

SECURITIES AND EXCHANGE COMMISSION

FORM 10KSB/A

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]
[amend]

Filing Date: **2005-05-02** | Period of Report: **2004-12-31**
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FILER

BRILLIANT DIGITAL ENTERTAINMENT INC

CIK: **1022844** | IRS No.: **954592204** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10KSB/A** | Act: **34** | File No.: **001-14480** | Film No.: **05790266**
SIC: **7372** Prepackaged software

Mailing Address

14011 VENTURA BLVD STE
501
SHERMAN OAKS CA 91423

Business Address

14011 VENTURA BLVD STE
501
SHERMAN OAKS CA 91423
8186151500

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

AMENDMENT NO. 1
TO
FORM 10-KSB/A

Annual Report Under Section 13 or 15(d) of the Securities Exchange Act of 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

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

COMMISSION FILE NUMBER 001-14480

BRILLIANT DIGITAL ENTERTAINMENT, INC.
(Name of Small Business Issuer In Its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation or Organization)

95-4592204
(I.R.S. Employer
Identification No.)

14011 VENTURA BOULEVARD, SUITE 501
SHERMAN OAKS, CALIFORNIA 91423
(Address of Principal Executive Offices and Zip Code)

(818) 386-2180
(Issuer's telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
------------------------------	---

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$.001 par value

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for past 90 days.

Yes No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. []

The issuer's revenues for the fiscal year ended December 31, 2004 were \$8,775,000.

At March 8, 2005, the aggregate market value of the voting stock held by non-affiliates of the issuer was \$1,301,438.

At March 8, 2005, the issuer had 42,857,153 shares of Common Stock, \$0.001 par value, issued and outstanding.

Transitional Small Business Disclosure Format (check one):

DOCUMENTS INCORPORATED BY REFERENCE

None.

AMENDMENT NO. 1

TO THE ANNUAL REPORT ON FORM 10-KSB FILED BY
BRILLIANT DIGITAL ENTERTAINMENT, INC. ON MARCH 30, 2004

The following Items amend the Annual Report on Form 10-KSB filed by Brilliant Digital Entertainment, Inc. (the "Company") on April 11, 2005 (the "Form 10-KSB"), as permitted by the rules and regulations promulgated by the Securities and Exchange Commission. The Form 10-KSB is hereby amended to insert those Items as set forth herein. All capitalized terms used herein but not defined shall have the meanings ascribed to them in the Form 10-KSB.

PART III

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

The following sets forth certain information with respect to each director and executive officer of the Company as of April 26, 2005.

CLASS I DIRECTOR: TERMS EXPIRING IN 2006

VINCENT J. BITETTI

Vincent J. Bitetti has over 15 years experience in the interactive entertainment industry. Vincent is currently chief executive officer and director of Sanctuary Entertainment, a diversified start-up entertainment company with planned publishing, production and service business units (www.sanctuaryentertainment.com). Prior to starting Sanctuary Entertainment, Mr. Bitetti served as President of Crave Entertainment, a privately held video game publisher and distributor. He also served as Chairman and CEO of TDK Mediactive, a publicly traded electronic entertainment company, for 7 years, during which time Mr. Bitetti helped to structure and negotiate the sale of TDK Mediactive to Take Two Interactive. Mr. Bitetti also was a founder and Chief Executive Officer of Sound Source Interactive, the predecessor to TDK Mediactive.

DIRECTOR SINCE: 2004 AGE: 50
MEMBER: AUDIT COMMITTEE AND COMPENSATION COMMITTEE

CLASS II DIRECTORS: TERMS EXPIRING IN 2007

RAY MUSCI

Ray Musci has served as a Director of the Company since October 1996. From October 1999, Mr. Musci has served as the President and Chief Executive Officer and a director of BAM! Entertainment, Inc., a publicly

traded company that develops, publishes and distributes entertainment software products and video games. From May 1990 to July 1999, Mr. Musci served as the President, Chief Executive Officer and as a director of Infogrames Entertainment, Inc. (formerly Ocean of America, Inc.), a company that develops, publishes and distributes software products. From September 1994 to July 1996, Mr. Musci served as a director of Ocean International, Ltd., the holding company of Ocean of America, Inc. and Ocean Software, Ltd. From August 1985 to March 1990, Mr. Musci was Executive Vice President/General Manager of Data East USA, Inc., a subsidiary of Data East Corp., a Japanese company, where he established a consumer division to develop, manufacture, market and distribute consumer video games, entertainment software and coin-operated video arcade games and pinball machines.

DIRECTOR SINCE: 1996 AGE: 44
MEMBER: AUDIT COMMITTEE AND COMPENSATION COMMITTEE

MARK MILLER

Mark Miller has served as a Director of the Company since August 1996. Since September 2000, Mr. Miller has served as a consultant to the Company on a part time basis, and as an investment advisor and financial planner. From October, 1996 to August 2000, Mr. Miller served as Vice President, Production and Operations of the Company. Mr. Miller also served as Managing Director of the Company's Australian subsidiary, Brilliant

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Interactive Ideas, Pty. Ltd. ("BII Australia"), from March 1994 to August 2000. Mr. Miller served as President and Chief Financial Officer of the Company from August 1996 through September 1996. He was also the joint Managing Director of e-Brilliant Pty. Limited - a Singapore based animation studio that was a joint venture between the Company and eNewMedia, a Hong Kong listed public company. Mr. Miller resigned from e-Brilliant in December 2000. Mr. Miller is a chartered accountant and has extensive experience in the development of large software applications, project management, people management and team building and conflict resolution.

DIRECTOR SINCE: 1996 AGE: 45

CLASS III DIRECTORS: TERMS EXPIRING IN 2005

KEVIN BERMEISTER

Kevin Bermeister has served as President of the Company since October 1996, as Chief Executive Officer since August 2001, and as a Director since August 1996. In addition, Mr. Bermeister has assumed the role of acting Chief Financial Officer. Mr. Bermeister was the founder of Sega Ozisoft Pty. Ltd. and previously served as its Co-Chief Executive Officer. Mr. Bermeister established, ran or served on the Board of

Directors of various companies including Packard Bell NEC Australia Pty. Ltd., Jacfun Pty. Ltd., a property owner and developer. Mr. Bermeister currently serves as a director of Tag-It Pacific, Inc., a publicly traded corporation.
DIRECTOR SINCE: 1996 AGE: 44

ABE SHER

Abe Sher has served as a Director of the Company since February 2002 and is currently employed by the Company on a part time basis. Mr. Sher is the founder of Aqua Sciences LLC and was previously Managing Director of Slingshot Ventures, LLC, founded in 1998. From May 1998 to June 2001, Mr. Sher served as Executive Vice President of xSides Corp. Mr. Sher also currently serves as a member of the board of directors of Magfusion, Inc., and VKB, Inc.
DIRECTOR SINCE: 2002 AGE: 44

OTHER EXECUTIVE OFFICERS

LEE JAFFE

Lee Jaffe has served as the President of Altnet since 2004. Prior to that he periodically served as Creative Director of Brilliant Digital beginning in 2001. In that capacity he produced music videos for multi platinum artists Jah Rule, DMX, Ludicris and others. He is a musician and Grammy nominated record producer, a visual artist whose work is represented in the permanent collections of many major museums and the author of the book, One Love, Life with Bob Marley and the Wailers.

