SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

SOUPMAN, INC.	Mailing Address	Business Address
CIK:**1475273**| IRS No.: **611638630** | State of Incorp.:**DE** | Fiscal Year End: **0831**	*1110 SOUTH AVENUE, SUITE 100*	*1110 SOUTH AVENUE, SUITE 100*
Type: **10-Q** | Act: **34** | File No.: **000-53943** | Film No.: **13528046**	*STATEN ISLAND NY 10314*	*STATEN ISLAND NY 10314*
SIC: **5960** Nonstore retailers		*212-768-7687*

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

FORM 10-Q

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

For the quarterly period ended **November 30, 2012**

or

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

For the transition period from _________to ________

Commission File Number: **000-53943**

SOUPMAN, INC.
(Exact name of registrant as specified in its charter)

Delaware	**61-1638630**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1110 South Avenue, Suite 100
Staten Island, New York 10314
(Address of principal executive offices) (Zip Code)

(212) 768-7687
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T 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 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 (Do not check if a 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 ☒

Number of shares of common stock outstanding as of January 11, 2013 was 31,404,390

Soupman, Inc. and Subsidiaries and Soup Kitchen International, Inc.
Consolidated Balance Sheets

	November 30, 2012 (Unaudited)	August 31, 2012
Assets		
Current Assets		
Cash	$ 207,343	$ 174,315
Accounts receivable - net	280,977	279,872
Prepaid expenses	44,116	26,474
Total Current Assets	532,436	480,661
Property and equipment - net	24,811	27,355
Other Assets		
Accounts receivable - related parties - net	16,910	2,799
Due from franchisee - related parties	25,826	-
Due from franchisee	5,742	5,742
Debt issue costs	198,173	191,358
Intangible assets - net	44,052	48,769
Other assets	32,689	32,188
Total Other Assets	323,392	280,856
Total Assets	**$ 880,639**	**$ 788,872**
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued liabilities	$ 3,483,887	$ 3,141,046
Accounts payable and accrued liabilities - related parties	240,594	224,436
Debt - net	4,947,724	4,357,059
Deferred franchise revenue	118,750	118,750
Derivative liabilities	375,524	513,493
Total Current Liabilities	9,166,479	8,354,784
Equity		
Series A convertible preferred stock, par value $0.001; 2,500,000 shares authorized;		
1,200,266 issued and outstanding	1,200	1,200
Common stock, par value $0.001; 75,000,000 shares authorized;		
31,277,640 and 30,904,790 issued and outstanding	31,278	30,905
Additional paid in capital	5,559,776	5,053,684
Accumulated deficit	(13,293,934)	(12,079,451)
Total stockholders' deficit	(7,701,680)	(6,993,662)
Noncontrolling interests	(584,160)	(572,250)
Total deficit	(8,285,840)	(7,565,912)
Total Liabilities and Stockholders' Deficit	**$ 880,639**	**$ 788,872**

See accompanying notes to consolidated financial statements

Soupman, Inc. and Subsidiaries and Soup Kitchen International, Inc.
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Sales		
Soup sales - net	$ 724,386	$ 330,561
Franchise sales	20,000	-
Franchise royalties	45,888	53,382
Total sales	790,274	383,943
Cost of sales	533,223	299,646
Gross profit	257,051	84,297
Operating expenses:		
General and administrative	1,120,399	1,208,282
Royalty	56,250	56,250
Total operating expenses	1,176,649	1,264,532
Loss from operations	(919,598)	(1,180,235)
Other income (expense)		
Interest income	4,906	-
Interest expense	(371,780)	(65,958)
Stock expense related to convertible notes	(47,750)	-
Prepayment of debt penalty	(26,500)	-
Change in fair value of derivative liabilities	134,329	-
Total other expense - net	(306,795)	(65,958)
Net loss including nocontrolling interest	(1,226,393)	(1,246,193)
Less: net loss attributable to noncontrolling interest	(11,910)	(26,605)
Net loss attributable to Soupman	$ (1,214,483)	$ (1,219,588)
Basic and diluted loss per common share:	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding during the period - basic and diluted	31,113,606	27,769,761

See accompanying notes to consolidated financial statements

Soupman, Inc. and Subsidiaries and Soup Kitchen International, Inc.
Consolidated Statement of Stockholders' Deficit
Three Months Ended November 30, 2012
(Unaudited)

	Preferred Stock $0.001 Par Value		Common Stock $0.001 Par Value		Additional Paid-in	Accumulated	Noncontrolling	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Interest	Deficit
Balance, August 31, 2012	**1,200,266**	**1,200**	**30,904,790**	**30,905**	**5,053,684**	**(12,079,451)**	**(572,250)**	**(7,565,912)**
Stock based compensation	-	-	-	-	4,612	-	-	4,612
Issuance of common stock for services rendered ($0.55 - $0.72/share)	-	-	170,000	170	296,774	-	-	296,944
Issuance of common stock on notes payable ($0.55 - $0.65/share)	-	-	121,600	122	74,918	-	-	75,040
Issuance of common stock for nonpayment of notes payable ($0.50 - $0.61/share)	-	-	81,250	81	47,669	-	-	47,750
Reclassification of derivative liability for early payment of note	-	-	-	-	41,653	-	-	41,653
Reclassification of debt issue cost liability for warrants issued					40,466			40,466
Net loss	-	-	-	-	-	(1,214,483)	(11,910)	(1,226,393)
Balance, November 30, 2012	**1,200,266**	**$ 1,200**	**31,277,640**	**$ 31,278**	**$5,559,776**	**$ (13,293,934)**	**$ (584,160)**	**$ (8,285,840)**

See accompanying notes to consolidated financial statements

Soupman, Inc. and Subsidiaries and Soup Kitchen International, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	Three Months Ended November 30, 2012	Three Months Ended November 30, 2011
Cash Flows From Operating Activities:		
Net loss	$ (1,226,393)	$ (1,246,193)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	4,891	-
Stock issued for non payment of note payable	47,750	
Depreciation	2,544	2,523
Amortization of intangibles	4,717	4,717
Amortization of debt discount	187,718	-
Amortization of debt issue cost	70,131	-
Stock issued for services	296,944	387,500
Change in fair market value of derivative liabilities	(134,329)	-
Stock based compensation	4,612	139,637
Changes in operating assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable	(5,996)	(64,549)
Accounts receivable - related party	(14,111)	12,941
Other assets	(501)	-
Prepaid expenses	(17,642)	7,148
Increase (Decrease) in:		
Accounts payable and accrued liabilities	342,841	425,050
Accounts payable and accrued liabilities - related parties	16,158	-
Net Cash Used in Operating Activities	(420,666)	(331,226)
Cash Flows From Investing Activities:		
Proceeds from notes receivable - franchisees	-	143,482
Proceeds from note receivable - other	-	2,000
Advance in connection with sale of franchisee - related party	-	(73,333)
Due from franchisee - related party	(25,826)	-
Net Cash (Used in) Provided by Investing Activities	(25,826)	72,149
Cash Flows From Financing Activities:		
Proceeds from issuance of notes	569,000	-
Repayment of debt	(53,000)	(64,755)
Proceeds from issuance of common stock and warrants	-	9,000
Cash paid for direct offering costs of convertible notes payable and issuance of common stock	(36,480)	-
Net Cash Provided by (Used in) Financing Activities	479,520	(55,755)
Net increase (decrease) in cash	33,028	(314,832)
Cash at beginning of period	174,315	343,927
Cash at end of period	$ 207,343	$ 29,095
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ 34,846	$ 56,961
Cash paid for taxes	$ -	$ -
Supplemental disclosures of non-cash investing and financing activities:		

Reclassification of derivative liability to additional paid in capital	$	41,653	$	-
Debt discount recorded on convertible debt	$	38,013	$	-
Common stock issued in connection with debt financing - treated as debt discount	$	75,040	$	-
Debt issue cost	$	40,466		
Reduction of accrued payroll - related party and related reduction of due from franchise - related party	$	-	$	32,888
Stock options exercised for subscription	$	-	$	100,000
Conversion of preferred stock to common stock	$	-	$	227

See accompanying notes to consolidated financial statements

Soupman, Inc. and Subsidiaries and Soup Kitchen International, Inc.
Notes to Consolidation Financial Statements
November 30, 2012
(Unaudited)

Note 1 Description of Business

Passport Arts, Inc. ("PPOR" or the "Company") was incorporated in the State of Nevada on December 2, 2008 and sold art from an on-line gallery. On January 31, 2011, PPOR reincorporated in Delaware, and changed its name to Soupman, Inc.

On December 15, 2010, PPOR acquired The Original Soupman, Inc. ("OSM") and OSM's wholly-owned subsidiary, International Gourmet Soups, Inc. ("IGS") which owns 80% of Kiosk Concepts, Inc. ("Kiosk"), collectively "the Company" and ceased its art sales business.

The Company manufactures and sells a variety of soups to grocery chains and franchisees.

Note 2 Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they may not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The results for the interim period are not necessarily indicative of the results to be expected for the full year.

The unaudited interim consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended August 31, 2012, which contains the audited financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operation, for the year ended August 31, 2012. The interim results for the period ended November 30, 2012 are not necessarily indicative of results for the full fiscal year.

Note 3 Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of Soupman, Inc. and its wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The Company reports non-controlling interests in one of its subsidiaries as a component of equity separate from the Company's equity. All significant intercompany transactions and balances have been eliminated in consolidation.

Reclassification

The Company has reclassified certain prior period amounts to conform to the current period presentation including the restatement previously mentioned. These reclassifications had no effect on the financial position, results of operations or cash flows for the periods presented.

Uses of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions impact both assets and liabilities, including but not limited to: net realizable value of accounts receivable, estimated useful lives and potential impairment of property and equipment, the valuation of intangible assets, estimate of fair value of share based payments and derivative liabilities, estimates of tax liabilities and estimates of the probability and potential magnitude of contingent liabilities.

Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future non-conforming events. Accordingly, actual results could differ significantly from estimates.

Risks and Uncertainties

The Company's operations are subject to risk and uncertainties including financial, operational, regulatory and other risks including the potential risk of business failure. These conditions may limit our access to capital. See Note 13 – Going Concern.

The Company has experienced, and in the future expects to continue to experience, variability in its sales and earnings. The factors expected to contribute to this variability include, among others, (i) the uncertainty associated with the success of franchisees, (ii) the cyclical nature of the soup business, (iii) general economic conditions and (iv) the related volatility of prices pertaining to the cost of sales.

Cash

The Company minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution(s). The balance at times may exceed federally insured limits; at November 30, 2012 and August 31, 2011, respectively, the balances exceeded the federally insured limit by $0 and $9,183, respectively. The Company has no cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

The Company recognizes an allowance for losses on its accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges taken for the three months ended November, 30, 2012 and 2011, respectively.

Intangible Assets

Amortization of identifiable intangible assets is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Intangible assets are reviewed quarterly for impairment or if indicators of potential impairment exist. There were no impairment charges taken for the three months ended November 30, 2012 and 2011, respectively.

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.

- Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The following are the major categories of liabilities measured at fair value on a recurring basis as of November 30, 2012 and 2011, using quoted prices in active markets for identical liabilities (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	November 20, 2012	August 31, 2011
Derivative Liabilities (Level 3)	$ 375,524	$ 513,493

The Level 3 valuation relates to derivative liabilities measured using management's estimates of fair value as well as other significant inputs, such as volatility and risk free interest rate, which may be unobservable. See Note 9.

The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair value estimates are based upon pertinent information available. The Company has determined that the carrying value of all financial instruments approximates fair value. The Company's financial instruments consist primarily of accounts receivable, prepaid expenses, accounts payable and accrued liabilities and debt. The carrying amounts of the Company's financial instruments generally approximated their fair values as of November 30, 2012 and August 31, 2012, respectively, due to the short-term nature of these instruments.

Derivative Liabilities

Fair value accounting requires bifurcation of embedded derivative instruments, such as ratchet provisions or conversion features in convertible debt or equity instruments, and measurement of their fair value. In determining the appropriate fair value, the Company uses the Black-Scholes pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once derivative liabilities are determined, they are adjusted to reflect fair value at the end of each reporting period. Any increase or decrease in the fair value is recorded in results of operations as a change in fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes pricing model.

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The discount is amortized to interest expense over the life of the debt.

Debt Issue Costs and Debt Discount

The Company may pay debt issue costs, and record debt discounts in connection with raising funds through the issuance of convertible debt. These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Share-based payments

Generally, all forms of share-based payments, including stock option grants, warrants, restricted stock grants and stock appreciation rights are measured at their fair value on the awards' grant date, based on estimated number of awards that are ultimately expected to vest. Share-based compensation awards issued to non- employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable.

Fair value of stock options and warrants, is determined using a Black-Scholes pricing model, which incorporates assumptions about expected volatility, risk free rate, dividend yield, and expected life. Compensation cost for share-based awards is recognized on a straight-line basis over the vesting period.

Revenue Recognition

Revenue is recorded when all of the following have occurred: (1) persuasive evidence of an arrangement exists, (2) asset is transferred to the customer without further obligation, (3) the sales price to the customer is fixed or determinable, and (4) collectability is reasonably assured.

The Company recognizes sales when products are received by the customer and the risk of ownership is transferred. The Company does not maintain inventory.

Revenues from individual franchise sales are recognized when substantially all significant services to be provided by the Company have been performed.

Royalty fees are charged to the franchisee at 5% of the franchisee's gross sales and recorded when charged.

Sales discounts and promotions, such as “buy one, get one free”, and slotting fees are netted against soup revenue.

The Company does not offer a right of return.

The Company charges its franchisees an advertising fee equal to ½% of their sales revenue and initially carries this fee as a liability which is included as a component of accounts payable and accrued liabilities until advertising dollars are spent.

Cost of Sales

Cost of sales represents costs directly related to the production and third party manufacturing of the Company’s products and the freight costs associated with the delivery of the product.

Shipping and Handling

Soup sold is typically shipped directly to the customer from the third party manufacturer; costs associated with shipping and handling is shown as a component of cost of sales.

Advertising

The Company expenses advertising costs when incurred.

Advertising expensed for the three months ended November 30, 2012 and 2011 is as follows:

	2012	2011
Advertising	$ 38,748	$ 3,118

Earnings (Loss) Per Share

Basic earnings/loss per share (“EPS”) is computed by dividing net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of warrants), and convertible debt, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive.

The Company has the following potential common stock equivalents at November 30, 2012 and August 31, 2012:

	November 30, 2012	August 31, 2012
Stock options (exercise price - $0.50 - $0.75/share)	1,975,000	1,975,000
Warrants (exercise price $0.75- $1.25/share)	2,035,852	1,952,135
Convertible Series A preferred shares (exercise price $0.001/share)	1,200,266	1,200,266
Convertible debt - derivatives liabilities (exercise price $0.29 - $1/share)	1,988,208	2,556,016
Total common stock equivalents	7,199,326	7,683,417

Certain of the outstanding convertible debt and warrants contain ratchet provisions that would cause variability in the exercise price at the balance sheet date. As a result, common stock equivalents may change at each reporting period.

The Company reflected a net loss for the three months ended November 30, 2012 and the year ended August 31, 2011; therefore, the effect of considering any common stock equivalents would have been anti-dilutive; consequently, a separate computation of diluted earnings (loss) per share is not presented.

Segments

The Company operates in only one segment.

Variable Interest Entities

A variable interest entity is a legal entity, other than an individual, used for business purposes that either (a) has equity investors that do not provide sufficient financial resources for the entity to support its activities, or (b) has equity investors that lack certain characteristics of controlling interest.

A legal entity is required to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or is entitled to receive a majority of the entity's residual returns or both.

On December 29, 2009, OSM purchased all of the assets of Soup Kitchen International, Inc. and its subsidiaries ("Soup Kitchen") for $100,000 and guaranteed $3,670,000 of Soup Kitchen's secured debt. In addition, OSM agreed to pay Soup Kitchen royalties of 1% of all of OSM sales for five years (through 2014), which will represent substantively all of Soup Kitchen's revenue. See Note 8(C) regarding amounts still under guarantee.

The guaranty of the secured debt was a significant part of the Acquisition, because the assets acquired by OSM comprised substantially all of the income producing assets of Soup Kitchen, creating an obligation on the part of OSM that is almost certain to occur. In addition, the assets securing the debt were the assets obtained in the acquisition.

Management has determined that Soup Kitchen is a variable interest entity. Accordingly, the remaining post-acquisition net assets of Soup Kitchen have been consolidated with OSM's net assets as of December 29, 2009; however, each entity still maintains its separate legal existence.

Non-controlling Interest

In December 2009, OSM acquired 80% of Kiosk, and reported the third party's 20% as a non-controlling interest. As part of the Company's merger in December 2010 with OSM, the Company began to report this non-controlling interest on its financial statements.

Concentrations

Accounts Receivable

The following table shows significant concentrations in our accounts receivable at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	22%	-
B	11%	-
C	9%	-
D	8%	-
E	7%	7%
F	6%	-

Vendors

The following table shows significant concentrations in our purchases at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	58%	73%
B	42%	27%

Sales

The following table shows significant concentrations in our revenues for the three months ended November 30, 2102 and 2011.

	2012	2011
A	31%	72%
B	8%	-
C	7%	-
D	6%	-
E	5%	-
F	5%	-

Recent Accounting Pronouncements

There are no new accounting pronouncements that have any impact on the Company's consolidated financial statements.

Note 4 Accounts Receivable / Accounts Receivable - Franchisee – Related Parties

In connection with certain debt financings, all accounts receivables serve as collateral; see Note 8(C).

