) extends the outside date for the Closing to March 31, 2010, (iii) conditionally provides for changes in the board and management of PEI, subject to the Company’s timely compliance with delivery of specified payments to PEI and third parties (the “Management Change”), (iv) credits against the Purchase Price certain expenses and amounts already loaned by the Company, (v) provides for the convertibility of amounts previously loaned into Preferred Stock of PEI on a pro-rata basis, (vi) provides that all of the conditions to closing in Section 6.1 of the Agreement, have been satisfied to date and that, notwithstanding such conditions (other than the condition regarding legal compliance and certain ministerial conditions), the Company is unconditionally obligated to consummate the purchase and other transactions contemplated by the Agreement and the Amendment and pay the full Purchase Price (applying such credits as provided in the Amendment), (vii) provides for a guarantee of certain obligations of the Company, (viii) provides for an enforcement mechanism independent of the newly appointed board and management until the Closing and (ix) provides for application of certain post-closing covenants to the interim period. This summary does not purport to be a complete summary of the Amendment, and is subject to the actual terms of the Amendment set forth on Exhibit 10.01 to this Current Report on Form 8-K, which exhibit is incorporated herein by reference.

On February 22, 2010 the Management Change was effected. The then current directors of PEI resigned; Paul Feller, Glenn Golenberg and Douglas DeLuca, the designees of the Company were appointed as the directors of PEI; Charles Champion resigned as Chief Executive Officer of PEI; and William Kelly, the designee of the Company, was appointed the President and Chief Operating Officer of PEI.

Item 3.02 Unregistered Sales of Equity Securities

Effective February 19, 2010, the Company sold to one accredited investor 500,000 Units, each Unit consisting of (a) one share of its Common Stock (a “Share”), and (b) ½ of a five year warrant (a “Warrant”) to purchase a Share at an exercise price of \$1.65 per Share. The purchase price of a Unit was \$1.00 resulting in gross proceeds of \$500,000. The Company paid \$35,000 in commissions and agreed to issue Warrants to the placement agent to purchase 50,000 Shares at an exercise price of \$1.65 per Share with respect to the private placement.

The Company has agreed to include the Shares and those issuable upon exercise of the Warrants requested by the holders to be so included in any registration statement with the SEC permitting the resale of such securities.

The Units sold were not registered under the Securities Act of 1933, as amended (the "Act") in reliance upon the exemption from registration contained in Section 4(2) of the Act and Regulation D promulgated thereunder. The Shares, Warrants and Shares issuable upon the exercise of the Warrants may not be reoffered or sold in the United States by the holders in the absence of an effective registration statement or exemption from the registration requirements of the Act.

The Company intends to use the net proceeds (\$465,000) to fund its immediate obligations and provide interim funding to PEI pursuant to the Amendment, (see Item 1.01) and for working capital for the Company.

ITEM 8.01 Other Events

On February 23, 2010, the Company issued a press release relating to its assumption of control of the board of directors and management of PEI

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
10.01	Amendment to Strategic Investment Agreement, dated as of January 26, 2010. The schedules and exhibits to the Agreement in this Exhibit 10.01 have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The descriptions of the omitted schedules and exhibits are contained within the Amendment. Company hereby agrees to furnish a copy of any omitted schedule or exhibit to the Commission upon request.
99.1	Press Release

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 hereunto duly authorized.

Date: February 26, 2010

STRATUS MEDIA GROUP, INC.

By: /s/ Paul Feller  
Paul Feller, Chief Executive Officer

**AMENDMENT TO STRATEGIC INVESTMENT AGREEMENT**

THIS AMENDMENT TO STRATEGIC INVESTMENT AGREEMENT (the “Amendment”) dated as of January 11, 2010 (the “Amendment Effective Date”) between Stratus Media Group, Inc., a Nevada corporation (“the Company”), and ProElite, Inc., a New Jersey corporation (the “Company”):

A. The Company and the Company entered into that certain Strategic Investment Agreement dated as of October 9, 2009 (the “Agreement”) pursuant to which PEI agreed to sell and the Company agreed to purchase shares of PEI’s preferred stock. Defined terms not defined herein shall have the meanings ascribed to them in the Agreement.

B. The Parties wish to amend the Agreement on the terms set forth below.

**ARTICLE I.****AMENDMENT OF AGREEMENT**

1.1. Article 5 is hereby amended by adding the following sections.

“Availability of Funds. the Company currently has, readily available, and under its control on an unrestricted basis (except only those restrictions set forth on Schedule 4.1(i) hereto, which for clarity, are not conditions to Closing or to the Company’s obligations, but merely modifications to this representation) all funds necessary to perform its obligations under the Agreement and the Amendment to provide interim funding and make the payments contemplated by Section 5.9 and 5.10(b) of the Amendment, and not later than the Outside Date will have, readily available, and under its control on an unrestricted basis (except only those restrictions set forth on Schedule 4.1(i) hereto, which for clarity, are not conditions to Closing or the Company’s obligations, but merely modifications to this representation) all funds necessary to consummate the purchase of all of the Preferred Shares contemplated to be purchased hereby.”

