

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 9, 2010

NeuMedia, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

00-10039
(Commission File Number)

22-2267658
(IRS Employer
Identification No.)

2000 Avenue of the Stars, Suite 410
Los Angeles, CA 90067
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (310) 601-2500

(Former name or former address, if changed since last report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 3.02. Unregistered Sales of Equity Securities

The information set forth under Item 5.02 is incorporated by reference into this Item 3.02.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

As of August 9, 2010, the Board of Directors of NeuMedia, Inc., a Delaware corporation (the “Company”), unanimously approved the payment of \$125,000 in cash and 500,000 shares of common stock of the Company to Paul Schaeffer, a director of the Company, as compensation for services rendered to the Company, including, but not limited to: (i) serving as interim Chief Executive Officer, and (ii) leading and managing negotiations for the Company’s settlement with ValueAct SmallCap Master Fund and others.

The 500,000 shares of common stock were issued to Mr. Schaeffer in reliance on the exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended.

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 hereunto duly authorized.

NeuMedia, Inc.

Date: August 20, 2010

By: /s/ Ray Schaaf

Ray Schaaf
President