Accounts receivable consisted of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Accounts receivable	$ 306,967	$ 298,659
Allowance for doubtful accounts	(25,990)	(18,787)
Accounts receivable – net	$ 280,977	$ 279,872

Related-parties accounts receivable consisted of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Accounts receivable	$ 38,751	$ 31,591
Allowance for doubtful accounts	(21,841)	(28,792)
Accounts receivable – net	$ 16,910	$ 2,799

Note 5 Prepaid Expenses

Prepaid expenses consist of the following as of November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Prepaid insurance	$ 24,190	$ 25,359
Prepaid freight	19,286	-
Prepaid other	640	1,115
Prepaid and other expenses – net	$ 44,116	$ 26,474

Note 6 Property and Equipment

Property and equipment consist of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012	Life
Vehicles	$ 11,843	$ 11,843	5 years
Equipment	21,843	21,843	5-7 years
Furniture and fixtures	12,410	12,410	5 years
Total	46,096	46,096	
Less: accumulated depreciation	(21,285)	(18,741)	
Property and equipment – net	$ 24,811	$ 27,355	

Note 7 – Intangible Assets

Intangible assets consist of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012	Life
Soup formulas	$ 27,418	$ 27,418	5 years
Recipes	53,750	53,750	4 years
Total	81,168	81,168	
Less: accumulated amortization	(37,116)	(32,399)	
Intangible assets-net	$ 44,052	$ 48,769	

The estimated future amortization expense of intangible assets is as follows:

Fiscal Year ended August 31,	Amount
2013 (remaining 9 months)	$ 14,204
2014	18,921
2014	9,344
2015	1,583
Total	$ 44,052

Note 8 – Debt

Debt consists of the following at November 30, 2012 and August 31, 2012:

	November 30, 2012	August 31, 2011
A. Convertible debt – Unsecured – Derivative Liabilities	$ 601,000	$ 570,250
Less : debt discount	(73,824)	(140,822)
Convertible debt – net	527,176	429,428
B. Convertible debt – Unsecured	954,000	650,000
Less : debt discount	(255,599)	(263,266)
Convertible debt – net	698,401	386,734
C. Notes – Secured	2,990,897	2,990,897
D. Notes – Unsecured	731,250	550,000
Total debt	$ 4,947,724	$ 4,357,059

Debt in default consists of secured and unsecured notes totaling $1,883,750 and $1,462,500 at November 30, 2012 and August 31, 2012, respectively.

The corresponding debts above are more fully discussed below:

(A) Convertible Debt – Unsecured – Derivative Liabilities

During the three months ended November 30, 2012, the Company issued convertible unsecured debt and warrants that had an embedded conversion feature. The convertible debt includes the following terms:

		November 30, 2012
Interest Rate		8%
Default interest rate		N/A
Maturity		March 21, 2013 to May 30, 2013
Conversion terms	Fixed conversion price of $1.00	$ 265,000

The debt holders are entitled, at their option, to convert all or part of the principal and accrued interest into shares of the Company's common stock at the conversion prices and terms discussed above. In addition the Company issued 66,250 3-year warrants in connection with these convertible notes.

The Company classifies embedded conversion features in these notes and warrants as a derivative liability due to the existence of anti-dilution provisions in the form of a ratchet feature; see Note 9. These notes will automatically convert into common shares of the Company upon the Company raising $2 million or more in additional funding, on the same terms and conditions as provided to the new investor(s).

During the three months ended November 30, 2012 the Company repaid $53,000 of its convertible unsecured debt - derivative liability and paid an early payment penalty of $26,500, which is shown on the Company's consolidated statement of operations as a loss entitled "Prepayment of debt penalty."

Balance - August 31, 2012	$	570,250
Borrowings during the year ended August 31, 2012		265,000
Reclassification from convertible to unsecured demand notes		(181,250)
Repayment of convertible debt		(53,000)
Balance – November 30, 2012	$	601,000

(B) Convertible Debt – Unsecured

During the three months ended November 30, 2012 the Company issued convertible debt. The convertible debt includes the following terms:

Interest Rate		12%
Default interest rate		N/A
Term		1 year
Maturity		September 20, 2013 to October 15, 2013
Conversion terms	Fixed conversion price of $0.75	304,000

The debt holders are entitled, at their option, to convert all or part of the principal and accrued interest into shares of the Company's common stock at the conversion prices and terms discussed above. In addition, the Company issued 121,600 shares of its common stock in connection with these convertible notes (which was recorded as debt discount); see note 8(E). Debt holders are also entitled to receive 12,500 shares per $100,000 invested should their loans not be repaid within 3 months from the date of the loan; see Note 14 for any shares issued under these terms.

In connection with these borrowings, the Company incurred debt issue costs of $76,946. In connections with all borrowings $70,130 was amortized during the three months ended November 30, 2012; the remaining balance of $198,173 will be amortized during the 12 months ended November 30, 2013.

Should the Company raise $1 million in this series of notes (in which $954,000 has been raised), all debt holders of this series of notes could receive either a portion (not to exceed the full amount) of their investment or the full amount of their investment back prior to maturity based on additional funding. The amount received shall be either 8% of the then funded amount (if additional funding is less than $3 million) or an amount equal to 100% of their investment plus accrued interest if the addition funding is in excess of $3 million. To date, the amount raised under this investment has not exceeded $1 million; therefore no amounts are due investors.

In addition, in the event the Company defaults on these loans (defined as nonpayment of note within three months after maturity) debt holders at their option, may convert the amount then due (including accrued interest) into common shares of the Company at a 35% discount to the average of the then lowest three days closing prices for the then preceding 20 days. As of the date of this filing, no notes were in default; however should the Company default on these notes, they will be treated as a derivative liability.

Convertible debt consists of the following activity and terms:

Balance - August 31, 2012	$ 650,000
Borrowings during the three months ended November 30, 2012	304,000
Repayment of convertible debt	-
Balance – November 30, 2012	$ 954,000

(C) Notes - Secured

Secured notes consist of the following activity and terms:

		Interest Rate (Range)	Maturity Date (not in default)
Balance - August 31, 2012	$ 2,990,897		
Repayment of debt	-		
Accrued interest	-	7% - 12.25%	September 1, 2013
Balance – November 30, 2012	$ 2,990,897		

During the three months ended November 30, 2012 the Company accrued $66,754 in interest on its secured debt and made payment of $30,709 on accrued interest.

In May, 2011 the Company entered into a 13-month forbearance agreement with a secured debt holder to avoid default. As part of the agreement, the Company was to reserve 500,000 of its common shares for the benefit of the debt holder. In August 2012, the Company entered into a second 13-month forbearance agreement with the same debt holder (representing $1,500,000 of the Company's secured debt.) The debt holder received 550,000 shares of the Company's common stock, having a fair value of $396,000 ($0.72/share) based on the quoted closing trading price of the Company's stock on the date of the forbearance, which was charged to other expense; the debt holder also received the 500,000 shares (which were previously reserved for the benefit of the debt holder), having a fair value of $425,000 ($0.85/share) based on the closing price of the Company's stock, which was recorded to debt. Per the second forbearance agreement, proceeds from the debt holder's sale of the original 500,000 shares will reduce the amount owed the by the Company to the debt holder dollar-for-dollar but not to exceed the total amount of the debt. The Company will review the debt holder's sales of these shares on a quarterly basis, and may either decrease or increase the Company's recorded debt based on the dollar amount received from the stock sales, offsetting the aggregate as either a gain on or loss from debt settlement.

The remaining $1,200,000 of the secured notes (the 7% note) represents an amount owed to one of the Company's co-packers and is in default.

Secured notes are secured by all the assets of the Company.

The total amounts owed to both secured debt holders represent amounts owed by SKI which were guaranteed by the Company; see Note 3 - VIE.

(D) Notes - Unsecured

Unsecured notes consist of the following activity and terms:

Balance - August 31, 2012	550,000
Borrowings during the year ended August 31, 2012	-
Reclassification from convertible to demand debt	181,250
Repayment of debt	-
Balance – November 30, 2012	$ 731,250

During the three months ended November 30, 2012, the Company reclassified convertible debt that had past its maturity date to unsecured due-on-demand debt. On the date of maturity, these notes were no longer convertible.

Unsecured notes at November 30, 2012 consist of the following:

Amount	Information	Status
$ 683,750	Represented convertible debt not paid by maturity date	Due on demand
$ 10,000	Represents an advance from a third party.	Due on demand
$ 37,500	The Company is in litigation regarding this debt; see Note 13.	Due on demand

(E) Debt discount

For the three months ended November 30, 2012, the Company recorded debt discounts totaling $113,053.

Debt discount – net consists of $73,824 related to notes that contained embedded conversion options that are required to be bifurcated and reported at fair value (see Note 8 (A)) and, $255,599 related to convertible debt that contained a beneficial conversion feature (see Note 8(B)).

	November 30, 2012
Total outstanding debt	$ 5,277,147
Debt discount	(940,150)
Amortization of debt discount to interest expense	610,727
Debt – net	$ 4,947,724

The Company recorded debt discount relating to its derivative liabilities to the extent of gross proceeds raised in its debt financing transactions, and immediately expensed the remaining value of the derivative if it exceeded the gross proceeds of the note. The Company recorded no such derivative expense for the three months ended November 30, 2012.

Note 9 – Derivative Liabilities

The Company identified conversion features embedded within convertible debt and warrants (see Note 8(A)).

The fair value of the Company's derivative liabilities at November 30, 2012 is as follows.

	November 30, 2012
Derivative liabilities– August 31, 2012	$ 513,493
Fair value at the commitment date for convertible notes	18,026
Fair value at the commitment date for warrants issued	19,987
Reclassification to additional paid in capital for financial instruments that ceased to be a derivative liability	(41,653)
Fair value mark-to-market adjustment	(134,329)
Derivative liabilities– November 30, 2012	$ 375,524

The fair value at the commitment and re-measurement dates for convertible debt and warrants that are treated as derivative liabilities with embedded conversion features were based upon the following management assumptions for the three months ended November 30, 2012:

	Commitment Date	Re-measurement Date
Exercise price	$0.80 - $1.00	$0.80 - $1.00
Expected dividends	0%	0%
Expected volatility	104% -110%	104%-104%
Expected term: convertible debt and warrants	6 months – 3 years	4.06 months – 3 years
Risk free interest rate	0.14% - 0.36%	0.03% - 0.43%

Note 10 Deferred Franchise Revenue

Deferred franchise revenues result from payments received from new franchises prior to the Company's performance under the terms of the franchise agreements. Often these payments are made before stores locations have been identified. One new franchisee was sold in the three months ended November 30, 2012 and all requirements were met to recognize the revenue. There were no franchises sold for the three months ended November 30, 2011. The Company has not performed the required services to recognize this deferred franchise revenue as revenue given that they have not performed all of the necessary required steps including identifying and accepting a sufficient location.

Note 11 Stockholders' Deficit

(A) Series A – Convertible Preferred Stock

Holders of the Company's preferred shares have no voting rights and receive no dividends, but receive $1.00 per share in the case of liquidation of the Company. This series of shares convert on a 1:1 basis at par value ($0.001) into shares of the Company's common stock. In the event that shares are issued, the Company will evaluate for beneficial conversion features.

Series A convertible preferred stock consists of the following activity for the three months ended November 30, 2012:

Balance - August 31, 2012	$ 1,200,266
Shares issued	-
Shares converted to common stock	(-)
Balance – November 30, 2012	$ 1,200,266

(B) Common Stock

For the three months ended November 30, 2012 the Company issued the following shares of common stock:

Type	Shares	Fair value	Range of value per share
1. Stock issued for services	170,000	$ 110,425	$ $0.55 - $0.72
2. Stock issued in connection with convertible debt (see Note 8(B))	121,600	$ 75,040	$ $0.55 - $0.65
3. Stock issued in connection with notes payable (see Note 8(B))	81,250	$ 47,750	$ $0.50 - $0.61

Unless otherwise indicated, fair value for the share issued was based upon the quoted closing trading price on the dates shares were issued.

In June of 2012, the Company entered into an employment agreement with one of its directors. Under the agreement the Company agreed to issue the following assuming the director is still employed:

(1) 200,000 shares of common stock on June 1, 2013
(2) 200,000 shares of common stock on January 1, 2014
(3) 200,000 shares of common stock on June 1, 2014
(4) 200,000 shares of common stock on January 1, 2015
(5) Up to 400,000 shares of common stock if the Company's stock price reaches certain targets
(6) Up to 500,000 shares of common stock based on future sales of the Company

The Company determined the agreement contains a combination of service, market and performance conditions as defined under ASC 718. Additionally, the Company determined the fair value of these awards to be $1,033,350. During the three months ended November 30, 2012, $186,519 of compensation cost was recognized under this agreement, leaving $846,831 of compensation cost to be recognized through June 1, 2015.

(C) Stock Options

The Company had no stock option grants for the quarter ended November 30, 2012.

The fair value for the Company's option expensed for the three months ended November 30, 2012 was based upon the following management assumptions:

	2012	2011
Exercise price	$ 0.75	$ 0.50
Expected dividends	0%	0%
Expected volatility	150%	150%
Risk fee interest rate	1.92%	2.01%
Expected life of option	10 years	5 years
Expected forfeitures	0%	0%

The following is a summary of the Company's stock option activity for the three months ended November 30, 2012:

	Options	Weighted Average	Weighted Average	Aggregate Intrinsic

		Exercise Price	Remaining Contractual Life	Value
Balance – August 31, 2012	1,975,000	$ 0.53	8.45 years	
Granted	-	$ -		
Exercised	-	$ -		
Forfeited	(-)	$ -		
Balance – November 30, 2012	1,975,000	$ 0.53	3.69 years	88,750
Outstanding options held by related parties (November 30, 2012)	1,450,000			
Exercisable options held by related parties (November 30, 2012)	1,450,000			
Exercisable options held by third parties (November 30, 2012)	375,000			

The following is a summary of the Company's unvested stock options at November 30, 2012.

	Un-vested Stock Options	Weighted Average Grant Date Fair Value
Unvested – August 31, 2012	150,000	$ 0.59
Granted	-	-
Vested/Exercised	-	-
Forfeited/Cancelled	(-)	-
Unvested – November 30, 2012	150,000	$ -
Weighted average remaining life for vesting	1.13 years	

The Company expensed $4,612 for the quarter ended November 30, 2012 related to vested options.

(D) Stock Warrants

The following is a summary of the Company's stock warrant activity for the three months ended November 30, 2012:

	Number of Warrants	Weighted Average Exercise Price
Balance at August 31, 2012	1,952,135	$ .98
Granted	127,050	$ .88
Exercised	-	-
Forfeited/Cancelled	43,333	.75
Balance at November 30, 2012	2,035,852	$ .98

Warrants issued for the quarter ended November 30, 2012 included 66,250 to the new convertible note holders in association with the issuance of convertible notes and 60,800 to a placement agent which brought in convertible notes. The forfeited/cancelled warrants are also associated with the replacement as a correction of the warrants issued in the quarter ended August 31, 2012.

	Warrants Outstanding			Warrants Exercisable		
Range of exercise price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	Intrinsic Value
$ 0.75 -$1.25	2,035,852	1.80	$ .98	2,035,852	.98	$ 0

Note 12 Commitments and Contingencies

Commitments

The Company is obligated to pay the minority stockholder of Kiosk an amount equal to 3% of the gross sales of all of its soup on the first $50,000,000 of gross sales, 2% on gross sales between $50,000,000 and $75,000,000, and 1% on gross sales thereafter. The Company is required to pay a minimum of $225,000 per year if the gross sales threshold is not met. Payments are due quarterly for ongoing services through June 30, 2014 and if these services, such as changing recipes, are not performed, payments would not be due. Future annual payments are as follows:

2013 (remaining 9 months)	$	168,750
2014		187,500
Total	$	356,250

For the three months ended November 30, 2012, and 2011, the Company recorded a royalty expense of $56,250.

The Company is obligated to issue 10,000 shares of its common stock to a key employee each month. In addition the Company has agreed to issues an additional 800,000 shares (400,000 each on June 1, 2013 and June 1, 2014) to its Chairman, plus up to an additional one-million shares based on the Company sales and stock performance.

The Company is obligated to pay a consultant 267,108 shares, which vest monthly through July 2013.

Litigations, Claims and Assessments

From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business.

On September 21, 2009, a former Chairman of the Board of Soup Kitchen as successor to Commerce Bank (the "lender") commenced an action to enforce certain guarantees given by the defendants to the lender regarding Soup Kitchen's defaulted loan. In August 2011 the Company entered into a forbearance agreement with this individual which was extended in August 2012 to September 2013; see Note 8(C).

On May 31, 2010, a chapter 7 petition for involuntary bankruptcy was filed against Soup Kitchen.

On October 26, 2010, a third party action was filed in the Soup Kitchen bankruptcy case by the defendants against the Company, certain principals of the Company and other third parties. The action seeks, among other things, to invalidate the Company's purchase of assets from Soup Kitchen. The Company is defending this action believing it to be without merit, especially in the light of the facts that (1) an independent appraisal was performed prior to the asset transfer, (2) an additional independent appraisal was performed by a third party in May of 2012, which showed Soup Kitchen had no value, (3) the Company paid $100,000 in cash and guaranteed secured debt in the amount of approximately $3,670,000; and (4) shareholder approval was obtained. Mediation in this case is still ongoing.