ANTHONY NEUMANN

Anthony Neumann has served as Vice President, Business Development since 2000. Mr. Neumann served as Director, Business Development of the Company from 1996 through 2000. Mr. Neumann has been involved in the multimedia entertainment industry since 1992. Prior to 1992, Mr. Neumann worked as a financial consultant at Merrill Lynch.

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ANTHONY ROSE

Anthony Rose has served as Chief Technical Officer of the Company since its inception in 1995, and has been responsible for overseeing the Company's software development team and technology direction.

AUDIT COMMITTEE FINANCIAL EXPERT.

The Audit Committee currently consists of Mr. Musci and Mr. Bitetti. The Board of Directors has determined that Messrs. Musci and Bitetti are "independent" within the meaning of Item 401(e)(1)(ii) of Regulation S-B, and that Mr. Musci is an "audit committee financial expert", as defined in Item 401(e)(2) of Regulation S-B.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE.

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers, directors, and persons who own more than ten percent of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC. Executive officers,

directors and greater-than-ten percent stockholders are required by SEC regulations to furnish the Company with all Section 16(a) forms they file. Based solely on its review of the copies of the forms received by it and written representations from certain reporting persons that they have complied with the relevant filing requirements, the Company believes that, during the year ended December 31, 2004, all of the Company's executive officers, directors and greater-than-ten percent stockholders complied with all Section 16(a) filing requirements, except that none of the Company's secured debt holders (Harris Toibb, Europlay 1, LLC, Preston Ford, Inc. or Capel Capital Ltd.) nor Mark Dyne or David Wilson, beneficial owners of the secured debt holders, reported on Form 4 (i) their acquisition from the Company of common stock purchase warrants in March 2004, (ii) the amendment to their secured promissory notes and certain of their common stock purchase warrants in March 2004, or (ii) the amendment to their secured promissory notes and certain of their common stock purchase warrants in November 2004. Harris Toibb subsequently reported these transactions on Form 5 in February 2005.

CODE OF ETHICS DISCLOSURE.

We have adopted a Code of Ethical Conduct which is applicable to all of our officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. A copy of the Code of Ethical Conduct is filed as an exhibit to this Annual Report on Form 10-KSB.

ITEM 10. EXECUTIVE COMPENSATION.

SUMMARY COMPENSATION TABLE

The following table sets forth, as to the Chief Executive Officer and as to each of the other three most highly compensated officers whose compensation exceeded \$100,000 during the last fiscal year (the "Named Executive Officers"), information concerning all compensation paid for services to the Company in all capacities for each of the three years ended December 31 indicated below. No other officer was paid more than \$100,000 during the last fiscal year.

<TABLE>
<CAPTION>

NAME PRINCIPAL POSITION	FISCAL YEAR ENDED DECEMBER 31,	ANNUAL COMPENSATION		LONG TERM COMPENSATION	
		SALARY	BONUS	NUMBER OF SECURITIES UNDERLYING OPTIONS	ALL OTHER COMPENSATION
<S>	<C>	<C>	<C>	<C>	<C>
Kevin Bermeister.....	2004	\$ 275,000	--	--	--
President & Chief	2003	\$ 275,000	--	2,186,018 (2)	--
Executive Officer	2002	\$ 250,000	--	5,470,000	--
Tyler Tarr (1).....	2004	\$ 204,600	\$ 10,000	--	\$ 96,654 (3)
Chief Financial Officer &	2003	\$ 160,000	--	750,000	--
Secretary	2002	--	--	--	--
Lee Jaffe (4)	2004	\$ 174,138	\$ 5,000	--	--
President, Altnet, Inc.	2003	\$ 85,000	--	165,000	--
	2002	--	--	--	--
Anthony Neumann.....	2004	\$ 154,204	\$ 20,916	--	--
Vice President, Business	2003	\$ 150,000	\$ 10,800	500,000	--
Development	2002	\$ 150,000	\$ 2,191	300,000	--
Anthony Rose.....	2004	\$ 221,100	--	--	--
Chief Technical Officer	2003	\$ 182,000	--	750,000	--
	2002	\$ 130,000	--	250,000	--

<FN>

- (1) Mr. Tarr's employment with the Company as Chief Financial Officer commenced in 2003 and terminated on December 31, 2004.
- (2) In May 2003, we issued to Mr. Bermeister options to purchase 2,186,018 shares of our Common Stock at an exercise price of \$0.12 per share as deferred compensation for services rendered to us as President.
- (3) Consists of severance payments.
- (4) Mr. Jaffe's employment with the Company commenced in 2003.

</FN>

</TABLE>

OPTION GRANTS IN FISCAL 2004

There were no stock options granted to the Named Executive Officers during the year ended December 31, 2004.

AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND FISCAL YEAR-END OPTION VALUES

The following table sets forth, for each of the Named Executive Officers, certain information regarding the exercise of stock options during fiscal 2004, the number of shares of common stock underlying stock options held at fiscal year-end and the value of options held at fiscal year-end based upon the last reported sales price of the common stock on the Over the Counter Bulletin Board on December 31, 2004 (\$0.065 per share).

<TABLE>

<CAPTION>

NAME	SHARES ACQUIRED ON EXERCISE		NUMBER OF SECURITIES UNDERLYING UNEXERCISED OPTIONS AT DECEMBER 31, 2004		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AT DECEMBER 31, 2004	
	VALUE REALIZED		EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Kevin Bermeister.....	--	--	5,331,018	2,705,000	--	--
Tyler Tarr.....	--	--	468,750	--	--	--
Anthony Neumann.....	--	--	452,500	537,500	--	--
Anthony Rose.....	--	--	505,000	700,000	--	--
Lee Jaffe.....	--	--	--	--	--	--

</TABLE>

EMPLOYMENT AGREEMENTS

As of June 1, 2003, we entered into an employment agreement with Kevin Bermeister, pursuant to which Mr. Bermeister serves as our Chief Executive Officer and President. This agreement provides for a two year initial term, unless terminated earlier. Pursuant to this agreement, Mr. Bermeister's annual base salary is \$275,000, with annual cost-of-living adjustments. Mr. Bermeister is also eligible to receive an annual bonus based on percentage of our EBITDA. In the event that we terminate Mr. Bermeister's employment agreement without cause, Mr. Bermeister terminates the agreement with good reason or termination upon Mr. Bermeister's death or disability (as such terms are defined in the agreement), Mr. Bermeister will be entitled to receive severance payments equal to one year of his base salary and all options to purchase our Common Stock held by Mr. Bermeister will become fully vested and exercisable.

