

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

SEAMLESS WI-FI, INC.
Form 10QSB
May 21, 2007

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

FORM 10-QSB

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

For the quarterly period ended March 31, 2007

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

Commission File Number: 000-20259

SEAMLESS WI-FI, INC.

(Exact name of small business issuer as specified in its charter)

NEVADA

(State or other jurisdiction of
incorporation or organization)

33-0845463

(IRS Employer
Identification No.)

800 N. RAINBOW BLVD., STE. 200, LAS VEGAS, NV 89109

(Address of principal executive offices)

(775) 588-2387

(Issuer's telephone number)

N/A

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

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 the past 90 days. Yes No

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

As of May 9, 2007, the number of shares of common stock issued and outstanding was 3,548,768,509.

Transitional Small Business Disclosure Format (check one): Yes No

INDEX

Page

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Number

PART I - FINANCIAL INFORMATION

Item 1.	Financial Statements (Unaudited)	
	Balance Sheet - March 31, 2007	2
	Statements of Operations - For the three and nine months ended March 31, 2007 and 2006	3
	Statements of Cash Flow - For the nine months ended March 31, 2007 and 2006	4
	Notes to Financial Statements	6
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	14
Item 3.	Controls and Procedures	18

PART II - OTHER INFORMATION

Item 1.	Legal Proceedings	19
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	19
Item 3.	Defaults Upon Senior Securities	19
Item 4.	Submission of Matters to a Vote of Security Holders	19
Item 5.	Other Information	19
Item 6.	Exhibits	19
	SIGNATURES	20

1

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEAMLESS WI-FI, INC.
f/k/a ALPHA WIRELESS BROADBAND, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

MARCH 31, 2007

ASSETS

Current assets	
Cash	\$ 10,765
Accounts receivable	201,289
Notes receivable-related parties, current portion	709,116
Accrued interest receivable	182,663

Total current assets	1,103,833
Property and equipment (net of accumulated depreciation \$36,156)	59,095
Technology	1,381,045

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Notes receivable - related parties (net of allowance \$296,837)	1,588,263
Prepaid legal	5,000
Restricted cash	75,000
Security deposit	6,600

TOTAL ASSETS	\$ 4,218,836
	=====

LIABILITIES AND STOCKHOLDERS' DEFICIENCY

Current liabilities	
Accounts payable	\$ 467,900
Accrued expenses	211,000
Payroll taxes	128,706
Judgments payable	361,054
Other current liabilities	881,259
Payable to officer	11,804
Investment payable	100,000
Interest payable on long term debt	219,645

Total current liabilities	2,381,368
---------------------------	-----------

Long term debt	4,648,333

TOTAL LIABILITIES	7,029,701
-------------------	-----------

Stockholders' deficiency	
Preferred A stock, par value \$0.001, 10,000,000 shares authorized, 693,914 shares issued and outstanding	693
Preferred B stock, par value \$0.001, 10,000,000 shares authorized, 0 shares issued and outstanding	-
Preferred C stock, par value \$1.00, 5,000,000 shares authorized, 300,000 shares issued and outstanding	300,000
Common stock, par value \$0.001, 11,000,000,000 shares authorized, 3,067,202,154 shares issued and outstanding	3,067,201
Additional paid-in capital	17,439,959
Accumulated other comprehensive loss	(23,513,718)

(2,705,865)

Less: Treasury stock at cost	105,000

Total stockholders' deficiency	(2,810,865)

TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	\$ 4,218,836
	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

f/k/a ALPHA WIRELESS BROADBAND, INC. CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2007	2006	2007	2006
	-----	-----	-----	-----
Revenues	\$ 9,350	\$ 8,581	\$ 30,990	\$
Cost of revenues	42,900	51,340	103,484	
	-----	-----	-----	-----
Gross Income (Loss)	(33,550)	(42,759)	(72,494)	(
	-----	-----	-----	-----
Expenses:				
Selling, general and admin	184,389	141,124	479,829	4
Software development costs	-	140,452	-	1,6
Consulting	129,243	70,024	486,094	8
Interest	95,838	-	299,975	
Legal	92,492	114,283	268,785	2
Officer Payroll	101,549	119,280	379,080	4
Finance	58,333	212,500	88,333	2
Write down of investments	-	270,384	-	2
Bad Debt	9,162	-	67,572	
Depreciation and amortization	7,937	3,969	23,812	
	-----	-----	-----	-----
Total Expenses	678,943	1,072,016	2,093,480	4,0
	-----	-----	-----	-----
Net loss from operations	(712,493)	(1,114,775)	(2,165,974)	(4,1
Other income (expense)				
Cancellation of indebtedness	250,454	58,827	465,737	6
Gain on disposal of equipment	-	-	-	
Interest income/(expense)	50,586	(60,803)	83,659	(1,2
Other	56	(33,523)	56	
	-----	-----	-----	-----
Loss before income taxes	(411,397)	(1,150,274)	(1,616,522)	(4,7
	-----	-----	-----	-----
Minority interest	-	-	-	
Income taxes (benefit) (note 8)	-	-	-	
	-----	-----	-----	-----
Net Loss	(411,397)	(1,150,274)	(1,616,522)	(4,7
	=====	=====	=====	=====
Basic and Diluted				
loss per common shares	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$
	=====	=====	=====	=====
Weighted average				
basic and diluted common shares	133,750,923	101,517,955	133,750,923	101,5
	=====	=====	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