Soupman, Inc. is one of several defendants in a lawsuit filed by Gourmet Sales and Marketing, LLC ("GSM") in July 2011. GSM claims that it is owed $37,500 in sales commissions based upon an August 2009 sales and marketing agreement. Aside from the claim for an accounting, compensatory damages and/or punitive damages are demanded with respect to the other claims. The Company served its answer to the complaint in October 2011, in which they denied the allegations of the complaint with respect to the claims of liability and asserted numerous defenses and affirmative defenses. The matter is now in the discovery phase of litigation. In Company counsel's opinion, the complaint lacks merit as the agreement that forms the basis of GSM's claims may be invalid and unenforceable, GSM is not owed any money, and the Company believes that punitive damages are without basis.

No assurance can be given as to the ultimate outcome of these actions or its effect on the Company. If the Company is not successful in its defense of these actions it could have a material adverse effect on its business, as well as current and expected future operations.

Note 13 Going Concern

As reflected in the accompanying financial statements, the Company had a net loss of approximately $1.2 million and net cash used in operations of approximately $0.4 million for the three months ended November 30, 2012, and a working capital deficit of approximately $8.6 million and a stockholders' deficit of approximately $8.3 million at November 30, 2012. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue its operations is dependent on management's plans, which may include the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to incur liabilities with certain related parties to sustain the Company's existence.

The Company will require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company believes its current available cash along with anticipated revenues will be insufficient to meet its cash needs for the near future. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all.

In response to these problems, management has taken the following actions:

- seeking additional third party convertible debt financing
- Seeking to open new franchise locations; and
- allocating sufficient resources to continue advertising and marketing efforts

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 14 Subsequent Events

A) Debt

From December 1, 2012 until the date of this filing, $150,000 of the Company's convertible debt has matured and the Company has not yet repaid this debt; see Note 8(D).

B) Equity

Subsequent to November 30, 2012, we issued 95,000 shares of common stock for services rendered, having an aggregate fair market value of $49,525 based upon the quoted closing trading prices on the issue dates. We also issued 31,750 shares of common stock were issued for the nonpayment of notes payable having an aggregate fair value of $14,500 based on the quoted trading prices on the issue date.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following analysis of our consolidated financial condition and results of operations for the quarter ended November 30, 2012 should be read in conjunction with the consolidated financial statements, including footnotes, and other information presented elsewhere in this Quarterly Report on Form 10-Q and the risk factors and the financial statements and the other information set forth in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 14, 2012.
The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand our results of operations and financial condition.

Cautionary Note Regarding Forward-Looking Statements

This report and other documents that we file with the Securities and Exchange Commission contain forward-looking statements that are based on current expectations, estimates, forecasts and projections about our future performance, our business, our beliefs and our management's assumptions. Statements that are not historical facts are forward-looking statements. Words such as "expect," "outlook," "forecast," "would," "could," "should," "project," "intend," "plan," "continue," "sustain", "on track", "believe," "seek," "estimate," "anticipate," "may," "assume," and variations of such words and similar expressions are often used to identify such forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not guarantees of future performance and involve risks, assumptions and uncertainties, including, but not limited to, those described in our reports that we file or furnish with the Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by law, we undertake no obligation to update publicly any forward-looking statements after the date they are made, whether as a result of new information, future events, changes in assumptions or otherwise.

General

Overview

On December 15, 2010, we entered into a Merger Agreement in which The Original Soupman, Inc. ("OSM") was merged with and into OSM Merge, Inc. our subsidiary. All the shares of OSM were converted into an aggregate of 14,004,230 shares of our common stock and 1,987,783 shares of our preferred stock. In addition, principal and interest on $4,673,000 of OSM's convertible notes were converted into 4,830,256 shares of our common stock.

On January 31, 2011, we reincorporated in Delaware and changed our name from Passport Arts, Inc. to Soupman, Inc. Thereafter, our stock began trading on the OTC-Bulletin Board under the symbol SOUP.

We currently manufacture and sell soup to grocery chains, the New York City School System and other outlets and to our franchised restaurants under the brand name "The Original Soupman".

Our Company manufactures and sells soups under the "Original SoupMan" brand. We sell our soups in a new innovative Tetra-Recart self stable packaging in the canned soup aisle where most "heat & serve" retail soup purchases are made. We believe that with the new, shelf-stable, Tetra-Recart packaging that allows our soups to be displayed in the canned soup aisle, many consumers will choose the SoupMan's famous soups from Al Yeganeh over the other typical inferior tasting canned soups. We believe we will capture the health conscientious consumers who are aware that recent reports have warned consumers that canned products contain BPA, a known cancer causing agent. Tetra Recart packaging is BPA free and recyclable.

We also have franchised and licensed restaurants in specifically designated heavy traffic locations such as casinos, airports, and other travel destinations including the Mohegan Sun Casino in Connecticut. We sell the Original SoupMan soups in bulk 8 lb. frozen "heat 'n serve" pouches to our franchised and licensed restaurants. The bulk 8 lb. pouches are also used for the Original SoupMan soups and products which we sell to the New York City Public School system.

We currently manufacture and sell soup to grocery chains, the New York City Public School System and other outlets and to our franchised restaurants under the brand name "The Original Soupman". Our brand is well known throughout the industry and our Chicken Vegetable soup has been rated as the best chicken soup in America by Consumer Reports.

Results of Operations – Three Months ended November 30, 2012

The following table summarizes our operating results for the three months ended November 30, 2012 and November 30, 2011.

	November 30, 2012	November 30, 2011
Revenue	$ 790,274	$ 383,943
Cost of sales	533,223	299,646
Gross profit	257,051	84,297
Operating expenses	1,176,649	1,264,532
Other income (expense)	(306,795)	(65,958)
Net loss including noncontrolling interest	(1,226,393)	(1,246,193)
Less: net loss attributable to noncontrolling interest	(11,910)	(26,605)
Net loss attributable to Soupman	(1,214,483)	$ (1,219,588)

For the three months ended November 30, 2012 and November 30, 2011, soup sales accounted for 92% and 86% of overall revenues, and franchise revenues accounted for the remaining 8% and 14% respectively. The increase in soup sales of approximately 119% was primarily attributed to the sales of our new shelf stable Tetra Recart carton soups coupled with the fact that during the prior year we stopped manufacturing frozen soups in anticipation of the Tetra Recart.

Net loss attributable to Soupman for the three months ended November 30, 2012 was $1,214,483, or $0.04 per share (basic and diluted) compared to a loss of $1,219,588 or $0.04 per share for the three months ended November 30, 2011. The net loss decrease of $5,105 was attributable to the increase in revenue and a decrease in operating expenses, which was offset by a $240,837 increase in other expense.

Cost of Sales as a percent of soup revenues was 74% for the three months ended November 30, 2012 compared to 91% for the three months ended November 30, 2011. This decrease is attributable to the higher margins realized on the new Tetra Recart product, which was partially offset by slotting fees, expenses for the roll out of the new product and promotions. The prior year number includes the disposition of obsolete inventory of frozen packaging of $21,527 as we began to move from the frozen food aisle in anticipation of the new Tetra Recart packaging.

Operating expenses for the three months ended November 30, 2012 and November 30, 2011 were $1,176,649 and $1,264,532, respectively and as a percentage of total revenue were 149% and 329%, for the respective periods. The operating expenses for the three months ended November 30, 2012 and November 30, 2011 include approximately $301,556 and $527,137 of expenses for the issuance of shares and stock options; approximately $269,402 and $259,887 for payroll, payroll taxes and benefits; $279,835 and $255,124 in professional fees which include legal, accounting, strategic planning, public relations and branding and marketing; $89,505 and $11,983 for promotion; $56,250 for both years for royalties; $38,748 and $3,119 for advertising; and $23,969 and $32,605 for insurance.

Other expenses for the three months ended November 30, 2012 were $306,795 compared to $65,958 for the three months ended November 30, 2011. The increase is primarily due to an increase in interest expense on new convertible notes issued and as a result of the accounting for the derivative value of such debt. We also had costs associated with the issuance of stock in conjunction with the issuance of convertible notes which was charged to other expense.

Liquidity and Capital

	As at November 30, 2012	As at August 31, 2012
Current assets	$ 532,436	$ 480,661
Current liabilities	$ 9,166,479	$ 8,354,784
Working capital (deficit)	$ (8,634,043)	$ (7,874,123)

At November 30, 2012, we had cash of $207,343 as compared to $174,315 at August 31, 2012. The working capital deficit at November 30, 2012 of $8,634,043 and as of August 31, 2012 of $7,874,123 or an increase of $759,920 is attributable primarily to increases in accounts payable and accrued expenses and convertible debt, partially offset by increases in cash and other assets, primarily prepaid expenses. It should also be noted that included in the current liabilities as at November 30, 2012 are the current liabilities in the amount of $4,978,625 of Soup Kitchen International, Inc. a company not owned by us but included, for accounting purposes, in the financial statements as a “variable interest entity”, which negatively impact the total working capital deficit shown above (see note 3 Variable Interest Entities to the Soupman, Inc. and subsidiaries and Soup Kitchen International, Inc. Financial Statements).

For the three months ended November 30, 2012 cash used in operating activities was $420,666 as compared to $331,226 for the three months ended November 30, 2011. Our primary uses of cash from operating activities for the three months ended November 30, 2012 were losses from operations offset by increases in stock issued for services, amortization of dent discount and debt issue costs and increases in accounts payable and accrued expenses.

Net cash used in investing activities for the three months ended November 30, 2012 was $25,826, which is from an increase in due from franchisees.

Net cash provided by financing activities for three months ended November 30, 2012 was $479,520 which includes net proceeds from the issuance of convertible notes of $532,520 offset by the repayment of debt of $53,000.

Current and Future Financing Needs

We have incurred a stockholders' deficit of $ 8,285,840 through November 30, 2012 and have incurred a net loss of $1,214,483 for the three months ended November 30, 2012. We have incurred negative cash flow from operations since inception and have primarily financed our operations through the sale of stock and convertible notes. At November 30, 2012, we had debt of $4,947,724 and a working capital deficit of $8,634,043. These factors raise substantial doubt about our ability to continue as a going concern. Our debt in the amount of $4,947,724 includes a guarantee of Soup Kitchen International Inc's debt in the amount of $2,990,897 all of which is past due. See Note 8 of the Notes to Consolidated Financial Statements included in the report. We have spent, and expect to continue to spend, substantial amounts in connection with implementing our business strategy, including the promotion of our new shelf stable tetra recart packaging, our advertising and marketing campaign, and fees in connection with regulatory compliance and corporate governance. The actual amount of funds we will need to operate is subject to many factors, some of which are beyond our control. If our anticipated sales for the next few months do not meet our expectations, our existing resources will not be sufficient to meet our cash flow requirements. Furthermore, if our expenses exceed our anticipations, we will need additional funds to implement our business plan. We will not be able to fully establish our business if we do not have adequate working capital so we will need to raise additional funds, whether through a stock offering or otherwise.

We are obligated to pay the minority stockholder of Kiosk a royalty equal to 3% of the gross sales of all of its soup on the first $50,000,000 of gross sales, 2% on gross sales between $50,000,000 and $75,000,000, and 1% on gross sales thereafter. We are required to pay a minimum of $225,000 per year if the gross sales threshold is not met. Payments are due quarterly for ongoing services through June 30, 2014. The annual payments are as follows:

Years Ending August 31,		
2013 (remaining 9 months)	$	168,750
2014		187,500
Total		356,250

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The Company has adopted and maintains disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in the reports filed under the Exchange Act, such as this Form 10-Q, is collected, recorded, processed, summarized and reported within the time periods specified in the rules of the Securities and Exchange Commission. The Company's disclosure controls and procedures are also designed to ensure that such information is accumulated and communicated to management to allow timely decisions regarding required disclosure. As required under Exchange Act Rule 13a-15, the Company's management, including the Principal Executive Officer and Principal Financial Officer, has conducted an evaluation of the effectiveness of disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control

The Company has implemented certain procedures over financial reporting (as defined in Rules 12a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended November 30, 2012 such as segregation of duties and daily reporting of certain financial information. This will ensure that all information that is required to be disclosed is done so in a timely manner.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On September 21, 2009, Penny Fern Hart, a former Chairman of the Board of Soup Kitchen International, Inc. ("SKI"), as successor to the Commerce Bank loan to SKI, commenced an action in N.Y. State Supreme Court, Case Index # 602538/09, against John Bello, Maj-Britt Rosenbaum and William McCreery (the "Defendants") to enforce certain guarantees given by the Defendants to Commerce Bank regarding SKI's defaulted loan. On October 26, 2010, a third party action was filed in this case by the Defendants against OSM, certain principals of OSM and other third parties. The action seeks, among other things, to invalidate OSM's purchase of assets from SKI. On May 2, 2011, a proceeding was brought against the Company, certain principals of the Company and other third parties by the bankruptcy trustee for SKI seeking to avoid and/or recover the value of assets of SKI, re-alleging various claims made in the October 26, 2010 action. On October 22, 2011, the presiding judge in the bankruptcy action stayed the remaining third-party claims, in the Penny Fern Hart matter, and ordered all the parties to confer and submit a discovery schedule for the bankruptcy action. The Company intends to vigorously defend these actions believing them to be wholly without merit, especially in the light of the fact that an independent appraisal was performed prior to the asset transfer to OSM which completely supported the fairness of the asset transfer to OSM in which OSM paid $100,000 in cash, guaranteed secured debt in the amount of $3,670,000, and has since paid $ 352,907 in respect of SKI payables (including $ 256,205 owed to Al Yeganeh. In addition, there was SKI shareholder approval obtained in connection with the transaction. No assurance, however, can be given as to the ultimate outcome of these actions or their effect on the Company. If the Company is not successful in its defense of these actions it could have a material adverse effect on its business and operations.

Soupman, Inc. is one of several defendants in a lawsuit filed by Gourmet Sales and Marketing, LLC ("GSM") in July 2011. GSM claims that it is owed sales commissions based upon an August 2009 sales and marketing agreement. Aside from the claim for an accounting, compensatory damages and/or punitive damages are demanded with respect to the other claims. The Company served its answer to the complaint in October 2011, in which they denied the allegations of the complaint with respect to the claims of liability and asserted numerous defenses and affirmative defenses. The matter is now in the discovery phase of litigation. In Company counsel's opinion, the complaint lacks merit as the agreement that forms the basis of GSM's claims may be invalid and unenforceable, GSM is not owed any money, and the Company believes that punitive damages are without basis.

No assurance can be given as to the ultimate outcome of these actions or its effect on the Company. If the Company is not successful in its defense of this action it could have a material adverse effect on its business, as well as current and expected future operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the three months ended November 30, 2012, we issued 170,000 shares of common stock for services rendered, having an aggregate fair market value of $110,425 based upon the quoted closing trading prices on the issue dates. We also issued 121,600 shares of common stock on the issuance of notes payable having an aggregate fair value of $75,040 based on the quoted trading prices on the issue date. Also, we issued 81,250 shares of common stock were issued for the nonpayment of notes payable having an aggregate fair value of $47,750 based on the quoted trading prices on the issue date. These securities were issued pursuant to Section 4(2) of the Securities Act. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The holders were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

During the three months ended November 30, 2012, we issued 8% convertible notes in the principal amount of $265,000 together with three year warrants exercisable for 66,250 shares of common stock at a per share price of $1.00 for aggregate proceeds of $265,000. We also issued 12% convertible notes in the principal amount of $304,000 together with 121,600 shares of common stock as mentioned above. These securities were issued pursuant to Section 4(2) of the Securities Act of 1933 (the "Securities Act") promulgated thereunder and are convertible under certain circumstances into the next equity round of financing effected by the Company at the price offered in that round. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The investors were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising.

Subsequent to November 30, 2012, we issued 95,000 shares of common stock for services rendered, having an aggregate fair market value of $49,525 based upon the quoted closing trading prices on the issue dates. We also issued 31,750 shares of common stock for the nonpayment of notes payable having an aggregate fair value of $14,500 based on the quoted trading prices on the issue date. These securities were issued pursuant to Section 4(2) of the Securities Act. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The holders were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Mine Safety Disclosure

Not Applicable

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	Certification of the Principal Executive Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer, Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
32.2*	Certification of the Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act
101.INS**	XBRL Instance
101.XSD**	XBRL Schema
101.PRE**	XBRL Presentation
101.CAL**	XBRL Calculation
101.DEF**	XBRL Definition
101.LAB**	XBRL Label

* Filed herewith
** Filed herewith electronically

SIGNATURES

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.