As of June 1, 2003, we entered into an employment agreement with Tyler Tarr, pursuant to which Mr. Tarr served as our Chief Financial Officer. This agreement provided for a two year initial term with automatic one year renewal terms thereafter, unless terminated earlier. Pursuant to this agreement, Mr. Tarr's annual base salary was \$200,000, with annual cost-of-living adjustments. Mr. Tarr was also eligible to receive an annual bonus and was granted options to purchase 750,000 shares of our Common Stock in accordance with the agreement. In the event that we terminated Mr. Tarr's employment agreement without cause or Mr. Tarr terminated the agreement with good reason (as such terms are defined in the agreement), Mr. Tarr was entitled to receive severance payments equal to one

year of his base salary. Mr. Tarr's employment with the Company terminated on December 31, 2004, and we paid Mr. Tarr \$96,654 in severance pay.

As of November 1, 2003, we entered into an employment agreement with Anthony Neumann, pursuant to which Mr. Neumann serves as our VP, Business Development. This agreement, as amended, provides for a two year initial term with automatic one year renewal terms thereafter, unless terminated earlier. Pursuant to this agreement, Mr. Neumann's annual base is \$175,000, with annual cost-of-living adjustments plus a bonus schedule in accordance with the agreement. Mr. Neumann also is eligible to receive an annual bonus and was granted options to purchase 500,000 shares of our Common Stock in accordance with the agreement. In the event that we terminate Mr. Neumann's employment agreement without cause or Mr. Neumann terminates the agreement with good reason (as such terms are defined in the agreement), Mr. Neumann is entitled to receive severance payments equal to one year of his base salary.

As of May 1, 2004, we entered into an employment agreement with Lee Jaffe, pursuant to which Mr. Jaffe serves as our President of Altnet, Inc. This agreement provides for a two year term, unless terminated

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earlier. Pursuant to this agreement, Mr. Jaffe's annual base salary is \$200,000, with annual cost-of-living adjustments. Mr. Jaffe also is eligible to receive an annual bonus. In the event that we terminate Mr. Jaffe's employment agreement without cause or Mr. Jaffe terminates the agreement with good reason (as such terms are defined in the agreement), Mr. Jaffe is entitled to receive the lesser of the balance due through the second year of the agreement or a severance payment equal to one year of his base salary.

EMPLOYEE BENEFIT PLANS.

We have adopted a Stock Option Plan (the "1996 Plan"), which became effective on September 13, 1996. Each director, officer, employee or consultant of the Company or any of its subsidiaries is eligible to be considered for the grant of awards under the 1996 Plan. The maximum number of shares of Common Stock that may be issued pursuant to awards granted under the 1996 Plan is 35,000,000, subject to certain adjustments to prevent dilution. Any shares of Common Stock subject to an award, which for any reason expires or terminates unexercised are again available for issuance under the 1996 Plan. The maximum number of shares of Common Stock with respect to which options or rights may be granted under the 1996 Plan to any executive or other employee during any fiscal year was increased at the Annual Meeting of Stockholders to an annual limitation per individual of up to one-half of the number of shares reserved for issuance under the amended 1996 Plan, subject to certain adjustments to prevent dilution. Although any award that was duly granted may thereafter be exercised or settled in accordance with its terms, no shares of Common Stock may be issued pursuant to any award made after September 13, 2006. Options granted generally have a term of 10 years and usually vest over 4 years at the rate of 25% per year beginning on the first day in the year subsequent to the year of the grant.

DIRECTORS' COMPENSATION.

Non-employee directors of the Company currently are paid \$1,500 for their personal attendance at any meeting of the Board of Directors and \$500 for attendance at any telephonic meeting of the Board of Directors or at any meeting of a committee of the Board of Directors. Directors also are reimbursed for their reasonable travel expenses incurred in attending Board or committee meetings.

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ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

PRINCIPAL STOCKHOLDERS.

The following table sets forth as of April 15, 2005, unless otherwise indicated, certain information relating to the ownership of our Common Stock by (i) each person known by the Company to be the beneficial owner of more than five percent of the outstanding shares of our Common Stock (41,925,610 shares), (ii) each of the Company's directors, (iii) each of the Named Executive Officers, and (iv) all of the Company's executive officers and directors as a group. Except as may be indicated in the footnotes to the table and subject to applicable community property laws, each such person has the sole voting and investment power with respect to the shares owned. The address of each person listed is in care of the Company, 14011 Ventura Boulevard, Suite 501, Sherman Oaks, California 91423, unless otherwise set forth below such person's name.

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	NUMBER OF SHARES OF COMMON STOCK BENEFICIALLY OWNED (1)	PERCENT (1)
<S>	<C>	<C>
DIRECTORS:		
Kevin Bermeister.....	22,976,207 (2)	39.1%
Abe Sher.....	1,000,000 (3)	2.3
Vincent Bitetti.....	--	--
Mark Miller.....	680,000 (4)	1.6
Ray Musci.....	630,000 (5)	1.4
NON-DIRECTOR NAMED EXECUTIVE OFFICERS:		
Anthony Rose.....	800,000 (6)	1.8
Anthony Neumann.....	702,500 (7)	1.6
Tyler Tarr.....	468,750 (8)	1.1
Lee Jaffe.....	275,000 (9)	*
Directors and officers as a group (9 persons).....	27,532,457 (10)	43.6%
5% HOLDERS:		
Harris Toibb.....	119,118,945 (11)	76.1
6355 Topanga Canyon Blvd., Woodland Hills, California 91367		
Mark Dyne.....	34,772,089 (12)	49.3
15821 Ventura Boulevard, Suite 525, Encino, California 91436		
MarKev Services, LLC.....	15,657,339 (13)	30.1
15821 Ventura Boulevard, Suite 525, Encino, California 91436		
Sharman Networks Limited.....	7,000,000 (14)	14.0
C/-BDO House, Father W H, Lini Highway, PO Box 240, Port Vila, Vanuatu		
Capel Capital Ltd.....	17,431,845 (15)	28.9
Europlay 1, LLC.....	9,481,500 (16)	18.1
15821 Ventura Boulevard, Suite 525, Encino California 91436		
Ronald Lachman.....	7,888,772 (17)	15.7
3140 Whisperwoods Court, Northbrook, IL 60062		
Joltid, Ltd.....	8,000,000	18.7
28-30 The Parade, St. Helier, JE4 8XY Jersey, Channel Islands		
Kinetech, Inc.....	5,000,000 (18)	10.4
3140 Whisperwoods Court, Northbrook, IL 60062		
Ziffren, Brittenham, Branca, Fischer, Gilbert-Lurie & Stiffelman, LLP.	5,000,000 (19)	10.4
1801 Century Park West, Los Angeles, California 90067		
David Wilson.....	5,130,946 (20)	11.0
P.O. Box 98, Preston, Maryland 21655		
Preston Ford, Inc.....	3,569,886 (21)	7.9
P.O. Box 98, Preston, Maryland 21655		

<FN>
* Less than one percent.

(1) Under Rule 13d-3, certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are

deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of Common Stock actually outstanding at April 15, 2005.