1.2. Article 5 is hereby amended by adding the following sections.

“5.9 Interim Funding. During the period between the Amendment Effective Date and the Closing, the Company shall continue to provide funding to PEI in accordance with the budget attached as Schedule A, it being acknowledged that, through the Amendment Effective Date, the Company has provided funding to PEI in the aggregate amount of \$228,894.23. All amounts so funded (the “Funded Payments”) shall be evidenced by promissory notes of PEI (each a “Note”) in the same form and having the same terms as the notes already issued to the Company in respect of advances of the Purchase Price. Any Note shall be convertible, at the option of SMG1, into shares of Preferred Stock on a pro rata basis based on the conversion ratio set forth in the Series A Certificate of Designation. To the extent applicable, the Funded Payments shall reduce the Closing Payments.

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5.10 Management Change.

(a) The Company is delivering the following resignations and written consents, which shall be (and may state that they are) subject to the Company's timely compliance with Section 5.10(b): (i) Charles Champion's resignation as Chief Executive Officer of PEI and the appointment of William Kelly as President and Chief Operating Officer of PEI; and (ii) the election by the current members of the board of directors by written consent of Paul Feller, Glenn Golenberg and Douglas De Luca to PEI's board of directors and the resignation of such current members.

(b) The Company shall promptly (but not later than the close of business on Friday, February 11, 2010):

(i) In satisfaction of PEI's obligations to Charles Champion, pay to Mr. Champion \$150,000 (the "Champion Payment") as follows: \$75,000 in cash and issuing to him restricted shares of the Company's Common Stock valued at \$2.30 per share.

(ii) Pay all amounts due as of the Amendment Effective Date pursuant to Section 5.9, and make the those portions of the "Closing Payments" to the persons specified in Section 5.6 of the Disclosure Schedule as specified on Schedule A.

(c) Notwithstanding Mr. Champion's resignation, upon new board members being appointed under Section 5.10(a), prior to the Closing he (or his designee or designees) shall be vested with the sole authority to take, at Company expense, with the same authority and protection as if specifically instructed by the board of directors, all appropriate action on behalf of PEI to enforce PEI's rights under the Agreement and Amendment, grant waivers thereunder or hereunder, execute any amendment to the Agreement or the Amendment on behalf of PEI and authorize any deliveries or other actions necessary for the Closing."

5.11. Credit to Purchase Price. The Purchase Price payable at Closing shall be reduced by the aggregate amount of the Funded Payments, the Champion Payment, all amounts paid to Gumbiner Savett, Inc. with respect to the audit and review of PEI's financial statements, and all amounts (not to exceed \$231,525) paid to William Kelly or assumed by the Company in connection with the amount owed by PEI to Mr. Kelly.

1.3. The Company agrees acknowledges that all of the conditions to closing in Section 6.1, have been satisfied to date and agrees that, notwithstanding such conditions (other than the conditions in Section 6.1(f) and 6.1(d)(i),(ii), (iv), (v) and (vi), which shall continue to be conditions to Closing in accordance with their terms; provided, that 6.1(d)(iv), (v) and (vi) need only be satisfied as of the Amendment Effective Date in order for such conditions to be deemed satisfied for all purposes), the Company is unconditionally obligated to consummate the purchase and other transactions contemplated by the Agreement and this Amendment and pay the full Purchase Price (as may be adjusted by Sections 5.9 and 5.11) as provided in amended Section 7.1 of the Agreement (see section 1.4 of this Amendment below). Additionally, the Company shall pay any additional amount required to purchase an extended discovery policy upon the Closing.

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1.4. Section 7.1 of the Agreement is hereby amended in its entirety by inserting the following in lieu thereof.

“The completion of any transactions of purchase and sale contemplated by this Agreement (the “Closing”) shall take place at the offices of TroyGould PC, 1801 Century Park East, Suite 1600, Los Angeles, California 90067 as soon as possible but in no event shall the Closing occur later than March 31, 2010 (the “Outside Date”) except that the Outside Date may be extended with approval of the Parties. In the event that the Closing has not occurred by the Outside Date, or in the event of any other material breach hereof by the Company, then in addition to any other remedies available to PEI, on five business days notice, the Company shall cause the Company Designees to appoint the designees of PEI to PEI’s board of directors (the “Company Designees”) and the Company Designees shall resign. The Company Designees shall be the individual(s) designated by Charles Champion.”

1.5. Section 9.1(b) of the Agreement is hereby amended by inserting the following in lieu thereof:

“(b) The Company, on the one hand, or the Company, on the other hand, if the Closing has not occurred by Outside Date because the non-terminating party has materially breached this Agreement and not cured such breach in a reasonable time; provided, the party purporting to terminate is not itself in material breach.”