	SOUPMAN, INC.
Date: January 14, 2013	By: /s/ *Arnold Casale* Arnold Casale Chief Executive Officer and Director (Principal Executive Officer)
	SOUPMAN, INC.
Date: January 14, 2013	By: /s/ *Robert Bertrand* Robert Bertrand President & CFO (Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14 OR RULE 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Arnold Casale, certify that:

1. I have reviewed this Form 10-Q of Soupman, Inc.;

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

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

4. 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 11, 2013

By: /s/ Arnold Casale
Name: Arnold Casale
Title: Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14 OR RULE 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Bertrand, certify that:

1. I have reviewed this Form 10-Q of Soupman, Inc

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

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

4. 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, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 11, 2013

By: /s/ Robert Bertrand
Name: Robert Bertrand
Title: Chief Financial Officer
(Principal Financial Officer and
Principal Accounting Officer)

EXHIBIT 32.1

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

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Soupman, Inc. (the "Registrant") hereby certifies, to such officer's knowledge, that:

(1) the accompanying Form 10-Q of the Registrant for the quarter ended November 30, 2012 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 11, 2013

By:	/s/ Arnold Casale
Name:	Arnold Casale
Title:	Chief Executive Officer
	(Principal Executive Officer)

EXHIBIT 32.2

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

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Soupman, Inc. (the “Registrant”) hereby certifies, to such officer’s knowledge, that:

(1) the accompanying Form 10-Q of the Registrant for the quarter ended November 30, 2012 (the “Report”) fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: January 11, 2013

By:	/s/ Robert Bertrand
Name:	Robert Bertrand
Title:	President and Chief Financial Officer (Principal Financial Officer)

Prepaid Expenses (Details) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Components of prepaid expenses		
Prepaid insurance	$ 24,190	$ 25,359
Prepaid freight	19,286	
Prepaid other	640	1,115
Prepaid and other expenses - net	$ 44,116	$ 26,474

Stockholders' Deficit (Details)	Nov. 30, 2012	Aug. 31, 2012	3 Months Ended Nov. 30, 2012 Series A convertible preferred stock [Member]
Summary of Series A preferred stock			
Balance - August 31, 2012	1,200,266	1,200,266	1,200,266
Shares issued			
Shares converted to common stock			
Balance – November 30, 2012	1,200,266	1,200,266	1,200,266

Debt (Details 5) (USD $)	3 Months Ended	
	Nov. 30, 2012	Dec. 29, 2009
Secured note activity		
Beginning Balance		$ 3,670,000
Repayment of debt	100,000	
Balance		3,670,000
Notes - Secured [Member]		
Secured note activity		
Beginning Balance	2,990,897	
Repayment of debt		
Accrued interest	66,754	
Balance	$ 2,990,897	
Interest Rate	7% - 12.25	
Maturity Date	September 1, 2013	

Stockholders' Deficit (Details 1) (USD $)	1 Months Ended Jan. 14, 2013	3 Months Ended Nov. 30, 2012
Summary of common stock shares issued		
Stock issued for services, Shares		170,000
Common stock issued for services, Fair value	$ 49,525	$ 296,944
Stock issued in connection with convertible debt (see Note 8(B)), Shares		121,600
Stock issued in connection with convertible debt (see Note 8(B)), Fair value		75,040
Issuance of common stock for nonpayment of notes payable, Shares		81,250
Issuance of common stock for nonpayment of notes payable, Fair value		$ 47,750
Minimum [Member]		
Summary of common stock shares issued		
Stock issued for services, Value per share		$ 0.55
Stock issued in connection with convertible debt (see Note 8(B)), Value per share		$ 0.55
Issuance of common stock for nonpayment of notes payable, Value per share		$ 0.50
Maximum [Member]		
Summary of common stock shares issued		
Stock issued for services, Value per share		$ 0.72
Stock issued in connection with convertible debt (see Note 8(B)), Value per share		$ 0.65
Issuance of common stock for nonpayment of notes payable, Value per share		$ 0.61

Debt (Details 3) (Convertible debt – Unsecured [Member], USD $)	3 Months Ended Nov. 30, 2012
Convertible debt – Unsecured [Member]	
Terms of convertible debt	
Interest Rate	12.00%
Default interest rate	N/A
Term	1 year
Maturity Date	September 20, 2013 to October 15, 2013
Borrowings during period	$ 304,000

Summary of Significant Accounting Policies (Details) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Derivative liabilities measured at fair value		
Derivative liabilities	$ 375,524	$ 513,493
Fair value recurring [Member] | Level 3 [Member]		
Derivative liabilities measured at fair value		
Derivative liabilities	$ 375,524	$ 513,493

Stockholders' Deficit (Details 3) (USD $)	3 Months Ended Nov. 30, 2012	12 Months Ended Aug. 31, 2012
Summary of the Company's stock option/warrant activity		
Ending Balance	1,975,000	1,975,000
Stock Option [Member]		
Summary of the Company's stock option/warrant activity		
Beginning Balance	1,975,000	
Weighted Average Exercise Price, Beginning Balance	$ 0.53	
Granted		
Weighted Average Exercise Price, Granted		
Exercised		
Weighted Average Exercise Price, Exercised		
Forfeited		
Weighted Average Exercise Price, Forfeited		
Ending Balance	1,975,000	1,975,000
Weighted Average Exercise Price, Ending Balance	$ 0.53	$ 0.53
Weighted Average Remaining Contractual Life, Balance	3 years 8 months 8 days	8 years 5 months 12 days
Aggregate intrinsic value, Balance	$ 88,750	
Outstanding options held by related parties (November 30, 2012)	1,450,000	
Exercisable options held by related parties (November 30, 2012)	1,450,000	
Exercisable options held by third parties (November 30, 2012)	375,000	

Prepaid Expenses (Tables)

3 Months Ended Nov. 30, 2012

Prepaid Expenses [Abstract]

Components of prepaid expenses

	November 30, 2012	August 31, 2012
Prepaid insurance	$ 24,190	$25,359
Prepaid freight	19,286	-
Prepaid other	640	1,115
Prepaid and other expenses – net	$ 44,116	$26,474

Debt (Details 7) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Summary of debt		
Total outstanding debt	$ 5,277,147	
Less : debt discount	(940,150)	
Amortization of debt discount to interest expense	610,727	
Total debt	$ 4,947,724	$ 4,357,059

Intangible Assets (Details 1) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Estimated future amortization expense of intangible assets		
2013 (remaining 9 months)	$ 14,204	
2014	18,921	
2015	9,344	
2016	1,583	
Intangible assets – net	$ 44,052	$ 48,769

Summary of Significant Accounting Policies (Details Textual) (USD $)	1 Months Ended	3 Months Ended				
	Dec. 31, 2009	Nov. 30, 2012 Segment	Nov. 30, 2011	Aug. 31, 2011	Dec. 15, 2010	Dec. 29, 2009
Summary of Significant Accounting Policies (Textual)						
Percentage interest in subsidiary (Kiosk Concepts)					80.00%	
Cash balance exceeding federal insured limit		$ 0		$ 9,183		
Impairment charges		0	0			
Impairment of intangible assets			0			
Percenatge of royalty fees charged to frachisee gross sales		5.00%				
Percentage of advertising fee in sales revenue		0.50%				
Number of Segment		1				
Purchase of assets	100,000					
Guaranteed secured debt						$ 3,670,000
Royalty payable as percentage of gross sales		1.00%				
Royalty payable period		5 years				
OSM [Member]						
Summary of Significant Accounting Policies (Textual)						
Percentage interest in subsidiary (Kiosk Concepts)	80.00%					
Third Party [Member]						
Summary of Significant Accounting Policies (Textual)						
Ownership percentage reported as non-controlling interest	20.00%					
Stock Options [Member] | Minimum [Member]						
Summary of Significant Accounting Policies (Textual)						
Common stock equivalent exercise price		$ 0.50				
Stock Options [Member] | Maximum [Member]						
Summary of Significant Accounting Policies (Textual)						
Common stock equivalent exercise price		$ 0.75				
Warrant [Member] | Minimum [Member]						
Summary of Significant Accounting Policies (Textual)						
Common stock equivalent exercise price		$ 0.75				
Warrant [Member] | Maximum [Member]						

Summary of Significant Accounting Policies (Textual)	
Common stock equivalent exercise price	$ 1.25
Convertible Preferred Stock [Member]	
Summary of Significant Accounting Policies (Textual)	
Common stock equivalent exercise price	$ 0.001
Convertible debt - derivatives liabilities [Member] | Minimum [Member]	
Summary of Significant Accounting Policies (Textual)	
Common stock equivalent exercise price	$ 0.29
Convertible debt - derivatives liabilities [Member] | Maximum [Member]	
Summary of Significant Accounting Policies (Textual)	
Common stock equivalent exercise price	$ 1

Derivative Liabilities (Details) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Fair value of Company's derivative liabilities		
Derivative liability - August 31, 2012	$ 513,493	
Fair value at the commitment date for convertible notes	18,026	
Fair value at the commitment date for warrants issued	19,987	
Reclassification to additional paid in capital for financial instruments that ceased to be a derivative liability	(41,653)	
Fair value mark-to-market adjustment	134,329	
Derivative liability - November 30, 2012	$ 375,524	

Stockholders' Deficit (Details Textual) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Stockholders Deficit (Textual)		
Fair value of share based awards	$ 1,033,350	
Compensation cost yet recognized during period	186,519	
Compensation cost yet to be recognized	846,831	
Warrants issued to convertible note holders	66,250	
Warrants issued to placement agent	60,800	
Expensed related to vested option	$ 4,612	$ 139,637
Common Stock [Member]		
Stockholders Deficit (Textual)		
Shares issuable pursuant to employment agreement on June 1, 2013	200,000	
Shares issuable pursuant to employment agreement on January 1, 2014	200,000	
Shares issuable pursuant to employment agreement on June 1, 2014	200,000	
Shares issuable pursuant to employment agreement on January 1, 2015	200,000	
Shares issuable pursuant to employment agreement under stock price condition	400,000	
Shares issuable pursuant to employment agreement based on future sales	500,000	
Series A convertible preferred stock [Member]		
Stockholders Deficit (Textual)		
Liquidation amount of preferred share, Per share	$ 1.00	
Conversion of preference share into common stock	1:1 basis at par value ($0.001)	

Debt (Details 4) (USD $)	3 Months Ended Nov. 30, 2012
Unsecured convertiable debt activity	
Repayment of debt	$ 100,000
Balance – November 30, 2012	5,277,147
Convertible debt – Unsecured [Member]	
Unsecured convertiable debt activity	
Balance - August 31, 2012	650,000
Borrowings during period	304,000
Repayment of debt	
Balance – November 30, 2012	$ 954,000

Basis of Presentation	3 Months Ended Nov. 30, 2012
Description Of Business and Basis Of Presentation [Abstract]	
Basis of Presentation	**Note 2 Basis of Presentation** The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they may not include all the information and footnotes necessary for a comprehensive presentation of financial position, results of operations, or cash flows. It is management's opinion, however, that all material adjustments (consisting of normal recurring adjustments) have been made which are necessary for a fair financial statement presentation. The results for the interim period are not necessarily indicative of the results to be expected for the full year. The unaudited interim consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended August 31, 2012, which contains the audited financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operation, for the year ended August 31, 2012. The interim results for the period ended November 30, 2012 are not necessarily indicative of results for the full fiscal year.

Commitments and Contingencies (Details) (USD $)	Nov. 30, 2012
Annual payments for ongoing services	
2013 (remaining 9 months)	$ 168,750
2014	187,500
Total	$ 356,250

Debt (Details) (USD $)	Nov. 30, 2012	Aug. 31, 2012	Dec. 29, 2009
Summary of debt			
Convertible debt – Unsecured	$ 5,277,147		
Less : debt discount	(940,150)		
Note - Secured			3,670,000
Total debt	4,947,724	4,357,059	
Convertible debt – Unsecured Derivative Liabilities [Member]			
Summary of debt			
Convertible debt – Unsecured	601,000	570,250	
Less : debt discount	(73,824)	(140,822)	
Convertible debt - net	527,176	429,428	
Convertible debt – Unsecured [Member]			
Summary of debt			
Convertible debt – Unsecured	954,000	650,000	
Less : debt discount	(255,599)	(263,266)	
Convertible debt - net	698,401	386,734	
Notes - Secured [Member]			
Summary of debt			
Note - Secured	2,990,897	2,990,897	
Notes – Unsecured [Member]			
Summary of debt			
Notes – Unsecured	$ 731,250	$ 550,000	

Derivative Liabilities (Tables)	3 Months Ended Nov. 30, 2012
Derivative Liabilities [Abstract]	
Fair value of Company's derivative liabilities	(table below)

	November 30, 2012
Derivative liabilities– August 31, 2012	$ 513,493
Fair value at the commitment date for convertible notes	18,026
Fair value at the commitment date for warrants issued	19,987
Reclassification to additional paid in capital for financial instruments that ceased to be a derivative liability	(41,653)
Fair value mark-to-market adjustment	(134,329)
Derivative liabilities– November 30, 2012	$ 375,524

Assumptions for measuring of fair value at the commitment and re-measurement dates for convertible debt and warrants

	Commitment Date	Re-measurement Date
Exercise price	$0.80 - $1.00	$0.80 - $1.00
Expected dividends	0%	0%
Expected volatility	104% -110%	104%-104%
Expected term: convertible debt and warrants	6 months – 3 years	4.06 months – 3 years
Risk free interest rate	0.14% - 0.36%	0.03% - 0.43%

Debt (Tables)	3 Months Ended Nov. 30, 2012

Debt Instrument [Line Items]

Summary of debt

	November 30, 2012
Total outstanding debt	$5,277,147
Debt discount	(940,150)
Amortization of debt discount to interest expense	610,727
Debt – net	$4,947,724

Convertible debt – Unsecured Derivative Liabilities [Member]

Debt Instrument [Line Items]

Summary of debt instruments

	November 30, 2012	**August 31, 2011**
A. Convertible debt – Unsecured – Derivative Liabilities	$ 601,000	$ 570,250
Less : debt discount	(73,824)	(140,822)
Convertible debt – net	527,176	429,428
B. Convertible debt – Unsecured	954,000	650,000
Less : debt discount	(255,599)	(263,266)
Convertible debt – net	698,401	386,734
C. Notes – Secured	2,990,897	2,990,897
D. Notes – Unsecured	731,250	550,000
Total debt	$4,947,724	$4,357,059

Terms of Convertiable unsecured debt

	November 30, 2012	**August 31, 2011**
A. Convertible debt – Unsecured – Derivative Liabilities	$ 601,000	$ 570,250
Less : debt discount	(73,824)	(140,822)
Convertible debt – net	527,176	429,428
B. Convertible debt – Unsecured	954,000	650,000
Less : debt discount	(255,599)	(263,266)
Convertible debt – net	698,401	386,734
C. Notes – Secured	2,990,897	2,990,897
D. Notes – Unsecured	731,250	550,000

Total debt	$4,947,724	$4,357,059

Unsecured Convertiable debt activity

Balance - August 31, 2012	$ 570,250
Borrowings during the year ended August 31, 2012	265,000
Reclassification from convertible to unsecured demand notes	(181,250)
Repayment of convertible debt	(53,000)
Balance – November 30, 2012	$ 601,000

Convertible debt – Unsecured [Member]

Debt Instrument [Line Items]

Terms of Convertiable unsecured debt

Interest Rate		12%
Default interest rate		N/A
Term		1 year
Maturity		September 20, 2013 to October 15, 2013
Conversion terms	Fixed conversion price of $0.75	304,000

Unsecured Convertiable debt activity

Balance - August 31, 2012	$650,000
Borrowings during the three months ended November 30, 2012	304,000
Repayment of convertible debt	-
Balance – November 30, 2012	$954,000

Notes - Secured [Member]

Debt Instrument [Line Items]

Secured/Unsecured note activity

		Interest Rate (Range)	Maturity Date (not in default)
Balance - August 31, 2012	$2,990,897		
Repayment of debt	-		
Accrued interest	-	7% - 12.25%	September 1, 2013
Balance – November 30, 2012	$2,990,897		

Notes – Unsecured [Member]

Debt Instrument [Line Items]

Secured/Unsecured note activity

Balance - August 31, 2012	550,000
Borrowings during the year ended August 31, 2012	-
Reclassification from convertible to demand debt	181,250
Repayment of debt	-
Balance – November 30, 2012	$731,250

Summary of Unsecured notes

Amount	Information	Status

$683,750	Represented convertible debt not paid by maturity date	Due on demand
$ 10,000	Represents an advance from a third party.	Due on demand
$ 37,500	The Company is in litigation regarding this debt; see Note 13.	Due on demand

Stockholders' Deficit (Details 2) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Schedule of fair value of option expensed based upon assumptions		
Exercise price	$ 0.75	$ 0.50
Expected dividends	0.00%	0.00%
Expected volatility	150.00%	150.00%
Risk fee interest rate	1.92%	2.01%
Expected life of option	10 years	5 years
Expected forfeitures	0.00%	0.00%

Debt (Details 1) (Convertible debt – Unsecured Derivative Liabilities [Member], USD $)	3 Months Ended Nov. 30, 2012
Convertible debt – Unsecured Derivative Liabilities [Member]	
Terms of convertible debt	
Interest Rate	8.00%
Default interest rate	N/A
Maturity date	March 21, 2013 to May 30, 2013
Borrowings during period	$ 265,000

Stockholders' Deficit (Tables)	3 Months Ended Nov. 30, 2012

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Summary of Series A preferred stock

Balance - August 31, 2012	$1,200,266
Shares issued	-
Shares converted to common stock	(-)
Balance – November 30, 2012	$1,200,266

Summary of common stock shares issued

Type	Shares	Fair value	Range of value per share
1. Stock issued for services	170,000	$110,425	$0.55 - $ $0.72
2. Stock issued in connection with convertible debt (see Note 8(B))	121,600	$ 75,040	$0.55 - $ $0.65
3. Stock issued in connection with notes payable (see Note 8(B))	81,250	$ 47,750	$0.50 - $ $0.61

Schedule of fair value of option expensed based upon assumptions

	2012	2011
Exercise price	$ 0.75	$ 0.50
Expected dividends	0%	0%
Expected volatility	150%	150%
Risk fee interest rate	1.92%	2.01%
Expected life of option	10 years	5 years
Expected forfeitures	0%	0%

Summary of the Company’s non-vested stock options

	Un-vested Stock Options	Weighted Average Grant Date Fair Value
Unvested – August 31, 2012	150,000	$ 0.59
Granted	-	-
Vested/Exercised	-	-
Forfeited/Cancelled	(-)	-
Unvested – November 30, 2012	150,000	$ -
Weighted average remaining life for vesting	1.13 years	

Stock option [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Summary of the Company's stock option / warrant activity

	Options	Weighted Average Exercise Price		Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Balance – August 31, 2012	1,975,000	$	0.53	8.45 years	
Granted	-	$	-		
Exercised	-	$	-		
Forfeited	(-)	$	-		
Balance – November 30, 2012	1,975,000	$	0.53	3.69 years	88,750
Outstanding options held by related parties (November 30, 2012)	1,450,000				
Exercisable options held by related parties (November 30, 2012)	1,450,000				
Exercisable options held by third parties (November 30, 2012)	375,000				

Warrant [Member]

Share-based Compensation Arrangement by Share-based Payment Award [Line Items]

Summary of the Company's stock option / warrant activity

	Number of Warrants	Weighted Average Exercise Price	
Balance at August 31, 2012	1,952,135	$	.98
Granted	127,050	$	.88
Exercised	-		-
Forfeited/Cancelled	43,333		.75
Balance at November 30, 2012	2,035,852	$	.98

Summary of stock warrant exercise prices

		Warrants Outstanding				Warrants Exercisable			
Range of exercise price		Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price		Number Exercisable	Weighted Average Exercise Price	Intrinsic Value	
$	0.75 - $1.25	2,035,852	1.80	$	.98	2,035,852	.98	$	0

Commitments and Contingencies (Tables)	3 Months Ended Nov. 30, 2012
Commitments and Contingencies [Abstract]	
Annual payments for ongoing services	

2013 (remaining 9 months)	$168,750
2014	187,500
Total	$356,250

Description of Business	3 Months Ended Nov. 30, 2012
Description Of Business and Basis Of Presentation [Abstract]	
Description of Business	**Note 1 Description of Business** Passport Arts, Inc. ("PPOR" or the "Company") was incorporated in the State of Nevada on December 2, 2008 and sold art from an on-line gallery. On January 31, 2011, PPOR reincorporated in Delaware, and changed its name to Soupman, Inc. On December 15, 2010, PPOR acquired The Original Soupman, Inc. ("OSM") and OSM's wholly-owned subsidiary, International Gourmet Soups, Inc. ("IGS") which owns 80% of Kiosk Concepts, Inc. ("Kiosk"), collectively "the Company" and ceased its art sales business. The Company manufactures and sells a variety of soups to grocery chains and franchisees.