- (2) Consists of (i) 595,350 shares of Common Stock, (ii) 5,571,850 shares of Common Stock held by MarKey Services, LLC, an entity of which Mr. Bermeister is a manager, (iii) 9,185,489 shares of Common Stock reserved for issuance upon the exercise of warrants held by MarKey Services, LLC, (iv) 900,000 shares of Common Stock held by a general partnership the managing partner of which is MarKey Services, LLC, and (v) 6,723,518 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (3) Consists of 1,000,000 shares reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (4) Consists of (i) 70,000 shares of Common Stock held by the Mark Miller Family Trust, of which Pacific Interactive Pty. Limited is trustee, and (ii) 610,000 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005. Mark Miller and his wife are the sole stockholders of Pacific Interactive Pty. Limited.
- (5) Consists of 630,000 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (6) Consists of (i) 20,000 shares of Common Stock held by HiTech Corporation Limited over which Mr. Rose has exclusive voting and investment power, and (ii) 780,000 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (7) Consists of (i) 25,000 shares of Common Stock held by Neumann Family Trust, and (ii) 677,500 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (8) Consists of 468,750 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable.
- (9) Consists of (i) 110,000 shares of Common Stock, and (ii) 165,000 shares of Common Stock reserved for issuance upon exercise of warrants, which currently are exercisable or will become exercisable on or before June 14, 2005.
- (10) Includes (i) 10,889,768 shares of Common Stock reserved for issuance upon exercise of stock options, which currently are exercisable or will become exercisable on or before June 14, 2005, (ii) 6,471,850 shares of Common Stock held by a general partnership, of which Mr. Bermeister is a general partner, and (iii) 165,000 shares of Common Stock reserved for issuance upon exercise of warrants, which currently are exercisable or will become exercisable on or before June 14, 2005 (iv) 9,185,489 shares of Common Stock reserved for issuance upon the exercise of warrants held by a general partnership, of which Mr. Bermeister is a general partner.

- (11) Consists of (i) 5,529,567 shares of Common Stock, (ii) 33,571,429

shares of Common Stock reserved for issuance upon the conversion of the principal amount of secured convertible promissory notes, (iii) 12,711,706 shares of Common Stock reserved for issuance upon conversion of the interest accumulated on the principal amount of secured convertible promissory notes and (iv) 67,306,243 shares of Common Stock reserved for issuance upon the exercise of warrants.

- (12) Consists of (i) 594,750 shares of Common Stock, (ii) 3,059,286 shares, 1,179,737 shares and 5,242,477 shares of Common Stock reserved for issuance upon the conversion of the principal amount of a secured convertible promissory note, conversion of the interest accumulated on the principal amount of a secured promissory note and the exercise of warrants, respectively, held by Europlay 1, LLC, over which Mr. Dyne has exclusive voting and investment power, (iii) 900,000 shares of Common Stock held by a general partnership the managing partner of which is MarKev Services, LLC, an entity of which Messrs. Bermeister and Dyne are managers, (iv) 5,571,850 shares of Common Stock held by MarKev Services, LLC, (v) 9,185,489 shares of Common Stock reserved for issuance upon the exercise of warrants held by MarKev Services, LLC, (vi) 9,038,500 shares of Common Stock reserved for issuance upon exercise of stock options which currently are exercisable or will become exercisable on or before June 14, 2005.
- (13) Consists of (i) 5,571,850 shares of Common Stock held by MarKev Services, LLC, (ii) 900,000 shares of Common Stock held by a general partnership the managing partner of which is MarKev Services, LLC, and (iii) 9,185,489 shares of Common Stock reserved for issuance upon the exercise of warrants held by MarKev Services, LLC.
- (14) Consists of 7,000,000 shares of Common Stock reserved for issuance upon the exercise of warrants.
- (15) Consists of (i) 5,714,286 shares of Common Stock reserved for issuance upon the conversion of the principal amount of secured convertible promissory notes, (ii) 1,925,397 shares of Common Stock reserved for issuance upon conversion of the interest accumulated on the principal amount of secured convertible promissory notes and (iii) 9,792,162 shares of Common Stock reserved for issuance upon the exercise of warrants.
- (16) Consists of (i) 3,059,286 shares of Common Stock reserved for issuance upon the conversion of the principal amount of a secured convertible promissory note, (ii) 1,179,737 shares of Common Stock reserved for issuance upon conversion of the interest accumulated on the principal amount of a secured promissory note, and (iii) 5,242,477 shares of Common Stock reserved for issuance upon the exercise of warrants.
- (17) Consists of (i) 521,558 shares of Common Stock, (ii) 867,214 shares of Common Stock reserved for issuance upon the exercise of warrants, (iii) 5,000,000 shares of Common Stock reserved for issuance upon the exercise of warrants held by Kinetech, Inc., over which Mr. Lachman has exclusive voting and investment power, and (iv) 1,500,000 shares of Common Stock reserved for issuance upon the exercise of warrants held by the Ronald and Mary Lachman Foundation, over which Mr. Lachman has voting and investment power.
- (18) Consists of 5,000,000 shares of Common Stock reserved for issuance upon the exercise of warrants.
- (19) Consists of 5,000,000 shares of Common Stock reserved for issuance upon the exercise of warrants.
- (20) Consists of (i) 1,355,905 shares of Common Stock, (ii) 714,286 shares, 275,675 shares and 1,224,020 shares of Common Stock reserved for issuance upon the conversion of the principal amount of a secured convertible promissory note, conversion of the interest accumulated on the principal amount of a secured promissory note and the exercise of warrants, respectively, held by Preston Ford Inc. over which Mr. Wilson has exclusive voting and investment power, (iii) 106,875 shares of Common Stock held by Millsboro Auto Mart, Inc. over which Mr. Wilson has exclusive voting and

investment power, (iv) 189,999 shares of Common Stock reserved for issuance upon the exercise of warrants held by Millsboro Auto Mart, Inc. over which Mr. Wilson has exclusive voting and investment power, and (v) 1,264,186 shares of Common Stock reserved for issuance upon the exercise of warrants.

- (21) Consists of (i) 1,355,905 shares of Common Stock, (ii) 714,286 shares of Common Stock reserved for issuance upon the conversion of the principal amount of a secured convertible promissory note, (iii) 275,675 shares of Common Stock reserved for issuance upon the conversion of the interest accumulated on the principal amount of a secured promissory note, (iv) 1,224,020 of Common Stock reserved for issuance upon the exercise of warrants.

</FN>
</TABLE>

The information as to shares beneficially owned has been individually furnished by the respective directors, Named Executive Officers, and other stockholders of the Company, or taken from documents filed with the SEC.

EQUITY COMPENSATION PLAN INFORMATION.

The following table sets forth certain information regarding our equity compensation plans as of December 31, 2004.

<TABLE>
<CAPTION>

<S>	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS
<S>	<C>	<C>	<C>
Equity compensation plans approved by security holders.....	15,383,251	\$0.53	18,065,524
Equity compensation plans not approved by security holders.....	35,818,804	\$0.36	--
Total.....	51,202,055	\$0.41	18,065,524

</TABLE>

MATERIAL FEATURES OF INDIVIDUAL EQUITY COMPENSATION PLANS NOT APPROVED BY STOCKHOLDERS.

In February 2002, we issued to VoxPop, LLC warrants to purchase up to 200,000 shares of our common stock at an exercise price of \$0.15 per share as consideration for consulting services provided to us. The warrants have a term of 4 years.