1.7. Paul Feller shall deliver to PEI, at the Amendment Effective Date, a guarantee of certain obligations in form and substance satisfactory to PEI.

1.8. In addition to its post-Closing obligations under Section 8.3, the Company shall also comply with such section prior to the Closing after the board and management changes contemplated by Section 5.10 have become effective. In addition, those persons who are reasonably intended third party beneficiaries of the post-Closing obligations in Section 8.3 shall be deemed to have such status, notwithstanding anything contrary in the Agreement.

1.9. The Company may file this Amendment on Edgar.

## ARTICLE II.

### EFFECT OF AMENDMENT

Except as expressly provided herein, all of the terms of the Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF the Parties have executed this Amendment effective as of the Amendment Effective Date.

**PROELITE, INC.**

By: /s/ Charles Champion

\_\_\_\_\_  
Name: Charles Champion

Title: Chief Executive Officer

**STRATUS MEDIA GROUP, INC.**

By: /s/ Paul Feller

\_\_\_\_\_  
Name: Paul Feller

Title: President



## ProElite Relaunch under Management of Stratus Media Group

### International MMA Events Planned for 2010

SANTA BARBARA, Calif.--(BUSINESS WIRE)--February 23, 2010--Stratus Media Group, Inc. (OTCBB:SMDI), a live entertainment company, announced today that Stratus has assumed control over the board of directors and the management of ProElite Inc. (Pink Sheets:PELE), an entertainment and media company involved in the promotion of mixed martial arts (MMA).

“This acquisition allows Stratus and ProElite to combine forces at the management and board levels of both organizations,” stated Paul Feller, President and CEO of Stratus. “ProElite has a globally recognized brand. We believe that by combining select key experienced management executives, who made ProElite the immediate success it was, with new top executives with demonstrated successes in conducting and televising MMA events internationally and sufficient capital, that we will achieve the brand’s strategy for global growth and success. With this combination, we can start focusing on strengthening and repositioning ProElite events and the brand, planning a series of MMA events that we believe will bring excitement to the MMA market, fans and our shareholders and establish ProElite as a leading international MMA company.”

Founded in 2006, ProElite still holds the record for highest ratings for a major network telecast of a MMA event. ProElite also owns a web portal with social networking for MMA fighters and fans and live streams of MMA bouts not broadcast on television. A focal point of ProElite's live event promotions is Elite XC. Running its first show in 2007, it quickly became one of the most visible brands in mixed martial arts in the United States. Prior to the sale of specific assets which produce ongoing financial considerations owed from Strikeforce and King of the Cage, ProElite recorded \$13.5 million in MMA event and television revenues for the 18 months ended June 2008. ProElite has engaged in an extensive restructuring that included the sales of certain assets for cash and a share of future revenues, significant expense reductions, the elimination of \$12 million of direct and contingent liabilities and the shedding of unprofitable subsidiaries. The company maintains its ownership stake in South Korean-based Spirit MC, and British promotion Cage Rage.

#### **About ProElite, Inc. ([www.proelite.com](http://www.proelite.com))**

ProElite, Inc. historically has delivered exciting entertainment experiences in the world of mixed martial arts (MMA) with live arena-based entertainment events, cable television programming on Showtime Networks and community-driven interactive broadband entertainment via the Internet. ProElite plans to deliver live MMA fight events that showcase the world's top fighters internationally. ProElite's interactive business, ProElite.com, plans to capitalize on the growing popularity of the sport of mixed martial arts.

#### **About Stratus Media Group, Inc.**

Incorporated in November of 1998, Santa Barbara-based Stratus Media Group is an owner, operator and marketer of live entertainment and sporting events. The company is primarily focused on internal growth and acquisitions within the live entertainment-related market, including action sports, automotive shows, college sports, food events, motor sports, music concerts and festivals, running events, diversified media marketing, trade shows and expositions, and talent management. In addition, the company intends to expand its consumer rewards marketing and redemption activities through its Stratus Rewards Visa White Card -- providing exclusive redemption benefits to its cardholders in the form of VIP event access, luxury trips, private jet travel, luxury automobiles, high-end merchandise and other rewards for specified levels of use. For more information on Stratus Media Group, Inc., go to [www.stratusmediagroup.com](http://www.stratusmediagroup.com).

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## *Forward Looking Statements*

Statements in this press release relating to plans, strategies, economic performance and trends, projections of results of specific activities or investments, and other statements that are not descriptions of historical facts may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking information is inherently subject to risks and uncertainties, and actual results could differ materially from those currently anticipated due to a number of factors which include but are not limited to risk factors inherent in doing business. Although the company's management believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity, performance or achievements. The company has no obligation to update these forward-looking statements.

### CONTACT:

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