Description of Business (Details)	Dec. 15, 2010
Description of Business (Textual)	
Percentage interest in subsidiary (Kiosk Concepts)	80.00%

Property and Equipment (Details) (USD $)	3 Months Ended Nov. 30, 2012	Aug. 31, 2012
Summary of property and equipment		
Property and equipment - gross	$ 46,096	$ 46,096
Less: accumulated depreciation	(21,285)	(18,741)
Property and equipment - net	24,811	27,355
Vehicles [Member]		
Summary of property and equipment		
Property and equipment - gross	11,843	11,843
Life	5 years	
Equipment [Member]		
Summary of property and equipment		
Property and equipment - gross	21,843	21,843
Equipment [Member] | Maximum [Member]		
Summary of property and equipment		
Life	7 years	
Equipment [Member] | Minimum [Member]		
Summary of property and equipment		
Life	5 years	
Furniture and Fixtures [Member]		
Summary of property and equipment		
Property and equipment - gross	$ 12,410	$ 12,410
Life	5 years	

Derivative Liabilities (Details 1) (USD $)	3 Months Ended Nov. 30, 2012
Commitment Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Expected dividends	0.00%
Remeasurement Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Expected dividends	0.00%
Minimum [Member] | Commitment Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Exercise price	0.80
Expected volatility	104.00%
Expected term: convertible debt and warrants	6 months
Risk free interest rate	0.14%
Minimum [Member] | Remeasurement Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Exercise price	0.80
Expected volatility	104.00%
Expected term: convertible debt and warrants	4 months 2 days
Risk free interest rate	0.03%
Maximum [Member] | Commitment Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Exercise price	1.00
Expected volatility	110.00%
Expected term: convertible debt and warrants	3 years
Risk free interest rate	0.36%
Maximum [Member] | Remeasurement Date [Member]	
Fair value assumptions at the commitment and re-measurement dates for convertible debt and warrants	
Exercise price	1.00
Expected volatility	104.00%
Expected term: convertible debt and warrants	3 years
Risk free interest rate	0.43%

Consolidated Balance Sheets (USD $)	Nov. 30, 2012	Aug. 31, 2012
Current Assets		
Cash	$ 207,343	$ 174,315
Accounts receivable - net	280,977	279,872
Prepaid expenses	44,116	26,474
Total Current Assets	532,436	480,661
Property and equipment - net	24,811	27,355
Other Assets		
Accounts receivable - related parties - net	16,910	2,799
Due from franchisee - related parties	25,826	
Due from franchisee	5,742	5,742
Debt issue costs	198,173	191,358
Intangible assets - net	44,052	48,769
Other assets	32,689	32,188
Total Other Assets	323,392	280,856
Total Assets	880,639	788,872
Current Liabilities		
Accounts payable and accrued liabilities	3,483,887	3,141,046
Accounts payable and accrued liabilities - related parties	240,594	224,436
Debt - net	4,947,724	4,357,059
Deferred franchise revenue	118,750	118,750
Derivative liabilities	375,524	513,493
Total Current Liabilities	9,166,479	8,354,784
Equity		
Series A convertible preferred stock, par value $0.001; 2,500,000 shares authorized; 1,200,266 issued and outstanding	1,200	1,200
Common stock, par value $0.001; 75,000,000 shares authorized; 31,277,640 and 30,904,790 issued and outstanding	31,278	30,905
Additional paid in capital	5,559,776	5,053,684
Accumulated deficit	(13,293,934)	(12,079,451)
Total stockholders' deficit	(7,701,680)	(6,993,662)
Noncontrolling interests	(584,160)	(572,250)
Total deficit	(8,285,840)	(7,565,912)
Total Liabilities and Stockholders' Deficit	$ 880,639	$ 788,872

Debt (Details 2) (USD $)	3 Months Ended Nov. 30, 2012
Unsecured convertiable debt activity	
Repayment of convertible debt	$ 53,000
Balance – November 30, 2012	5,277,147
Convertible debt – Unsecured Derivative Liabilities [Member]	
Unsecured convertiable debt activity	
Balance - August 31, 2012	570,250
Borrowings during period	265,000
Reclassification from convertible to unsecured demand notes	(181,250)
Repayment of convertible debt	(53,000)
Balance – November 30, 2012	$ 601,000

Consolidated Statement of Stockholder's Deficit (Unaudited) (Parenthetical) (USD $)	3 Months Ended
	Nov. 30, 2012
Common Stock $0.001 Par Value	
Issuance of common stock for services rendered, minimum fair market value (per share)	$ 0.55
Issuance of common stock for services rendered, maximum fair market value (per share)	$ 0.72
Issuance of common stock on notes payable minimum fair market value (per share)	$ 0.55
Issuance of common stock on notes payable maximum fair market value (per share)	$ 0.65
Issuance of stock for nonpayment of notes payable minimum fair market value (per share)	$ 0.50
Issuance of stock for nonpayment of notes payable maximum fair market value (per share)	$ 0.61
Additional Paid-in Capital	
Issuance of common stock for services rendered, minimum fair market value (per share)	$ 0.55
Issuance of common stock for services rendered, maximum fair market value (per share)	$ 0.72
Issuance of common stock on notes payable minimum fair market value (per share)	$ 0.55
Issuance of common stock on notes payable maximum fair market value (per share)	$ 0.65
Issuance of stock for nonpayment of notes payable minimum fair market value (per share)	$ 0.50
Issuance of stock for nonpayment of notes payable maximum fair market value (per share)	$ 0.61

Stockholders' Deficit (Details 5) (USD $)	Nov. 30, 2012	Aug. 31, 2012	12 Months Ended Aug. 31, 2012 Warrant [Member]
Summary of the Company’s stock option/warrant activity			
Beginning Balance	1,975,000	1,975,000	1,952,135
Weighted Average Exercise Price, Beginning Balance			$ 0.98
Granted			127,050
Weighted Average Exercise Price, Granted			$ 0.88
Exercised			
Weighted Average Exercise Price, Exercised			
Forfeited			43,333
Weighted Average Exercise Price, Forfeited			$ 0.75
Ending Balance	1,975,000	1,975,000	2,035,852
Weighted Average Exercise Price, Ending Balance			$ 0.98

Summary of Significant Accounting Policies (Details 2)	Nov. 30, 2012	Aug. 31, 2012
Potential common stock equivalents		
Stock options (exercise price - \$0.50 - \$0.75/share)	1,975,000	1,975,000
Warrants (exercise price \$0.75- \$1.25/share)	2,035,852	1,952,135
Convertible Series A preferred shares (exercise price \$0.001/share)	1,200,266	1,200,266
Convertible debt - derivatives liabilities (exercise price \$0.29 - \$1/share)	1,988,208	2,556,016
Total common stock equivalents	7,199,326	7,683,417

Subsequent Events (Details) (USD $)	1 Months Ended Jan. 14, 2013	3 Months Ended Nov. 30, 2012
Subsequent Events (Textual)		
Debt matured but not paid	$ 150,000	
Common stock issued for services rendered, (Shares)	95,000	
Common stock issued for services, Fair value	49,525	296,944
Common stock issued for nonpayment of notes payable, (Shares)	31,750	
Common stock issued for nonpayment of notes payable	$ 14,500	

Summary of Significant Accounting Policies (Policies)	3 Months Ended Nov. 30, 2012
Summary Of Significant Accounting Policies [Abstract]	
Principles of Consolidation	**Principles of Consolidation** The consolidated financial statements include the accounts of Soupman, Inc. and its wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The Company reports non-controlling interests in one of its subsidiaries as a component of equity separate from the Company's equity. All significant intercompany transactions and balances have been eliminated in consolidation.
Reclassification	**Reclassification** The Company has reclassified certain prior period amounts to conform to the current period presentation including the restatement previously mentioned. These reclassifications had no effect on the financial position, results of operations or cash flows for the periods presented.
Uses of Estimates	**Uses of Estimates** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions impact both assets and liabilities, including but not limited to: net realizable value of accounts receivable, estimated useful lives and potential impairment of property and equipment, the valuation of intangible assets, estimate of fair value of share based payments and derivative liabilities, estimates of tax liabilities and estimates of the probability and potential magnitude of contingent liabilities. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future non-conforming events. Accordingly, actual results could differ significantly from estimates.
Risks and Uncertainties	**Risks and Uncertainties** The Company's operations are subject to risk and uncertainties including financial, operational, regulatory and other risks including the potential risk of business failure. These conditions may limit our access to capital. See Note 13 – Going Concern. The Company has experienced, and in the future expects to continue to experience, variability in its sales and earnings. The factors expected to contribute to this variability include, among others, (i) the uncertainty associated with the success of franchisees, (ii) the cyclical nature of the soup business, (iii) general economic conditions and (iv) the related volatility of prices pertaining to the cost of sales.
Cash	**Cash**

The Company minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution(s). The balance at times may exceed federally insured limits; at November 30, 2012 and August 31, 2011, respectively, the balances exceeded the federally insured limit by $0 and $9,183, respectively. The Company has no cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts Receivable and Allowance for Doubtful Accounts

The Company recognizes an allowance for losses on its accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

Property and Equipment

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges taken for the three months ended November, 30, 2012 and 2011, respectively.

Intangible Assets

Intangible Assets

Amortization of identifiable intangible assets is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Intangible assets are reviewed quarterly for impairment or if indicators of potential impairment exist. There were no impairment charges taken for the three months ended November 30, 2012 and 2011, respectively.

Fair Value of Financial Instruments

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The following are the major categories of liabilities measured at fair value on a recurring basis as of November 30, 2012 and 2011, using quoted prices in active markets for identical liabilities (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	November 20, 2012	August 31, 2011
Derivative Liabilities (Level 3)	$ 375,524	$ 513,493

The Level 3 valuation relates to derivative liabilities measured using management's estimates of fair value as well as other significant inputs, such as volatility and risk free interest rate, which may be unobservable. See Note 9.

The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair value estimates are based upon pertinent information available. The Company has determined that the carrying value of all financial instruments approximates fair value. The Company's financial instruments consist primarily of accounts receivable, prepaid expenses, accounts payable and accrued liabilities and debt. The carrying amounts of the Company's financial instruments generally approximated their fair values as of November 30, 2012 and August 31, 2012, respectively, due to the short-term nature of these instruments.

Derivative liabilities

Derivative Liabilities

Fair value accounting requires bifurcation of embedded derivative instruments, such as ratchet provisions or conversion features in convertible debt or equity instruments, and measurement of their fair value. In determining the appropriate fair value, the Company uses the Black-Scholes pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once derivative liabilities are determined, they are adjusted to reflect fair value at the end of each reporting period. Any increase or decrease in the fair value is recorded in results of operations as a change in fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes pricing model.

Beneficial Conversion Feature

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The discount is amortized to interest expense over the life of the debt.

Debt Issue Costs and Debt Discount

Debt Issue Costs and Debt Discount

The Company may pay debt issue costs, and record debt discounts in connection with raising funds through the issuance of convertible debt. These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Share-based payments

Share-based payments

Generally, all forms of share-based payments, including stock option grants, warrants, restricted stock grants and stock appreciation rights are measured at their fair value on the awards' grant date, based on estimated number of awards that are ultimately expected to vest. Share-based compensation awards issued to non- employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable.

Fair value of stock options and warrants, is determined using a Black-Scholes pricing model, which incorporates assumptions about expected volatility, risk free rate, dividend yield, and expected life. Compensation cost for share-based awards is recognized on a straight-line basis over the vesting period.

Revenue Recognition

Revenue Recognition

Revenue is recorded when all of the following have occurred: (1) persuasive evidence of an arrangement exists, (2) asset is transferred to the customer without further obligation, (3) the sales price to the customer is fixed or determinable, and (4) collectability is reasonably assured.

The Company recognizes sales when products are received by the customer and the risk of ownership is transferred. The Company does not maintain inventory.

Revenues from individual franchise sales are recognized when substantially all significant services to be provided by the Company have been performed.

Royalty fees are charged to the franchisee at 5% of the franchisee's gross sales and recorded when charged.

Sales discounts and promotions, such as "buy one, get one free", and slotting fees are netted against soup revenue.

The Company does not offer a right of return.

The Company charges its franchisees an advertising fee equal to ½% of their sales revenue and initially carries this fee as a liability which is included as a component of accounts payable and accrued liabilities until advertising dollars are spent.

Cost of Sales

Cost of Sales

Cost of sales represents costs directly related to the production and third party manufacturing of the Company's products and the freight costs associated with the delivery of the product.

Shipping and Handling

Shipping and Handling

Soup sold is typically shipped directly to the customer from the third party manufacturer; costs associated with shipping and handling is shown as a component of cost of sales.

Advertising

Advertising

The Company expenses advertising costs when incurred.

Advertising expensed for the three months ended November 30, 2012 and 2011 is as follows:

	2012	2011
Advertising	$ 38,748	$ 3,118

Earnings (Loss) Per Share

Earnings (Loss) Per Share

Basic earnings/loss per share ("EPS") is computed by dividing net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of warrants), and convertible debt, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive.

The Company has the following potential common stock equivalents at November 30, 2012 and August 31, 2012:

	November 30, 2012	August 31, 2012
Stock options (exercise price - $0.50 - $0.75/share)	1,975,000	1,975,000
Warrants (exercise price $0.75- $1.25/share)	2,035,852	1,952,135
Convertible Series A preferred shares (exercise price $0.001/share)	1,200,266	1,200,266
Convertible debt - derivatives liabilities (exercise price $0.29 - $1/share)	1,988,208	2,556,016
Total common stock equivalents	7,199,326	7,683,417

Certain of the outstanding convertible debt and warrants contain ratchet provisions that would cause variability in the exercise price at the balance sheet date. As a result, common stock equivalents may change at each reporting period.

The Company reflected a net loss for the three months ended November 30, 2012 and the year ended August 31, 2011; therefore, the effect of considering any common stock equivalents would have been anti-dilutive; consequently, a separate computation of diluted earnings (loss) per share is not presented.

Segments

The Company operates in only one segment.

Variable Interest Entities

A variable interest entity is a legal entity, other than an individual, used for business purposes that either (a) has equity investors that do not provide sufficient financial resources for the entity to support its activities, or (b) has equity investors that lack certain characteristics of controlling interest.

A legal entity is required to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or is entitled to receive a majority of the entity's residual returns or both.

On December 29, 2009, OSM purchased all of the assets of Soup Kitchen International, Inc. and its subsidiaries ("Soup Kitchen") for $100,000 and guaranteed $3,670,000 of Soup Kitchen's secured debt. In addition, OSM agreed to pay Soup Kitchen royalties of 1% of all of OSM sales for five years (through 2014), which will represent substantively all of Soup Kitchen's revenue. See Note 8(C) regarding amounts still under guarantee.

The guaranty of the secured debt was a significant part of the Acquisition, because the assets acquired by OSM comprised substantially all of the income producing assets of Soup Kitchen, creating an obligation on the part of OSM that is almost certain to occur. In addition, the assets securing the debt were the assets obtained in the acquisition.

Management has determined that Soup Kitchen is a variable interest entity. Accordingly, the remaining post-acquisition net assets of Soup Kitchen have been consolidated with OSM's net assets as of December 29, 2009; however, each entity still maintains its separate legal existence.