In April 2002, we issued to The Rose Group warrants to purchase up to 14,823 shares with an exercise price of \$0.4385, 20,212 shares with an exercise price of \$0.3216, and 39,251 shares with an exercise price of \$0.1656 of our common stock. The warrants were issued to The Rose Group in consideration of consulting services provided to us. The warrants have a term of 3 years.

In April 2002, we issued to Business Development Experts, Inc. warrants to purchase up to 250,000 shares of our common stock at an exercise price of \$0.25 per share as consideration for consulting services provided to us. The warrants have a term of 4 years.

In April 2002, we issued to mPRm Public Relations warrants to purchase up to 75,000 shares of our common stock at an exercise price of \$0.25 per share as consideration for consulting services provided to us. The warrants have a term of 3 years.

In April 2002, we issued to KaZaA, B.V. warrants to purchase up to 150,000 shares of our common stock at an exercise price of \$0.2710 per share as consideration for consulting services provided to us. The warrants have a term of 30 months.

In July 2002, we issued to Kayoss warrants to purchase up to 10,000 shares of our common stock at an exercise price of \$0.75 per share as consideration for consulting services rendered to us. The warrants have a term of 48 months.

In August 2002, we issued to SRO Consultants, Inc. warrants to purchase up to 150,000 shares of our common stock at an exercise price of \$0.17 per share as consideration for consulting services provided to us. The warrants have a term of 48 months.

In October 2002, we issued to Kinetech, Inc. warrants to purchase up to 5,000,000 shares of our common stock at an exercise price of \$0.001 per share as consideration for a patent license agreement. The warrants have a term of 6 years.

In June 2003, we issued to Sharman Networks Limited warrants to purchase up to 14,000,000 shares of our common stock at an exercise price of \$0.6096 per share in connection with, and as partial consideration for the rights granted to us in, the Joint Enterprise Agreement entered into in June 2003 between Sharman Networks Limited and our Altnet subsidiary. The warrants have a term of five years.

In January 2003, we issued to Lee Jaffe warrants to purchase up to 165,000 shares of our common stock at an exercise price of \$0.18 per share as consideration for consulting services rendered to the company. The warrants have a term of 4 years.

In February 2003, we issued to Scheinrock Advisory Group warrants to purchase up to 350,000 shares of our common stock at an exercise price of \$0.14 per share as consideration for consulting services rendered to the company. The warrants have a term of 5 years.

In August 2003, we issued to Ziffren, Brittenham, Branca, Fischer, Gilbert-Lurie & Stiffelman warrants to purchase up to 5,000,000 shares of our common stock at an exercise price of \$0.54 per share as consideration for legal and consulting services rendered to the company. The warrants have a term of 5 years.

In May 2003, we issued to Mark Dyne options to purchase 8,208,500 shares of our common stock at an exercise price of \$0.12 per share as deferred compensation for services rendered to us as chief executive officer.

In May 2003, we issued to Kevin Bermeister options to purchase 2,186,018 shares of our common stock at an exercise price of \$0.12 per share as deferred compensation for services rendered to us as president.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Except as disclosed in this Annual Report, neither our directors or executive officers, nor any stockholder owning more than five percent of our issued shares, nor any of their respective associates or affiliates, had any material interest, direct or indirect, in any material transaction to which we were a party during fiscal 2003 or 2004, or which is presently proposed.

At December 31, 2003, we were indebted to our secured debt holders in the amount of \$4,033,000. The holders of this senior debt are Harris Toibb (a beneficial owner of more than five percent of the outstanding shares of our Common Stock), Europlay 1, LLC (an entity in which Mark Dyne, a beneficial owner of more than five percent of the outstanding shares of our Common Stock and our former Chairman,

has an ownership interest), Preston Ford, Inc. (a beneficial owner of more than five percent of the outstanding shares of our Common Stock) and Capel Capital Ltd. (a beneficial owner of more than five percent of the outstanding shares of our Common Stock). This indebtedness is convertible by the holders into our Common Stock at price \$0.1203 per share, for a total of 31,141,103 shares of our Common Stock at December 31, 2003. In connection with this financing, the note holders received warrants to purchase up to 44,542,718 shares of our Common Stock at an exercise price of \$0.1353 per share. In October 2002, in consideration of an agreement to extend the maturity date of the secured indebtedness to December 31, 2003, we issued to the note holders warrants to purchase up to an aggregate of 25,226,028 shares of our Common Stock at an exercise price of \$0.2091 per share. In December 2003, in consideration of an agreement to extend the maturity date of the secured indebtedness to March 1, 2004, we paid the holders a \$15,000 extension fee, and increased the principal amount of the indebtedness by \$300,000 in payment of the note holders legal fees and costs. In March 2004, in consideration of an agreement to extend the maturity date of the secured indebtedness to September 26, 2004, we amended the expiration date of warrants to purchase 44,542,718 shares of Common Stock held by the note holders from May 23, 2004 to October 4, 2005, and issued the note holders additional warrants to purchase up to an aggregate of 4,018,867 shares of our Common Stock at an exercise price of \$0.15 per share. Finally, in November 2004, we and the secured debt holders extended the maturity date of the senior secured indebtedness from September 26, 2004 to September 26, 2005. In consideration of the extension, the Company agreed to the following material terms:

- o To extend the expiration date of warrants to purchase an aggregate of 73,787,613 shares of common stock held by the note holders from October 2, 2005 to October 4, 2008;
- o To reduce the conversion price of the convertible notes and the exercise price of all of the outstanding warrants to \$0.07 per share; and
- o To make the following payments to the note holders in repayment of the indebtedness: (i) \$50,000 per month, plus (ii) 50% of any quarterly EBITDA in excess of \$600,000, plus (iii) 50% of any increased revenue received from existing sources of revenue or from new sources of revenue.

In May 2003, we entered into a license to use rights to Joltid Ltd.'s Content Distribution Environment peer-to-peer computer program, commonly referred to as PeerEnabler, the most significant technological component of the Altnet network. In exchange for the license, we agreed to pay Joltid a guaranteed monthly fee of \$30,000 based on a percentage of revenues earned from the exploitation of the licensed rights, subject to a maximum aggregate amount. We paid Joltid \$221,700 and \$380,000 for services provided during the years ended December 31, 2003 and 2004, respectively.

In June 2003, we entered into a Joint Enterprise Agreement with Sharman Networks, our largest distributor and source of over 90% of our revenues, to act as their exclusive representative for the sale, license and/or other commercial exploitation of its search technology. Under the terms of this agreement, we issued Sharman Networks warrants to purchase up to 14,000,000 shares of our common stock, par value \$0.001 per share, at an exercise price of \$0.61 per share, expiring in June 2008. These warrants were initially vested and exercisable with respect to 7,000,000 shares on the issuance date and will vest and become exercisable with respect to the remaining 7,000,000 shares two years following the issuance date provide that the Joint Enterprise Agreement has not been terminated prior to such date. We had an outstanding accounts payable balance to Sharman Networks of \$1,300,000 at December 31, 2004.

In June 2003, we received additional financing in the form of a promissory note, totaling \$100,000, from Europlay Capital Advisors ("ECA"), an entity in which Mark Dyne is an executive, bearing an interest rate of 10% per annum and due August 10, 2003. In conjunction with this transaction, we issued warrants to purchase up to 533,333 shares of our common stock at an exercise

price equal to \$0.28125 per share, expiring in June 2006. ECA agreed to extend the maturity date of the note from August 10, 2003 to December 31, 2003. In consideration for their agreement to extend the maturity date, we issued to the ECA additional

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warrants to purchase up to an aggregate of 227,272 shares of our Common Stock at an exercise price of \$0.44 per share. The note was paid in full in December 2003. In addition, during 2003 and 2004, the Company paid ECA \$610,000 and \$812,000, respectively, for commissions for consulting services, and as of December 31, 2004 has outstanding accrued expenses to ECA of \$858,000.

In 2003, we issued warrants to purchase 350,000 shares of common stock in consideration for consulting services, related to a management initiated audit of systems and procedures, to Scheinrock Advisory Group, an entity owned by Jeff Scheinrock, a previous member of the Board of Directors.

During 2003 and 2004, we leased our U.S. offices, under operating lease agreements, from Toibb Enterprises ("Toibb"), an entity owned by Harris Toibb, a secured debt holder and our largest stockholder. We paid rent to Toibb of \$105,196.43 and \$84,000 during 2004 and 2003, respectively. We surrendered and cancelled this lease agreement effective October 15, 2004.

The Company has paid Detershan, an entity owned by Mark Miller, a member of our Board of Directors, for technical and hosting services associated with content placed on our Altnet network. The Company paid Detershan \$45,568 and \$5,000 during 2004 and 2003, respectively. In addition, the Company paid Pacific Interactive Pty. Limited \$61,950 for consulting services in the year ended December 31, 2004. Mark Miller and his wife are the sole stockholders of Pacific Interactive Pty. Limited.

During fiscal year 2003, we paid Abe Sher, a member of the Board of Directors, \$173,750 for consulting services. Mr. Sher became an employee of the Company in December 2003.

The Board of Directors believes, based on its reasonable judgment, but without further investigation, that the terms of each of the foregoing transactions or arrangements between the Company on the one hand and the affiliates, officers, directors or stockholders of the Company which were parties to such transactions on the other hand, were, on an overall basis, at least as favorable to the Company as could then have been obtained from unrelated parties.

ITEM 13. EXHIBITS.

See attached Exhibit Index.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

AUDIT FEES.

Fees for professional services rendered by BDO Seidman LLP ("BDO"), our principal independent accountants, for the audit of our annual financial statements and review of our financial statements included in our Forms 10-Q or services that are normally provided in connection with statutory and regulatory filings, totaled approximately \$76,000 in 2003 and approximately \$41,500 in 2004.

In addition, Vasquez & Company LLP ("Vasquez") was engaged in December 2004 to audit our consolidated financial statements for fiscal 2004 for inclusion in the Form 10-KSB. The total cost for this audit was approximately \$50,000.

AUDIT-RELATED FEES.

Fees for audit-related services paid to BDO totaled approximately \$2,600 and \$2,538 for the years ended December 31, 2003 and 2004, respectively. Audit-related services principally include due diligence in connection with acquisitions, accounting consultations and benefit plan audits.

TAX FEES.

No fees were incurred during fiscal years 2003 and 2004 for professional services rendered by BDO or Vasquez for tax compliance, tax advice and tax planning, including tax compliance, tax advice and tax planning.

ALL OTHER FEES.

There were no fees incurred during fiscal years 2003 and 2004 for services rendered by BDO or Vasquez to the Company other than the services described above under "Audit Fees" and "Audit-Related Fees."

The Audit Committee considered all these services in connection with Vasquez's audit of our 2004 financial statements and concluded that they were compatible with maintaining Vasquez's independence.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BRILLIANT DIGITAL ENTERTAINMENT, INC.

By: /S/ KEVIN BERMEISTER

Kevin Bermeister

Its: President, Chief Executive Officer and
Acting Chief Financial Officer
(Principal Financial and Accounting
Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/S/ KEVIN BERMEISTER ----- Kevin Bermeister	Chairman of the Board of Directors, Chief Executive Officer, President and Acting Chief Financial Officer (Principal Financial and Accounting Officer)	April 29, 2005
* ----- Mark Miller	Director	April 29, 2005
* ----- Vincent Bitetti	Director	April 29, 2005
* ----- Ray Musci	Director	April 29, 2005
* ----- Abe Sher	Director	April 29, 2005

Kevin Bermeister
As Attorney-in-Fact

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
-----	-----
3.1	Amended and Restated Certificate of Incorporation of the Registrant, as amended. Incorporated by reference to Exhibit 3.1 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2004.
3.2	Amended and Restated Bylaws of Registrant. Incorporated by reference to Exhibit 3.2 to Form S-1 filed on September 17, 1996, and the amendments thereto.
4.1	Specimen Stock Certificate of Common Stock of Registrant. Incorporated by reference to Exhibit 4.1 to Form S-1 filed on September 17, 1996, and the amendments thereto.
10.1	Registrant's Fourth Amended and Restated 1996 Stock Option Plan. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2004.+
10.2	Form of Registrant's Stock Option Agreement (Non-Statutory Stock Option). Incorporated by reference to Exhibit 10.2 to Form S-1 filed on September 17, 1996, and the amendments thereto.+
10.3	Form of Registrant's Stock Option Agreement (Incentive Stock Option). Incorporated by reference to Exhibit 10.3 to Form S-1 filed on September 17, 1996, and the amendments thereto.+
10.4	Form of Registrant's Indemnification Agreement. Incorporated by reference to Exhibit 10.28 to Form S-1 filed on September 17, 1996, and the amendments thereto.+
10.5	Form of Registrant's Employee Confidential Information and Non-Solicitation Agreement. Incorporated by reference to Exhibit 10.29 to Form S-1 filed on September 17, 1996, and the amendments thereto.
10.6	Note and Warrant Purchase Agreement, dated as of April 19, 2001, between Registrant and Europlay I, LLC. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.7	Note and Warrant Purchase Agreement, dated as of April 19, 2001, between Registrant and Harris Toibb. Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.8	Note and Warrant Purchase Agreement, dated as of April 26, 2001, between Registrant and Preston Ford, Inc. Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.9	Amendment to Note and Warrant Purchase Agreements, dated as of May 23, 2001, between Registrant and Harris Toibb and acknowledged and consent to by Europlay 1, LLC and Preston Ford, Inc. Incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.

10.10 Form of Secured Convertible Promissory Note of Registrant, dated May 23, 2001. Incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.