Non-controlling Interest

In December 2009, OSM acquired 80% of Kiosk, and reported the third party's 20% as a non-controlling interest. As part of the Company's merger in December 2010 with OSM, the Company began to report this non-controlling interest on its financial statements.

Concentrations

Accounts Receivable

The following table shows significant concentrations in our accounts receivable at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	22%	-
B	11%	-
C	9%	-
D	8%	-
E	7%	7%
F	6%	-

Vendors

The following table shows significant concentrations in our purchases at November 30, 2012 and August 31, 2012.

	November 30, 2012	**August 31, 2012**
A	58%	73%
B	42%	27%

Sales

The following table shows significant concentrations in our revenues for the three months ended November 30, 2102 and 2011.

	2012	**2011**
A	31%	72%
B	8%	-
C	7%	-
D	6%	-
E	5%	-
F	5%	-

Recent Accounting Pronouncements

Recent Accounting Pronouncements

There are no new accounting pronouncements that have any impact on the Company's consolidated financial statements.

Summary of Significant Accounting Policies (Details 3)	3 Months Ended			12 Months Ended	3 Months Ended			12 Months Ended	3 Months Ended			12 Months Ended	3 Months Ended			12 Months Ended	3 Months Ended			12 Months Ended	3 Months Ended			12 Months Ended	3 Months Ended	12 Months Ended	3 Months Ended	12 Months Ended
	Nov. 30, 2012 A [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 A [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 A [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 A [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 B [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 B [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 B [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 B [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 C [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 C [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 C [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 C [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 D [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 D [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 D [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 D [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 E [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 E [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 E [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 E [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 F [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2011 F [Member] Sales [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 F [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Aug. 31, 2012 F [Member] Accounts Receivable [Member] Customer Concentration Risk [Member]	Nov. 30, 2012 A [Member] Vendors [Member] Supplier Concentration Risk [Member]	Aug. 31, 2012 A [Member] Vendors [Member] Supplier Concentration Risk [Member]	Nov. 30, 2012 B [Member] Vendors [Member] Supplier Concentration Risk [Member]	Aug. 31, 2012 B [Member] Vendors [Member] Supplier Concentration Risk [Member]
Concentrations																												
Concentration risk, Percentage	31.00%	72.00%	22.00%		8.00%		11.00%		7.00%		9.00%		6.00%		8.00%		5.00%		7.00%	7.00%	5.00%		6.00%		58.00%	73.00%	42.00%	27.00%

Accounts Receivable / Accounts Receivable - Franchisee Related Parties (Tables)	3 Months Ended
	Nov. 30, 2012
Non-related parties [Member]	
Accounts, Notes, Loans and Financing Receivable [Line Items]	
Summary of accounts receivable	

	November 30, 2012	August 31, 2012
Accounts receivable	$ 306,967	$298,659
Allowance for doubtful accounts	(25,990)	(18,787)
Accounts receivable – net	$ 280,977	$279,872

Related parties [Member]	
Accounts, Notes, Loans and Financing Receivable [Line Items]	
Summary of accounts receivable	

	November 30, 2012	August 31, 2012
Accounts receivable	$ 38,751	$ 31,591
Allowance for doubtful accounts	(21,841)	(28,792)
Accounts receivable – net	$ 16,910	$ 2,799

Consolidated Statements of Cash Flows (Unaudited) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Cash Flows From Operating Activities:		
Net loss	$ (1,226,393)	$ (1,246,193)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debt expense	4,891	
Stock issued for non payment of note payable	47,750	
Depreciation	2,544	2,523
Amortization of intangibles	4,717	4,717
Amortization of debt discount	187,718	
Amortization of debt issue cost	70,131	
Stock issued for services	296,944	387,500
Change in fair market value of derivative liabilities	(134,329)	
Stock based compensation	4,612	139,637
(Increase) Decrease in:		
Accounts receivable	(5,996)	(64,549)
Accounts receivable - related party	(14,111)	12,941
Other assets	(501)	
Prepaid expenses	(17,642)	7,148
Increase (Decrease) in:		
Accounts payable and accrued liabilities	342,841	425,050
Accounts payable and accrued liabilities - related parties	16,158	
Net Cash Used in Operating Activities	(420,666)	(331,226)
Cash Flows From Investing Activities:		
Proceeds from notes receivable - franchisees		143,482
Proceeds from note receivable - other		2,000
Advance in connection with sale of franchisee - related party		(73,333)
Due from franchisee - related party	(25,826)	
Net Cash (Used in) Provided by Investing Activities	(25,826)	72,149
Cash Flows From Financing Activities:		
Proceeds from issuance of notes	569,000	
Repayment of debt	(53,000)	(64,755)
Proceeds from issuance of common stock and warrants		9,000
Cash paid for direct offering costs of convertible notes payable and issuance of common stock	(36,480)	
Net Cash Provided by (Used in) Financing Activities	479,520	(55,755)
Net increase (decrease) in cash	33,028	(314,832)
Cash at beginning of period	174,315	343,927
Cash at end of period	207,343	29,095
Supplemental disclosures of cash flow information:		
Cash paid for interest	34,846	56,961
Cash paid for taxes		

Supplemental disclosures of non-cash investing and financing activities:

Reclassification of derivative liability to additional paid in capital	41,653	
Debt discount recorded on convertible debt	38,013	
Common stock issued in connection with debt financing - treated as debt discount	75,040	
Debt issue cost	40,466	
Reduction of accrued payroll - related party and related reduction of due from franchise - related party		32,888
Stock options exercised for subscription		100,000
Conversion of preferred stock to common stock		$ 227

Consolidated Balance Sheets (Parenthetical) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Consolidated Balance Sheets [Abstract]		
Series A convertible preferred stock, par value	$ 0.001	$ 0.001
Series A convertible preferred stock, shares authorized	2,500,000	2,500,000
Series A convertible preferred stock, shares issued	1,200,266	1,200,266
Series A convertible preferred stock, shares outstanding	1,200,266	1,200,266
Common stock, par value	$ 0.001	$ 0.001
Common stock, shares authorized	75,000,000	75,000,000
Common stock, shares issued	31,277,640	30,904,790
Common stock, shares outstanding	31,277,640	30,904,790

Deferred Franchise Revenue	3 Months Ended Nov. 30, 2012
Deferred Franchise Revenue [Abstract]	
Deferred Franchise Revenue	**Note 10 Deferred Franchise Revenue** Deferred franchise revenues result from payments received from new franchises prior to the Company's performance under the terms of the franchise agreements. Often these payments are made before stores locations have been identified. One new franchisee was sold in the three months ended November 30, 2012 and all requirements were met to recognize the revenue. There were no franchises sold for the three months ended November 30, 2011. The Company has not performed the required services to recognize this deferred franchise revenue as revenue given that they have not performed all of the necessary required steps including identifying and accepting a sufficient location.

Document and Entity Information	3 Months Ended Nov. 30, 2012	Jan. 11, 2013
Document and Entity Information [Abstract]		
Entity Registrant Name	SOUPMAN, INC.	
Entity Central Index Key	0001475273	
Document Type	10-Q	
Document Period End Date	Nov. 30, 2012	
Amendment Flag	false	
Document Fiscal Year Focus	2013	
Document Fiscal Period Focus	Q1	
Current Fiscal Year End Date	--08-31	
Entity Filer Category	Smaller Reporting Company	
Entity Common Stock, Shares Outstanding		31,404,390

Stockholders' Deficit	3 Months Ended Nov. 30, 2012
Stockholders' Deficit [Abstract]	
Stockholders' Deficit	

Note 11 Stockholders' Deficit

(A) Series A – Convertible Preferred Stock

Holders of the Company's preferred shares have no voting rights and receive no dividends, but receive $1.00 per share in the case of liquidation of the Company. This series of shares convert on a 1:1 basis at par value ($0.001) into shares of the Company's common stock. In the event that shares are issued, the Company will evaluate for beneficial conversion features.

Series A convertible preferred stock consists of the following activity for the three months ended November 30, 2012:

Balance - August 31, 2012	$1,200,266
Shares issued	-
Shares converted to common stock	(-)
Balance – November 30, 2012	$1,200,266

(B) Common Stock

For the three months ended November 30, 2012 the Company issued the following shares of common stock:

Type	Shares	Fair value	Range of value per share
1. Stock issued for services	170,000	$ 110,425	$ $0.55 - $0.72
2. Stock issued in connection with convertible debt (see Note 8(B))	121,600	$ 75,040	$ $0.55 - $0.65
3. Stock issued in connection with notes payable (see Note 8(B))	81,250	$ 47,750	$ $0.50 - $0.61

Unless otherwise indicated, fair value for the share issued was based upon the quoted closing trading price on the dates shares were issued.

In June of 2012, the Company entered into an employment agreement with one of its directors. Under the agreement the Company agreed to issue the following assuming the director is still employed:

(1) 200,000 shares of common stock on June 1, 2013
(2) 200,000 shares of common stock on January 1, 2014
(3) 200,000 shares of common stock on June 1, 2014
(4) 200,000 shares of common stock on January 1, 2015
(5) Up to 400,000 shares of common stock if the Company's stock price reaches certain targets
(6) Up to 500,000 shares of common stock based on future sales of the Company

The Company determined the agreement contains a combination of service, market and performance conditions as defined under ASC 718. Additionally, the Company determined the fair value of these awards to be $1,033,350. During the three months ended November 30, 2012, $186,519 of compensation cost was recognized under this agreement, leaving $846,831 of compensation cost to be recognized through June 1, 2015.

(C) Stock Options

The Company had no stock option grants for the quarter ended November 30, 2012.

The fair value for the Company's option expensed for the three months ended November 30, 2012 was based upon the following management assumptions:

	2012	2011
Exercise price	$ 0.75	$ 0.50
Expected dividends	0%	0%
Expected volatility	150%	150%
Risk fee interest rate	1.92%	2.01%
Expected life of option	10 years	5 years
Expected forfeitures	0%	0%

The following is a summary of the Company's stock option activity for the three months ended November 30, 2012:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value
Balance – August 31, 2012	1,975,000	$ 0.53	8.45 years	
Granted	-	$ -		
Exercised	-	$ -		
Forfeited	(-)	$ -		
Balance – November 30, 2012	1,975,000	$ 0.53	3.69 years	88,750
Outstanding options held by related parties (November 30, 2012)	1,450,000			
Exercisable options held by related parties (November 30, 2012)	1,450,000			
Exercisable options held by third parties (November 30, 2012)	375,000			

The following is a summary of the Company's unvested stock options at November 30, 2012.

	Un-vested Stock Options	Weighted Average Grant Date Fair Value
Unvested – August 31, 2012	150,000	$ 0.59
Granted	-	-
Vested/Exercised	-	-
Forfeited/Cancelled	(-)	-
Unvested – November 30, 2012	150,000	$ -

Weighted average remaining life for vesting	1.13 years	

The Company expensed $4,612 for the quarter ended November 30, 2012 related to vested options.

(D) Stock Warrants

The following is a summary of the Company's stock warrant activity for the three months ended November 30, 2012:

	Number of Warrants	Weighted Average Exercise Price
Balance at August 31, 2012	1,952,135	$ .98
Granted	127,050	$ .88
Exercised	-	-
Forfeited/Cancelled	43,333	.75
Balance at November 30, 2012	2,035,852	$ .98

Warrants issued for the quarter ended November 30, 2012 included 66,250 to the new convertible note holders in association with the issuance of convertible notes and 60,800 to a placement agent which brought in convertible notes. The forfeited/cancelled warrants are also associated with the replacement as a correction of the warrants issued in the quarter ended August 31, 2012.

	Warrants Outstanding			Warrants Exercisable		
Range of exercise price	Number Outstanding	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price	Intrinsic Value
$ 0.75 - $1.25	2,035,852	1.80	$ .98	2,035,852	.98	$ 0

Consolidated Statement of Operations (Unaudited) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Sales		
Soup sales - net	$ 724,386	$ 330,561
Franchise sales	20,000	
Franchise royalties	45,888	53,382
Total sales	790,274	383,943
Cost of sales	533,223	299,646
Gross profit	257,051	84,297
Operating expenses:		
General and administrative	1,120,399	1,208,282
Royalty	56,250	56,250
Total operating expenses	1,176,649	1,264,532
Loss from operations	(919,598)	(1,180,235)
Other income (expense)		
Interest income	4,906	
Interest expense	(371,780)	(65,958)
Stock expense related to convertible notes	(47,750)	
Prepayment of debt penalty	(26,500)	
Change in fair value of derivative liabilities	134,329	
Total other expense - net	(306,795)	(65,958)
Net loss including nocontrolling interest	(1,226,393)	(1,246,193)
Less: net loss attributable to noncontrolling interest	(11,910)	(26,605)
Net loss attributable to Soupman	$ (1,214,483)	$ (1,219,588)
Basic and diluted loss per common share:	$ (0.04)	$ (0.04)
Weighted average number of common shares outstanding during the period - basic and diluted	31,113,606	27,769,761

Prepaid Expenses	3 Months Ended Nov. 30, 2012
Prepaid Expenses [Abstract]	
Prepaid Expenses	**Note 5 Prepaid Expenses** Prepaid expenses consist of the following as of November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Prepaid insurance	$ 24,190	$ 25,359
Prepaid freight	19,286	-
Prepaid other	640	1,115
Prepaid and other expenses – net	$ 44,116	$ 26,474

Accounts Receivable / Accounts Receivable - Franchisee Related Parties	3 Months Ended Nov. 30, 2012
Accounts Receivable Accounts Receivable - Franchisee - Related Parties [Abstract]	
Accounts Receivable / Accounts Receivable - Franchisee – Related Parties	**Note 4 Accounts Receivable / Accounts Receivable - Franchisee – Related Parties** In connection with certain debt financings, all accounts receivables serve as collateral; see Note 8(C). Accounts receivable consisted of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Accounts receivable	$ 306,967	$298,659
Allowance for doubtful accounts	(25,990)	(18,787)
Accounts receivable – net	$ 280,977	$279,872

Related-parties accounts receivable consisted of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
Accounts receivable	$ 38,751	$ 31,591
Allowance for doubtful accounts	(21,841)	(28,792)
Accounts receivable – net	$ 16,910	$ 2,799

Summary of Significant Accounting Policies (Tables)	3 Months Ended Nov. 30, 2012
Summary Of Significant Accounting Policies [Abstract]	
Major categories of liabilities measured at fair value on a recurring basis	(table below)
Advertising expenses	(table below)
Common stock equivalents	(table below)
Concentrations	(see below)

Major categories of liabilities measured at fair value on a recurring basis

	November 20, 2012	August 31, 2011
Derivative Liabilities (Level 3)	$ 375,524	$513,493

Advertising expenses

	2012	2011
Advertising	$38,748	$ 3,118

Common stock equivalents

	November 30, 2012	August 31, 2012
Stock options (exercise price - $0.50 - $0.75/share)	1,975,000	1,975,000
Warrants (exercise price $0.75- $1.25/share)	2,035,852	1,952,135
Convertible Series A preferred shares (exercise price $0.001/share)	1,200,266	1,200,266
Convertible debt - derivatives liabilities (exercise price $0.29 - $1/share)	1,988,208	2,556,016
Total common stock equivalents	7,199,326	7,683,417

Concentrations

Accounts Receivable

The following table shows significant concentrations in our accounts receivable at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	22%	-
B	11%	-
C	9%	-
D	8%	-
E	7%	7%
F	6%	-

Vendors

The following table shows significant concentrations in our purchases at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	58%	73%
B	42%	27%

Sales

The following table shows significant concentrations in our revenues for the three months ended November 30, 2102 and 2011.

	2012	2011
A	31%	72%
B	8%	-
C	7%	-
D	6%	-
E	5%	-
F	5%	-

Commitments and Contingencies	3 Months Ended Nov. 30, 2012
Commitments and Contingencies [Abstract]	
Commitments and Contingencies	**Note 12 Commitments and Contingencies** **Commitments** The Company is obligated to pay the minority stockholder of Kiosk an amount equal to 3% of the gross sales of all of its soup on the first $50,000,000 of gross sales, 2% on gross sales between $50,000,000 and $75,000,000, and 1% on gross sales thereafter. The Company is required to pay a minimum of $225,000 per year if the gross sales threshold is not met. Payments are due quarterly for ongoing services through June 30, 2014 and if these services, such as changing recipes, are not performed, payments would not be due. Future annual payments are as follows: 2013 (remaining 9 months) — $ 168,750 2014 — 187,500 Total — $ 356,250 For the three months ended November 30, 2012, and 2011, the Company recorded a royalty expense of $56,250. The Company is obligated to issue 10,000 shares of its common stock to a key employee each month. In addition the Company has agreed to issues an additional 800,000 shares (400,000 each on June 1, 2013 and June 1, 2014) to its Chairman, plus up to an additional one-million shares based on the Company sales and stock performance. The Company is obligated to pay a consultant 267,108 shares, which vest monthly through July 2013. **Litigations, Claims and Assessments** From time to time, the Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. On September 21, 2009, a former Chairman of the Board of Soup Kitchen as successor to Commerce Bank (the "lender") commenced an action to enforce certain guarantees given by the defendants to the lender regarding Soup Kitchen's defaulted loan. In August 2011 the Company entered into a forbearance agreement with this individual which was extended in August 2012 to September 2013; see Note 8(C). On May 31, 2010, a chapter 7 petition for involuntary bankruptcy was filed against Soup Kitchen. On October 26, 2010, a third party action was filed in the Soup Kitchen bankruptcy case by the defendants against the Company, certain principals of the Company and other third parties. The action seeks, among other things, to invalidate the Company's purchase of assets from Soup

Kitchen. The Company is defending this action believing it to be without merit, especially in the light of the facts that (1) an independent appraisal was performed prior to the asset transfer, (2) an additional independent appraisal was performed by a third party in May of 2012, which showed Soup Kitchen had no value, (3) the Company paid $100,000 in cash and guaranteed secured debt in the amount of approximately $3,670,000; and (4) shareholder approval was obtained. Mediation in this case is still ongoing.