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EXHIBIT NUMBER -----	EXHIBIT DESCRIPTION -----
10.11	Form of Warrant to Purchase Common Stock of Registrant, dated May 23, 2001. Incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.12	Security and Pledge Agreement, dated May 23, 2001, made by Registrant, B3D, Inc., and Brilliant Studios, Inc. in favor of Harris Toibb, as agent. Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.13	Guaranty, dated May 23, 2001, made by B3D, Inc. and Brilliant Studios, Inc. in favor of Harris Toibb, as agent. Incorporated by reference to Exhibit 10.8 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2001.
10.14	Note and Warrant Purchase Agreement, dated December 10, 2001, by and between Registrant and Harris Toibb. Incorporated by reference to Exhibit 10.41 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.15	Note and Warrant Purchase Agreement, dated December 10, 2001, by and between Registrant and Capel Capital Ltd. Incorporated by reference to Exhibit 10.42 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.16	Secured Convertible Promissory Note, dated December 19, 2001, in favor of Harris Toibb. Incorporated by reference to Exhibit 10.43 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.17	Secured Convertible Promissory Note, dated December 19, 2001, in favor of Capel Capital Ltd. Incorporated by reference to Exhibit 10.44 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.18	Common Stock Purchase Warrant, dated December 19, 2001, by and between Registrant and Harris Toibb. Incorporated by reference to Exhibit 10.45 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.19	Common Stock Purchase Warrant, dated December 19, 2001, by and between Registrant and Capel Capital Ltd. Incorporated by reference to Exhibit 10.46 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.20	Amendment Number Two to Note and Warrant Purchase Agreements, dated December 19, 2001, by and between Registrant and Harris Toibb. Incorporated by reference to Exhibit 10.47 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.21	Amendment Number One to Secured Convertible Promissory Notes, dated December 19, 2001, in favor of Harris Toibb. Incorporated by reference to Exhibit 10.48 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.22	Amendment No. 1 to Warrant to Purchase Common Stock, dated December 19, 2001, by and between Registrant and Harris Toibb.

Incorporated by reference to Exhibit 10.49 to Annual Report on Form 10-KSB for the year ended December 31, 2001.

10.23 Amendment No. 1 to Warrant to Purchase Common Stock, dated December 19, 2001, by and between Registrant and Europlay 1, LLC. Incorporated by reference to Exhibit 10.50 to Annual Report on Form 10-KSB for the year ended December 31, 2001.

10.24 Amendment No. 1 to Warrant to Purchase Common Stock, dated December 19, 2001, by and between Registrant and Preston Ford, Inc. Incorporated by reference to Exhibit 10.51 to Annual Report on Form 10-KSB for the year ended December 31, 2001.

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EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.25	Amendment Number One to Security and Pledge Agreement, dated as of December 19, 2001, by and between Registrant, B3D, Inc., and Brilliant Studios, Inc. in favor of Harris Toibb, as agent. Incorporated by reference to Exhibit 10.52 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.26	Security and Pledge Agreement, dated as of December 19, 2001, made by Registrant, B3D, Inc., and Brilliant Studios, Inc. in favor of Harris Toibb, as agent. Incorporated by reference to Exhibit 10.53 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.27	Investor Rights Agreement, by and between Registrant, Harris Toibb, Europlay 1, LLC, Preston Ford, Inc. and Capel Capital Ltd. Incorporated by reference to Exhibit 10.54 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.28	Guaranty, dated December 19, 2001, made by B3D, Inc. and Brilliant Studios, Inc. in favor of Harris Toibb, as agent. Incorporated by reference to Exhibit 10.55 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.29	Acknowledgement, Consent and Reaffirmation, dated December 19, 2001, by Brilliant Studios, Inc. and B3D, Inc. Incorporated by reference to Exhibit 10.56 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.30	Letter Agreement, dated October 2, 2002, among Registrant and the holders of Registrant's Secured Convertible Promissory Notes. Incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
10.31	Form of Amendment Number One to Secured Convertible Promissory Note dated as of December 19, 2001. Incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
10.32	Form of Amendment Number Two to Secured Convertible Promissory Note dated as of May 23, 2001. Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
10.33	Form of Warrant issued in connection with extension of maturity date of Secured Convertible Promissory Notes. Incorporated by reference to Exhibit 10.8 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
10.34	Letter Agreement Regarding Extension of Maturity Date dated December 31, 2003 by and among the Registrant and the holders of Secured Convertible Promissory Note of the Registrant set forth

on Schedule 1 thereto. Incorporated by reference to Exhibit 10.34 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.

10.35 Form of Amendment Number Three to Convertible Promissory Note dated December 31, 2003 between the Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.35 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.

10.36 Form of Amendment Number Two to Secured Convertible Promissory Note dated December 31, 2003 between the Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.36 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.37	Technology Bundle License Agreement, dated as of October 2, 2001, by and between Registrant and Consumer Empowerment B.V., a company organized under the laws of The Netherlands. [Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment by Registrant.] Incorporated by reference to Exhibit 10.40 to Annual Report on Form 10-KSB for the year ended December 31, 2001.
10.38	Form of Warrant to Purchase Common Stock from March 7, 2002 and March 20, 2002 financings. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.39	Form of Warrant to Purchase Common Stock from April 2, 2002 financing. Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.40	Form of Warrant to Purchase Common Stock from April 23, 2002 financing. Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.41	Warrant to Purchase Common Stock, dated February 1, 2002, issued in favor of VoxPop, LLC. Incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.42	Form of Warrant to Purchase Common Stock, dated April 5, 2002, issued in favor of The Rose Group. Incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.43	Warrant to Purchase Common Stock, dated April 15, 2002, issued in favor of Business Development Experts, Inc. Incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.44	Warrant to Purchase Common Stock, dated April 15, 2002, issued in favor of mPRm Public Relations. Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.
10.45	Warrant to Purchase Common Stock, dated April 22, 2002, issued in favor of KaZaA, B.V. Incorporated by reference to Exhibit 10.7 to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002.

- 10.46 Common Stock and Warrant Purchase Agreement dated August 26, 2002, by and among Registrant and Harris Toibb, Markev Services, LLC, Ronald Lachman, David Wilson, Bob Haya and Scott Hergott. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
- 10.47 Form of Warrant to Purchase Common Stock from August 26, 2002 financing. Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
- 10.48 Warrant to Purchase Common Stock, dated August 28, 2002, issued in favor of SRO Consulting, Inc. Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
- 10.49 Letter Agreement, dated August 19, 2002, between Registrant and Europlay Capital Advisors, LLC. Incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.

EXHIBIT NUMBER -----	EXHIBIT DESCRIPTION -----
10.50	Contractor, Confidential Information and Non-Solicitation Agreement, dated as of February 2002, between Registrant and Abe Sher. Incorporated by reference to Exhibit 10.9 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2002.
10.51	Strategic Alliance, Marketing and Distribution Agreement dated April 14, 2003 between Brilliant Digital Entertainment, Inc. and The Excite Network, Inc. [Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment by Registrant.] Incorporated by reference to the Exhibit 10.1 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
10.52	Digital Content Merchant Agreement, dated November, 2002, between Registrant and NewGenPay, Inc. Incorporated by reference to Exhibit 10.44 to Amendment No. 1 to Form S-3 Registration Statement as filed July 3, 2003.
10.53	Warrant to Purchase Common Stock, dated February 19, 2003, issued in favor of Scheinrock Advisory Group. Incorporated by reference to Exhibit 10.46 to Amendment No. 1 to Form S-3 Registration Statement as filed July 3, 2003.
10.54	Share Exchange and Option Agreement dated May 28, 2003 between Brilliant Digital Entertainment, Inc. and Joltid, Ltd. Incorporated by reference to the Exhibit 10.2 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
10.55	Joltid Software Licensing Agreement dated May 28, 2003 between Altnet, Inc. and Joltid, Ltd. [Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment by Registrant.] Incorporated by reference to the Exhibit 10.3 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
10.56	Form of Brilliant Digital Entertainment, Inc. Promissory Note dated June 11, 2003. Incorporated by reference to the Exhibit 10.4 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
10.57	Form of Warrant to Purchase Common Stock of Brilliant Digital Entertainment, Inc. dated June 11, 2003. Incorporated by reference to the Exhibit 10.5 to Quarterly Report on Form 10-QSB

for quarter ended June 30, 2003.