Soupman, Inc. is one of several defendants in a lawsuit filed by Gourmet Sales and Marketing, LLC ("GSM") in July 2011. GSM claims that it is owed $37,500 in sales commissions based upon an August 2009 sales and marketing agreement. Aside from the claim for an accounting, compensatory damages and/or punitive damages are demanded with respect to the other claims. The Company served its answer to the complaint in October 2011, in which they denied the allegations of the complaint with respect to the claims of liability and asserted numerous defenses and affirmative defenses. The matter is now in the discovery phase of litigation. In Company counsel's opinion, the complaint lacks merit as the agreement that forms the basis of GSM's claims may be invalid and unenforceable, GSM is not owed any money, and the Company believes that punitive damages are without basis.

No assurance can be given as to the ultimate outcome of these actions or its effect on the Company. If the Company is not successful in its defense of these actions it could have a material adverse effect on its business, as well as current and expected future operations.

Debt	**3 Months Ended Nov. 30, 2012**
Debt [Abstract]	
Debt	**Note 8 – Debt**

Debt consists of the following at November 30, 2012 and August 31, 2012:

	November 30, 2012	August 31, 2011
A. Convertible debt – Unsecured – Derivative Liabilities	$ 601,000	$ 570,250
Less : debt discount	(73,824)	(140,822)
Convertible debt – net	527,176	429,428
B. Convertible debt – Unsecured	954,000	650,000
Less : debt discount	(255,599)	(263,266)
Convertible debt – net	698,401	386,734
C. Notes – Secured	2,990,897	2,990,897
D. Notes – Unsecured	731,250	550,000
Total debt	$4,947,724	$4,357,059

Debt in default consists of secured and unsecured notes totaling $1,883,750 and $1,462,500 at November 30, 2012 and August 31, 2012, respectively.

The corresponding debts above are more fully discussed below:

(A) Convertible Debt – Unsecured – Derivative Liabilities

During the three months ended November 30, 2012, the Company issued convertible unsecured debt and warrants that had an embedded conversion feature. The convertible debt includes the following terms:

		November 30, 2012
Interest Rate		8%
Default interest rate		N/A
Maturity		March 21, 2013 to May 30, 2013
Conversion terms	Fixed conversion price of $1.00	$ 265,000

The debt holders are entitled, at their option, to convert all or part of the principal and accrued interest into shares of the Company's common stock at the conversion prices and terms discussed above. In addition the Company issued 66,250 3-year warrants in connection with these convertible notes.

The Company classifies embedded conversion features in these notes and warrants as a derivative liability due to the existence of anti-dilution provisions in the form of a ratchet feature; see Note 9. These notes will automatically convert into common shares of the Company upon the Company raising $2 million or more in additional funding, on the same terms and conditions as provided to the new investor(s).

During the three months ended November 30, 2012 the Company repaid $53,000 of its convertible unsecured debt - derivative liability and paid an early payment penalty of $26,500, which is shown on the Company's consolidated statement of operations as a loss entitled "Prepayment of debt penalty."

Balance - August 31, 2012	$ 570,250
Borrowings during the year ended August 31, 2012	265,000
Reclassification from convertible to unsecured demand notes	(181,250)
Repayment of convertible debt	(53,000)
Balance – November 30, 2012	$ 601,000

(B) Convertible Debt – Unsecured

During the three months ended November 30, 2012 the Company issued convertible debt. The convertible debt includes the following terms:

Interest Rate		12%
Default interest rate		N/A
Term		1 year
Maturity		September 20, 2013 to October 15, 2013
Conversion terms	Fixed conversion price of $0.75	304,000

The debt holders are entitled, at their option, to convert all or part of the principal and accrued interest into shares of the Company's common stock at the conversion prices and terms discussed above. In addition, the Company issued 121,600 shares of its common stock in connection with these convertible notes (which was recorded as debt discount); see note 8(E). Debt holders are also entitled to receive 12,500 shares per $100,000 invested should their loans not be repaid within 3 months from the date of the loan; see Note 14 for any shares issued under these terms.

In connection with these borrowings, the Company incurred debt issue costs of $76,946. In connections with all borrowings $70,130 was amortized during the three months ended November 30, 2012; the remaining balance of $198,173 will be amortized during the 12 months ended November 30, 2013.

Should the Company raise $1 million in this series of notes (in which $954,000 has been raised), all debt holders of this series of notes could receive either a portion (not to exceed the full amount) of their investment or the full amount of their investment back prior to maturity based on additional funding. The amount received shall be either 8% of the then funded amount (if additional funding is less than $3 million) or an amount equal to 100% of their investment plus accrued interest if the addition funding is in excess of $3 million. To date, the amount raised under this investment has not exceeded $1 million; therefore no amounts are due investors.

In addition, in the event the Company defaults on these loans (defined as nonpayment of note within three months after maturity) debt holders at their option, may convert the amount then due (including accrued interest) into common shares of the Company at a 35% discount to the average of the then lowest three days closing prices for the then preceding 20 days. As of the date of this filing, no notes were in default; however should the Company default on these notes, they will be treated as a derivative liability.

Convertible debt consists of the following activity and terms:

Balance - August 31, 2012	$ 650,000
Borrowings during the three months ended November 30, 2012	304,000
Repayment of convertible debt	-
Balance – November 30, 2012	$ 954,000

(C) Notes - Secured

Secured notes consist of the following activity and terms:

		Interest Rate (Range)	Maturity Date (not in default)
Balance - August 31, 2012	$2,990,897		
Repayment of debt	-		
Accrued interest	-	7% - 12.25%	September 1, 2013
Balance – November 30, 2012	$2,990,897		

During the three months ended November 30, 2012 the Company accrued $66,754 in interest on its secured debt and made payment of $30,709 on accrued interest.

In May, 2011 the Company entered into a 13-month forbearance agreement with a secured debt holder to avoid default. As part of the agreement, the Company was to reserve 500,000 of its common shares for the benefit of the debt holder. In August 2012, the Company entered into a second 13-month forbearance agreement with the same debt holder (representing $1,500,000 of the Company's secured debt.) The debt holder received 550,000 shares of the Company's common stock, having a fair value of $396,000 ($0.72/share) based on the quoted closing trading price of the Company's stock on the date of the forbearance, which was charged to other expense; the debt holder also received the 500,000 shares (which were previously reserved for the benefit of the debt holder), having a fair value of $425,000 ($0.85/share) based on the closing price of the Company's stock, which was recorded to debt. Per the second forbearance agreement, proceeds from the debt holder's sale of the original 500,000 shares will reduce the amount owed the by the Company to the debt holder dollar-for-dollar but not to exceed the total amount of the debt. The Company will review the debt holder's sales of these shares on a quarterly basis, and may either decrease or increase the Company's recorded debt based on the dollar amount received from the stock sales, offsetting the aggregate as either a gain on or loss from debt settlement.

The remaining $1,200,000 of the secured notes (the 7% note) represents an amount owed to one of the Company's co-packers and is in default.

Secured notes are secured by all the assets of the Company.

The total amounts owed to both secured debt holders represent amounts owed by SKI which were guaranteed by the Company; see Note 3 - VIE.

(D) Notes - Unsecured

Unsecured notes consist of the following activity and terms:

Balance - August 31, 2012	550,000
Borrowings during the year ended August 31, 2012	-
Reclassification from convertible to demand debt	181,250
Repayment of debt	-
Balance – November 30, 2012	$ 731,250

During the three months ended November 30, 2012, the Company reclassified convertible debt that had past its maturity date to unsecured due-on-demand debt. On the date of maturity, these notes were no longer convertible.

Unsecured notes at November 30, 2012 consist of the following:

Amount	Information	Status
$ 683,750	Represented convertible debt not paid by maturity date	Due on demand
$ 10,000	Represents an advance from a third party.	Due on demand
$ 37,500	The Company is in litigation regarding this debt; see Note 13.	Due on demand

(E) Debt discount

For the three months ended November 30, 2012, the Company recorded debt discounts totaling $113,053.

Debt discount – net consists of $73,824 related to notes that contained embedded conversion options that are required to be bifurcated and reported at fair value (see Note 8 (A)) and, $255,599 related to convertible debt that contained a beneficial conversion feature (see Note 8(B)).

	November 30, 2012
Total outstanding debt	$5,277,147
Debt discount	(940,150)
Amortization of debt discount to interest expense	610,727
Debt – net	$4,947,724

The Company recorded debt discount relating to its derivative liabilities to the extent of gross proceeds raised in its debt financing transactions, and immediately expensed the remaining value of the derivative if it exceeded the gross proceeds of the note. The Company recorded no such derivative expense for the three months ended November 30, 2012.

Stockholders' Deficit (Details 6) (Warrant [Member], USD $)	3 Months Ended Nov. 30, 2012
Warrant [Member]	
Summary of stock warrant excercise price	
Range of exercise price, Lower range	$ 0.75
Range of exericse price, Upper range	$ 1.25
Number Outstanding	2,035,852
Weighted Average Remaining Contractual Life (in years)	1 year 9 months 18 days
Weighted Average Exercise Price	$ 0.98
Number Exercisable	2,035,852
Warrants Exercisable, Weighted Average Exercise Price	$ 0.98
Intrinsic Value	$ 0

Property and Equipment	3 Months Ended Nov. 30, 2012
Property and Equipment [Abstract]	
Property and Equipment	**Note 6 Property and Equipment** Property and equipment consist of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012	Life
Vehicles	$ 11,843	$ 11,843	5 years
Equipment	21,843	21,843	5-7 years
Furniture and fixtures	12,410	12,410	5 years
Total	46,096	46,096	
Less: accumulated depreciation	(21,285)	(18,741)	
Property and equipment – net	$ 24,811	$ 27,355	

Intangible Assets	3 Months Ended Nov. 30, 2012
Intangible Assets [Abstract]	
Intangible Assets	**Note 7 – Intangible Assets**

Intangible assets consist of the following at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012	Life
Soup formulas	$ 27,418	$ 27,418	5 years
Recipes	53,750	53,750	4 years
Total	81,168	81,168	
Less: accumulated amortization	(37,116)	(32,399)	
Intangible assets-net	$ 44,052	$ 48,769	

The estimated future amortization expense of intangible assets is as follows:

Fiscal Year ended August 31,	Amount
2013 (remaining 9 months)	$ 14,204
2014	18,921
2014	9,344
2015	1,583
Total	$ 44,052

Derivative Liabilities	3 Months Ended Nov. 30, 2012
Derivative Liabilities [Abstract]	
Derivative Liabilities	**Note 9 – Derivative Liabilities** The Company identified conversion features embedded within convertible debt and warrants (see Note 8(A)). The fair value of the Company's derivative liabilities at November 30, 2012 is as follows.

	November 30, 2012
Derivative liabilities– August 31, 2012	$ 513,493
Fair value at the commitment date for convertible notes	18,026
Fair value at the commitment date for warrants issued	19,987
Reclassification to additional paid in capital for financial instruments that ceased to be a derivative liability	(41,653)
Fair value mark-to-market adjustment	(134,329)
Derivative liabilities– November 30, 2012	$ 375,524

The fair value at the commitment and re-measurement dates for convertible debt and warrants that are treated as derivative liabilities with embedded conversion features were based upon the following management assumptions for the three months ended November 30, 2012:

	Commitment Date	Re-measurement Date
Exercise price	$0.80 - $1.00	$0.80 - $1.00
Expected dividends	0%	0%
Expected volatility	104% -110%	104%-104%
Expected term: convertible debt and warrants	6 months – 3 years	4.06 months – 3 years
Risk free interest rate	0.14% - 0.36%	0.03% - 0.43%

Going Concern (Details) (USD $)	3 Months Ended		
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012
Going Concern (Textual)			
Net Loss	$ (1,226,393)	$ (1,246,193)	
Net cash used in operating activities	(420,666)	(331,226)	
Working capital deficit	(8,600,000)		
Stockholders' Deficit	$ (8,285,840)		$ (7,565,912)

Commitments and Contingencies (Details Textual) (USD $)	3 Months Ended					3 Months Ended				
	Nov. 30, 2012	Nov. 30, 2011	Dec. 29, 2009	Nov. 30, 2012 Kiosk [Member]	Nov. 30, 2012 Kiosk [Member] Gross sales upto 50,000,000 [Member]	Nov. 30, 2012 Kiosk [Member] Gross sales between 50,000,000 to 75,000,000 [Member]	Nov. 30, 2012 Kiosk [Member] Gross sales above 75,000,000 [Member]	Nov. 30, 2012 Kiosk [Member] Minimum [Member] Gross sales between 50,000,000 to 75,000,000 [Member]	Nov. 30, 2012 Kiosk [Member] Maximum [Member] Gross sales between 50,000,000 to 75,000,000 [Member]	Jul. 31, 2011 Gourmet Sales and Marketing LLC, [Member]
Commitments and Contingencies (Textual)										
Gross Sales	$ 724,386	$ 330,561			$ 50,000,000			$ 50,000,000	$ 75,000,000	
Royalty payable as percentage of gross sales	1.00%				3.00%	2.00%	1.00%			
Minimum royalty payable				225,000						
Royalty	56,250	56,250								
Sales commission due										37,500
Payment of debt in cash	100,000									
Guaranteed secured debt			$ 3,670,000							
Share based payament to employees per month	10,000									
Additional share based payament to employees	800,000									
Description of shares awarded to employees	400,000 each on June 1, 2013 and June 1, 2014									
Shares issuable based on Company sales and stock performance	1,000,000									
Shares issued to consultants under obligation	267,108									

Summary of Significant Accounting Policies (Details 1) (USD $)	3 Months Ended	
	Nov. 30, 2012	Nov. 30, 2011
Advertising expenses		
Advertising	$ 38,748	$ 3,118

Debt (Details Textual) (USD $)	3 Months Ended			3 Months Ended		1 Months Ended	3 Months Ended	12 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Aug. 31, 2012	Nov. 30, 2012 Convertible debt – Unsecured [Member]	Aug. 31, 2012 Convertible debt – Unsecured [Member]	May 31, 2011 Notes - Secured [Member]	Nov. 30, 2012 Notes - Secured [Member]	Aug. 31, 2012 Notes - Secured [Member]
Debt (Textual)								
Debt default, totaling	$ 1,883,750		$ 1,462,500					
Additional convertible warrants issued	66,250							
Maturity period of warrants	3 years							
Debt, terms of conversion feature	Convertible notes will automatically convert into common shares of the Company upon the Company raising $2 million or more in additional funding, on the same terms and conditions as provided the then new investor(s).							
Minimum additional funding amount provided new investors	2,000,000							
Prepayment of debt penalty	(26,500)							
Repayment of convertible unsecured debt	53,000							
Beneficial Conversion Feature	255,599							
Stock issued in connection with convertible debt	121,600			121,600				
Debt conversion, shares issuable				12,500				
Debt conversion, debt amount				100,000				
Debt conversion converted, debt description				Debt holders are				

	also entitled to receive 12,500 shares per $100,000 invested should their loans not be repaid within 3 months from the date of the loan
Debt issuance costs incurred	76,946
Amortization of financing costs	70,130
Remaining balance of financing costs amortized	198,173
Debt holders investment description	Should the Company raise $1 million in this series of notes, all debt holders of this series of notes could receive either a portion (not to exceed the full amount) of their investment or the full amount of their investment back prior to maturity based on additional funding. The amount received shall be either 8% of the then

		funded amount (if additional funding is less than $3 million) or an amount equal to 100% of their investment plus accrued interest if the addition funding is in excess of $3 million. To date, the amount raised under this investment has not exceeded $1 million; therefore no amounts are due investors.	
Maximum additional funding amount		3,000,000	
Additional funding amount not exceeded		1,000,000	
Convertible debt – Unsecured	5,277,147	954,000	650,000
Default loans, description		In addition, in the event the Company defaults on these loans (defined as nonpayment of note within three months after maturity) debt holders at their option, may convert the amount then	

	due (including accrued interest) into common shares of the Company at a 35% discount to the average of the then lowest three days closing prices for the then preceding 20 days. As of the date of this filing, no notes were in default; however should the Company default on these notes, they will be treated as a derivative liability.		
Accrued interest		66,754	
Accrued interest paid		30,709	
Period of forbearance agreement with a secured debt		13 months	13 months
Common stock reserved for benefit of debt holder, (Shares)		500,000	
Secured debt for second forbearance agreement			1,500,000
Issuance of common stock for forbearance agreement ($0.72/ share), Shares			550,000
Issuance of common stock for forbearance agreement ($0.72/ share)			396,000
Issuance of common stock for forbearance agreement (per share)			$ 0.72

Issuance of common stock for settlement of debt ($0.85/ share)					425,000
Issuance of common stock for settlement of debt ($0.85/ share), Shares					500,000
Issuance of common stock for settlement of debt (per share)					$ 0.85
Secured notes an amount owed to one of the company’s co-packers				1,200,000	
Secured debt due to related party (in percentage)				7.00%	
Debt discounts recorded by company	113,053	255,599	263,266		
Debt Instrument discount bifurcated	$ 73,824				
Debt Instrument Convertible Conversion Price Fixed	$ 1.00	$ 0.75			

Subsequent Events	3 Months Ended Nov. 30, 2012
Subsequent Events [Abstract]	
Subsequent Events	**Note 14 Subsequent Events** **A) Debt** From December 1, 2012 until the date of this filing, $150,000 of the Company's convertible debt has matured and the Company has not yet repaid this debt; see Note 8(D). **B) Equity** Subsequent to November 30, 2012, we issued 95,000 shares of common stock for services rendered, having an aggregate fair market value of $49,525 based upon the quoted closing trading prices on the issue dates. We also issued 31,750 shares of common stock were issued for the nonpayment of notes payable having an aggregate fair value of $14,500 based on the quoted trading prices on the issue date.

Property and Equipment (Tables)	**3 Months Ended Nov. 30, 2012**
Property and Equipment [Abstract]	
Summary of property and equipment	

	November 30, 2012	August 31, 2012	Life
Vehicles	$ 11,843	$ 11,843	5 years
Equipment	21,843	21,843	5-7 years
Furniture and fixtures	12,410	12,410	5 years
Total	46,096	46,096	
Less: accumulated depreciation	(21,285)	(18,741)	
Property and equipment – net	$ 24,811	$ 27,355	

Debt (Details 6) (USD $)	3 Months Ended Nov. 30, 2012
Unsecured note activity	
Repayment of debt	$ 100,000
Notes – Unsecured [Member]	
Unsecured note activity	
Beginning Balance	550,000
Borrowings during period	
Reclassification from convertible to demand debt	181,250
Repayment of debt	
Balance	731,250
Summary of Unsecured notes	
Unsecured note amount	731,250
Unsecured note one [Member]	
Unsecured note activity	
Balance	683,750
Summary of Unsecured notes	
Unsecured note amount	683,750
Unsecured note information	Represented convertible debt not paid by maturity date
Unsecured note status	Due on demand
Unsecured note two [Member]	
Unsecured note activity	
Balance	10,000
Summary of Unsecured notes	
Unsecured note amount	10,000
Unsecured note information	Represents an advance from a third party.
Unsecured note status	Due on demand
Unsecured note three [Member]	
Unsecured note activity	
Balance	37,500
Summary of Unsecured notes	
Unsecured note amount	$ 37,500
Unsecured note information	The Company is in litigation regarding this debt; see Note 13.
Unsecured note status	Due on demand

Intangible Assets (Details) (USD $)	3 Months Ended Nov. 30, 2012	Aug. 31, 2012
Summary of intangible assets		
Intangible assets, gross	$ 81,168	$ 81,168
Less: accumulated amortization	(37,116)	(32,399)
Intangible assets – net	44,052	48,769
Soup Formulas [Member]		
Summary of intangible assets		
Intangible assets, gross	27,418	27,418
Estimated useful lives of intangible assets		
Estimated useful lives of intangible assets	5 years	
Recipes [Member]		
Summary of intangible assets		
Intangible assets, gross	$ 53,750	$ 53,750
Estimated useful lives of intangible assets		
Estimated useful lives of intangible assets	4 years	

Consolidated Statement of Stockholder's Deficit (Unaudited) (USD $)	Total	Preferred Stock $0.001 Par Value	Common Stock $0.001 Par Value	Additional Paid-in Capital	Accumulated Deficit	Noncontrolling Interest
Beginning Balance at Aug. 31, 2012	$ (7,565,912)	$ 1,200	$ 30,905	$ 5,053,684	$ (12,079,451)	$ (572,250)
Beginning Balance, Shares at Aug. 31, 2012		1,200,266	30,904,790			
Stock based compensation	4,612			4,612		
Issuance of common stock for services rendered ($0.55 - $0.72/share)	296,944		170	296,774		
Issuance of common stock for services rendered ($0.55 - $0.72/share), Shares			170,000			
Issuance of common stock on notes payable ($0.55 - $0.65/ share)	75,040		122	74,918		
Issuance of common stock on notes payable ($0.55 - $0.65/ share), Shares			121,600			
Issuance of common stock for nonpayment of notes payable ($0.50 - $0.61/share)	47,750		81	47,669		
Issuance of common stock for nonpayment of notes payable ($0.50 - $0.61/share), Shares	81,250		81,250			
Reclassification of derivative liability for early payment of note	41,653			41,653		
Reclassification of debt issue cost liability for warrants issued	40,466			40,466		
Net Loss	(1,226,393)				(1,214,483)	(11,910)
Balance at Nov. 30, 2012	$ (8,285,840)	$ 1,200	$ 31,278	$ 5,559,776	$ (13,293,934)	$ (584,160)
Balance, Shares at Nov. 30, 2012		1,200,266	31,277,640			

Summary of Significant Accounting Policies	3 Months Ended Nov. 30, 2012
Summary Of Significant Accounting Policies [Abstract]	
Summary of Significant Accounting Policies	**Note 3 Summary of Significant Accounting Policies** **Principles of Consolidation** The consolidated financial statements include the accounts of Soupman, Inc. and its wholly owned subsidiaries and subsidiaries in which it has a controlling interest. The Company reports non-controlling interests in one of its subsidiaries as a component of equity separate from the Company's equity. All significant intercompany transactions and balances have been eliminated in consolidation. **Reclassification** The Company has reclassified certain prior period amounts to conform to the current period presentation including the restatement previously mentioned. These reclassifications had no effect on the financial position, results of operations or cash flows for the periods presented. **Uses of Estimates** The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Such estimates and assumptions impact both assets and liabilities, including but not limited to: net realizable value of accounts receivable, estimated useful lives and potential impairment of property and equipment, the valuation of intangible assets, estimate of fair value of share based payments and derivative liabilities, estimates of tax liabilities and estimates of the probability and potential magnitude of contingent liabilities. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the financial statements, which management considered in formulating its estimate could change in the near term due to one or more future non-conforming events. Accordingly, actual results could differ significantly from estimates. **Risks and Uncertainties** The Company's operations are subject to risk and uncertainties including financial, operational, regulatory and other risks including the potential risk of business failure. These conditions may limit our access to capital. See Note 13 – Going Concern. The Company has experienced, and in the future expects to continue to experience, variability in its sales and earnings. The factors expected to contribute to this variability include, among others, (i) the uncertainty associated with the success of franchisees, (ii) the cyclical nature of the soup

business, (iii) general economic conditions and (iv) the related volatility of prices pertaining to the cost of sales.

Cash

The Company minimizes credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution(s). The balance at times may exceed federally insured limits; at November 30, 2012 and August 31, 2011, respectively, the balances exceeded the federally insured limit by $0 and $9,183, respectively. The Company has no cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

The Company recognizes an allowance for losses on its accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specific identifiable customer accounts considered at risk or uncollectible.

Property and Equipment

Property and equipment is stated at cost, less accumulated depreciation. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation of property and equipment is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. There were no impairment charges taken for the three months ended November, 30, 2012 and 2011, respectively.

Intangible Assets

Amortization of identifiable intangible assets is provided utilizing the straight-line method over the estimated useful lives of the respective assets.

Intangible assets are reviewed quarterly for impairment or if indicators of potential impairment exist. There were no impairment charges taken for the three months ended November 30, 2012 and 2011, respectively.

Fair Value of Financial Instruments

The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 – Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.

- Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 – Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The following are the major categories of liabilities measured at fair value on a recurring basis as of November 30, 2012 and 2011, using quoted prices in active markets for identical liabilities (Level 1); significant other observable inputs (Level 2); and significant unobservable inputs (Level 3):

	November 20, 2012	**August 31, 2011**
Derivative Liabilities (Level 3)	$ 375,524	$ 513,493

The Level 3 valuation relates to derivative liabilities measured using management's estimates of fair value as well as other significant inputs, such as volatility and risk free interest rate, which may be unobservable. See Note 9.

The Company has determined the estimated fair value amounts presented in these financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in the financial statements are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Fair value estimates are based upon pertinent information available. The Company has determined that the carrying value of all financial instruments approximates fair value. The Company's financial instruments consist primarily of accounts receivable, prepaid expenses, accounts payable and accrued liabilities and debt. The carrying amounts of the Company's financial instruments generally approximated their fair values as of November 30, 2012 and August 31, 2012, respectively, due to the short-term nature of these instruments.

Derivative Liabilities

Fair value accounting requires bifurcation of embedded derivative instruments, such as ratchet provisions or conversion features in convertible debt or equity instruments, and measurement of their fair value. In determining the appropriate fair value, the Company uses the Black-Scholes pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once derivative liabilities are determined, they are adjusted to reflect fair value at the end of each reporting period. Any increase or decrease in the fair value is recorded in results of operations as a change in fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes pricing model.

Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument. The discount is amortized to interest expense over the life of the debt.

Debt Issue Costs and Debt Discount

The Company may pay debt issue costs, and record debt discounts in connection with raising funds through the issuance of convertible debt. These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

Share-based payments

Generally, all forms of share-based payments, including stock option grants, warrants, restricted stock grants and stock appreciation rights are measured at their fair value on the awards' grant date, based on estimated number of awards that are ultimately expected to vest. Share-based compensation awards issued to non- employees for services rendered are recorded at either the fair value of the services rendered or the fair value of the share-based payment, whichever is more readily determinable.

Fair value of stock options and warrants, is determined using a Black-Scholes pricing model, which incorporates assumptions about expected volatility, risk free rate, dividend yield, and expected life. Compensation cost for share-based awards is recognized on a straight-line basis over the vesting period.

Revenue Recognition

Revenue is recorded when all of the following have occurred: (1) persuasive evidence of an arrangement exists, (2) asset is transferred to the customer without further obligation, (3) the sales price to the customer is fixed or determinable, and (4) collectability is reasonably assured.

The Company recognizes sales when products are received by the customer and the risk of ownership is transferred. The Company does not maintain inventory.

Revenues from individual franchise sales are recognized when substantially all significant services to be provided by the Company have been performed.

Royalty fees are charged to the franchisee at 5% of the franchisee's gross sales and recorded when charged.

Sales discounts and promotions, such as “buy one, get one free”, and slotting fees are netted against soup revenue.

The Company does not offer a right of return.

The Company charges its franchisees an advertising fee equal to ½% of their sales revenue and initially carries this fee as a liability which is included as a component of accounts payable and accrued liabilities until advertising dollars are spent.

Cost of Sales

Cost of sales represents costs directly related to the production and third party manufacturing of the Company’s products and the freight costs associated with the delivery of the product.

Shipping and Handling

Soup sold is typically shipped directly to the customer from the third party manufacturer; costs associated with shipping and handling is shown as a component of cost of sales.

Advertising

The Company expenses advertising costs when incurred.

Advertising expensed for the three months ended November 30, 2012 and 2011 is as follows:

	2012	2011
Advertising	$ 38,748	$ 3,118

Earnings (Loss) Per Share

Basic earnings/loss per share (“EPS”) is computed by dividing net loss attributable to the Company that is available to common stockholders by the weighted average number of common shares outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted EPS gives effect to all dilutive potential of shares of common stock outstanding during the period including stock warrants, using the treasury stock method (by using the average stock price for the period to determine the number of shares assumed to be purchased from the exercise of warrants), and convertible debt, using the if-converted method. Diluted EPS excludes all dilutive potential of shares of common stock if their effect is anti-dilutive.

The Company has the following potential common stock equivalents at November 30, 2012 and August 31, 2012:

	November 30, 2012	August 31, 2012
Stock options (exercise price - $0.50 - $0.75/share)	1,975,000	1,975,000
Warrants (exercise price $0.75- $1.25/share)	2,035,852	1,952,135

Convertible Series A preferred shares (exercise price $0.001/share)	1,200,266	1,200,266
Convertible debt - derivatives liabilities (exercise price $0.29 - $1/share)	1,988,208	2,556,016
Total common stock equivalents	7,199,326	7,683,417

Certain of the outstanding convertible debt and warrants contain ratchet provisions that would cause variability in the exercise price at the balance sheet date. As a result, common stock equivalents may change at each reporting period.

The Company reflected a net loss for the three months ended November 30, 2012 and the year ended August 31, 2011; therefore, the effect of considering any common stock equivalents would have been anti-dilutive; consequently, a separate computation of diluted earnings (loss) per share is not presented.

Segments

The Company operates in only one segment.

Variable Interest Entities

A variable interest entity is a legal entity, other than an individual, used for business purposes that either (a) has equity investors that do not provide sufficient financial resources for the entity to support its activities, or (b) has equity investors that lack certain characteristics of controlling interest.

A legal entity is required to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or is entitled to receive a majority of the entity's residual returns or both.

On December 29, 2009, OSM purchased all of the assets of Soup Kitchen International, Inc. and its subsidiaries ("Soup Kitchen") for $100,000 and guaranteed $3,670,000 of Soup Kitchen's secured debt. In addition, OSM agreed to pay Soup Kitchen royalties of 1% of all of OSM sales for five years (through 2014), which will represent substantively all of Soup Kitchen's revenue. See Note 8(C) regarding amounts still under guarantee.

The guaranty of the secured debt was a significant part of the Acquisition, because the assets acquired by OSM comprised substantially all of the income producing assets of Soup Kitchen, creating an obligation on the part of OSM that is almost certain to occur. In addition, the assets securing the debt were the assets obtained in the acquisition.

Management has determined that Soup Kitchen is a variable interest entity. Accordingly, the remaining post-acquisition net assets of Soup Kitchen have been consolidated with OSM's net assets as of December 29, 2009; however, each entity still maintains its separate legal existence.

Non-controlling Interest

In December 2009, OSM acquired 80% of Kiosk, and reported the third party's 20% as a non-controlling interest. As part of the Company's merger in December 2010 with OSM, the Company began to report this non-controlling interest on its financial statements.

Concentrations

Accounts Receivable

The following table shows significant concentrations in our accounts receivable at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	22%	-
B	11%	-
C	9%	-
D	8%	-
E	7%	7%
F	6%	-

Vendors

The following table shows significant concentrations in our purchases at November 30, 2012 and August 31, 2012.

	November 30, 2012	August 31, 2012
A	58%	73%
B	42%	27%

Sales

The following table shows significant concentrations in our revenues for the three months ended November 30, 2102 and 2011.

	2012	2011
A	31%	72%
B	8%	-
C	7%	-
D	6%	-
E	5%	-
F	5%	-

Recent Accounting Pronouncements

There are no new accounting pronouncements that have any impact on the Company's consolidated financial statements.

Stockholders' Deficit (Details 4) (USD $)	3 Months Ended Nov. 30, 2012
Summary of the Company’s non-vested stock options	
Unvested Stock Options, Beginning Balance	150,000
Unvested Stock Options, Granted	
Unvested Stock Options, Vested/Exercised	
Unvested Stock Options, Vested/Exercised	
Unvested Stock Options, Ending Balance	150,000
Weighted Average Grant Date Fair Value, Beginning Balance	$ 0.59
Weighted Average Grant Date Fair Value, Granted	
Weighted Average Grant Date Fair Value, Vested/Exercised	
Weighted Average Grant Date Fair Value, Forfeited/Cancelled	
Weighted Average Grant Date Fair Value, Ending Balance	
Unvested Stock Options, Weighted average remaining life for vesting	1 year 1 month 17 days

Intangible Assets (Tables)	3 Months Ended Nov. 30, 2012

Intangible Assets [Abstract]

Summary of Intangible assets

	November 30, 2012	August 31, 2012	Life
Soup formulas	$ 27,418	$ 27,418	5 years
Recipes	53,750	53,750	4 years
Total	81,168	81,168	
Less: accumulated amortization	(37,116)	(32,399)	
Intangible assets-net	$ 44,052	$ 48,769	

Estimated future amortization expense of intangible assets

Fiscal Year ended August 31,	Amount
2013 (remaining 9 months)	$ 14,204
2014	18,921
2014	9,344
2015	1,583
Total	$ 44,052

Accounts Receivable / Accounts Receivable - Franchisee Related Parties (Details) (USD $)	Nov. 30, 2012	Aug. 31, 2012
Summary of accounts receivable		
Accounts receivable	$ 306,967	$ 298,659
Allowance for doubtful accounts	(25,990)	(18,787)
Accounts receivable – net	280,977	279,872
Related parties [Member]		
Summary of accounts receivable		
Accounts receivable	38,751	31,591
Allowance for doubtful accounts	(21,841)	(28,792)
Accounts receivable – net	$ 16,910	$ 2,799

Going Concern	3 Months Ended Nov. 30, 2012
Going Concern [Abstract]	
Going Concern	**Note 13 Going Concern** As reflected in the accompanying financial statements, the Company had a net loss of approximately $1.2 million and net cash used in operations of approximately $0.4 million for the three months ended November 30, 2012, and a working capital deficit of approximately $8.6 million and a stockholders' deficit of approximately $8.3 million at November 30, 2012. These factors raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue its operations is dependent on management's plans, which may include the raising of capital through debt and/or equity markets with some additional funding from other traditional financing sources, including term notes, until such time that funds provided by operations are sufficient to fund working capital requirements. The Company may need to incur liabilities with certain related parties to sustain the Company's existence. The Company will require additional funding to finance the growth of its current and expected future operations as well as to achieve its strategic objectives. The Company believes its current available cash along with anticipated revenues will be insufficient to meet its cash needs for the near future. There can be no assurance that financing will be available in amounts or terms acceptable to the Company, if at all. In response to these problems, management has taken the following actions: ● seeking additional third party convertible debt financing ● Seeking to open new franchise locations; and ● allocating sufficient resources to continue advertising and marketing efforts The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.