- 10.58 Joint Enterprise Agreement dated June 23, 2003 between Altnet, Inc. and Sharman Networks Limited. [Portions of this Exhibit have been omitted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment by Registrant.] Incorporated by reference to the Exhibit 10.6 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
- 10.59 Warrant to Purchase Common Stock of Brilliant Digital Entertainment, Inc., dated June 23, 2003, issued to Sharman Networks Limited. Incorporated by reference to the Exhibit 10.7 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.
- 10.60 Brilliant Digital Entertainment, Inc. Deferred Compensation Plan. Incorporated by reference to the Exhibit 10.8 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.+
- 10.61 Form of Brilliant Digital Entertainment, Inc. Deferred Compensation Relinquishment Opportunity Agreement. Incorporated by reference to the Exhibit 10.9 to Quarterly Report on Form 10-QSB for quarter ended June 30, 2003.+

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
10.62	Standard Form Lease Agreement dated September 21, 2003 between the Registrant and Topanga & Victory Partners LP. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended September 30, 2003.
10.63	Employment Agreement dated June 1, 2003 between the Registrant and Tyler Tarr. Incorporated by reference to Exhibit 10.63 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.+
10.64	Executive Employment Agreement dated June 1, 2003 between the Registrant and Kevin Bermeister. Incorporated by reference to Exhibit 10.64 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.+
10.65	Letter Agreement Regarding Extension of Maturity Date dated March 30, 2004 by and among the Registrant and the holders of Secured Convertible Promissory Note of the Registrant set forth on Schedule 1 thereto. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004.
10.66	Form of Amendment Number Four to Convertible Promissory Note dated March 30, 2004 between the Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004.
10.67	Form of Amendment Number Three to Secured Convertible Promissory Note dated March 30, 2004 between the Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.3 to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004.
10.68	Form of Amendment No. 2 to Warrant to Purchase Common Stock, dated March 30, 2004, by and between Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.4 to Quarterly Report on Form 10-QSB for the quarter ended March

31, 2004.

- 10.69 Form of Amendment No. 1 to Warrant to Purchase Common Stock, dated March 30, 2004, by and between Registrant and the holder to be set forth therein. Incorporated by reference to Exhibit 10.5 to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004.
- 10.70 Form of Warrant, dated March 30, 2004, issued in connection with extension of maturity date of Secured Convertible Promissory Notes. Incorporated by reference to Exhibit 10.6 to Quarterly Report on Form 10-QSB for the quarter ended March 31, 2004.
- 10.71 Settlement Agreement and Mutual Release, dated as of June 16, 2004, by and among the Registrant, Altnet, Inc., Detershan Pty. Ltd., Big Seven Entertainment, LLC, and Michael Toibb. Incorporated by reference to Exhibit 10. to Quarterly Report on Form 10-QSB for the quarter ended June 30, 2004.
- 10.72 Letter Agreement Regarding Extension of Maturity Date dated September 26, 2004 by and among the Registrant and the holders of Secured Convertible Promissory Note of the Registrant set forth on Schedule 1 thereto.*
- 10.73 Form of Amendment Number Five to Secured Convertible Promissory Note originally dated May 23, 2001, dated September 26, 2004, between the Registrant and the holder to be set forth therein.*
- 10.74 Form of Amendment Number Four to Secured Convertible Promissory Note originally dated December 19, 2001, dated September 26, 2004, between the Registrant and the holder to be set forth therein.*

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EXHIBIT NUMBER -----	EXHIBIT DESCRIPTION -----
10.75	Form of Amendment No. Three to Warrant to Purchase Common Stock originally dated May 23, 2001, dated September 26, 2004, by and between Registrant and the holder to be set forth therein.*
10.76	Form of Amendment No. Two to Warrant to Purchase Common Stock originally dated December 19, 2001, dated September 26, 2004, by and between Registrant and the holder to be set forth therein.*
10.77	Form of Amendment No. One to Warrant to Purchase Common Stock originally dated March 30, 2004, dated September 26, 2004, by and between Registrant and the holder to be set forth therein.*
10.78	Form of Amendment No. One to Warrant to Purchase Common Stock originally dated October 4, 2002, dated September 26, 2004, by and between Registrant and the holder to be set forth therein.*
14.1	Code of Ethics. Incorporated by reference to Exhibit 14.1 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.
21.1	Subsidiaries. Incorporated by reference to Exhibit 21.1 to Annual Report on Form 10-KSB for the year ended December 31, 2003, and the amendments thereto.
23.1	Consent of Vazquez & Company, LLP.*
23.2	Consent of BDO Seidman, LLP.*
24.1	Power of Attorney (included on signature page).*

- 31.1 Certificate of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934, as amended.
- 31.2 Certificate of Acting Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities and Exchange Act of 1934, as amended.
- 32.1 Certificate of Chief Executive Officer and Acting Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities and Exchange Act of 1934, as amended.

+ Indicates a management contract or compensatory plan.

* Previously filed on Form 10-KSB.

CERTIFICATION OF CEO AND CFO PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)

I, Kevin Bermeister, certify that:

1. I have reviewed this Annual Report on Form 10-KSB/A of Brilliant Digital Entertainment, 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 small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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)) for the small business issuer 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 small business issuer, 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. Evaluated the effectiveness of the small business issuer'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

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

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: April 29, 2005

/S/ KEVIN BERMEISTER

Kevin Bermeister
Chief Executive Officer

CERTIFICATION OF CEO AND CFO PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13A-14(A) AND 15D-14(A)

I, Kevin Bermeister, certify that:

1. I have reviewed this Annual Report on Form 10-KSB/A of Brilliant Digital Entertainment, 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 small business issuer as of, and for, the periods presented in this report;

4. The small business issuer'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)) for the small business issuer 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 small business issuer, 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. Evaluated the effectiveness of the small business issuer'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

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

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer'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 small business issuer'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 small business issuer's internal control over financial reporting.

Date: April 29, 2005

/S/ KEVIN BERMEISTER

Kevin Bermeister
Acting Chief Financial Officer

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18,
UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officer of Brilliant Digital Entertainment, Inc., a Delaware corporation (the "Company"), does hereby certify with respect to the Annual Report of the Company on Form 10-KSB/A for the fiscal year ended December 31, 2004 as filed with the Securities and Exchange Commission (the "10-KSB/A Report") that:

- (1) the 10-KSB/A Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the 10-KSB/A Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 29, 2005

/S/ KEVIN BERMEISTER

Kevin Bermeister
Chief Executive Officer and Acting
Chief Financial Officer