3

SEAMLESS WI-FI, INC.
f/k/a ALPHA WIRELESS BROADBAND, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended March 31,	
	2007	2006
	-----	-----
Cash flows used in operating activities		
Net loss from continuing operations	\$ (1,616,521)	\$ (4,730,945)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization	23,812	17,724
Interest	208,638	
Issuance of common stock for services	184,050	775,036
Issuance of common stock for payment of financing costs	-	984,000
Write-down of capitalized software costs	-	1,500,570
Write-down of investments	-	270,384
Cancellation of indebtedness	(465,737)	(649,080)
Financing cost	148,333	212,500
Bad debt expense	67,573	-
Prepaid legal	(5,000)	-
Changes in operating assets and liabilities		
Accounts receivable	(201,289)	-
Accrued interest receivable	(71,570)	-
Accrued expense	211,000	-
Accounts payable	(469,150)	121,617
Other current liabilities	63,638	(353,432)
Payroll taxes payable	(65,170)	(7,759)
Judgements payable	-	(290,589)
Payable to officer	45,458	-
	-----	-----
Net cash used by operating activities	(1,941,935)	(2,149,974)
Cash flows used in investing activities:		
Intangible assets	(865,045)	-
Equipment	-	(70,898)
Technology	(50,000)	(91,000)
Propriety software	-	(85,000)
Investments	88	-
Advances to related party	(1,244,953)	(132,099)
	-----	-----
Net cash used in investing activities	(2,159,910)	(378,997)
Cash flows from financing activities		
Payment of credit line	-	(381,000)
Sale of common stock	-	381,000
Purchase of treasury stock	(5,000)	-
Increase in long term debt	4,109,569	2,877,471
Repayment of notes payable	(66,833)	(79,500)
Repayment of advances from officer	-	(8,952)
Repayment of related party advances	(19,468)	(75,814)

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

	-----	-----
Net cash provided by financing activities	4,018,268	2,713,205
Increase (decrease) in cash	(83,577)	184,234
Cash at beginning of period	94,342	270
	-----	-----
Cash at end of period	\$ 10,765	\$ 184,504
	=====	=====

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS,

4

SEAMLESS WI-FI, INC.
f/k/a ALPHA WIRELESS BROADBAND, INC
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS
(Unaudited)

		Nin
		D
		-
		200

Cash paid for:		
Interest		\$
Taxes		\$
Noncash investing and financing activities		
Common stock issued for services		\$ 160
Common stock issued for payment of financing costs		\$
Common stock issued for officer's compensation		\$
Common stock issued for conversion of preferred A stock and settle operating expenses		\$ 24
Common stock issued for conversion of preferred A stock by Ayuda Funding, LLC		\$2,392
Common stock issued for conversion of preferred C stock		\$
Common stock and preferred stock issued for acquisition of assets		\$
Common stock issued for investment		\$
Subsidiary common stock issued for investment		\$

SEE NOTES TO FINANCIAL STATEMENTS.

5

SEAMLESS WI-FI, INC.
F/K/A ALPHA WIRELESS BROADBAND, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: ORGANIZATION AND OPERATIONS

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

The accompanying unaudited financial statements of Seamless Wi-Fi, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) for interim financial information and with item 310(b) of Regulation SB. Accordingly; they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended March 31, 2007 are not necessarily indicative of the results that may be expected for the year ended June 30, 2007. These unaudited financial statements should be read in conjunction with the audited financial statements and footnotes thereto included in the Company's Form 10-KSB for the year ended June 30, 2006, as filed with the Securities and Exchange Commission.

PRINCIPLES OF CONSOLIDATION

The financial statements include the accounts of the Company and its wholly owned subsidiaries and majority-owned subsidiary. All significant inter-company accounts and transactions have been eliminated in consolidation.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include allowances for doubtful accounts and notes and mortgage loans receivable. Actual results could differ from those estimates.

INVESTMENTS

Investments are stated at the lower of cost or market value.

PROPRIETARY SOFTWARE IN DEVELOPMENT

In accordance with SFAS No. 86, accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed Software ("FAS 86"), the Company has capitalized certain computer software development costs upon the establishment of technological feasibility. Technological feasibility is considered to have occurred upon completion of a detailed program design which has been confirmed by documenting and tracing the detailed program design is not pursued, upon completion of a working model that has been confirmed by testing to be consistent with the product design. Amortization is provided based on the greater of the ratios that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product. The estimated useful life for the straight-line method is determined to be 2 to 5 years.

The unamortized computer software and computer software development costs were \$1,570,000 at September 30, 2005. During the quarter ended December 31, 2005 the computer software development team failed to deliver the completed software program as per agreement. The unamortized development cost was expensed and on January 2006, a new computer software development team was contracted and the costs related to the development will be expensed until the development of the computer software program is completed. As of the third quarter ended March 31, 2007 for the fiscal year end June 30, 2007, there were no software development expenses.

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

REVENUE RECOGNITION

For current Company operations, providing wireless Internet access, fees are charged either to the proprietor of the Wi-Fi hotspot location or the customer using the services. The fees paid by a proprietor for services provided on a month-to-month basis are billed at the end of each month for which the service is contracted. The fees paid by customers using the wireless Internet access are paid at the time service is provided and therefore recorded as revenue at that time.

ADVERTISING EXPENSE

All advertising costs are expensed when incurred.

CONCENTRATION OF CREDIT RISK

The Company is subject to credit risk through trade receivables. Monthly Internet access fees and web hosting are generally billed to the customer's credit card, thus reducing the credit risk. The Company routinely assesses the financial strength of significant customers and this assessment, combined with the large number and geographic diversity of its customers, limits the Company's concentration of risk with respect to trade accounts receivable.

INCOME TAXES

The Company accounts for income taxes under the asset and liability approach of reporting for income taxes. Deferred taxes are recorded based upon the tax impact of items affecting financial reporting and tax filings in different periods. A valuation allowance is provided against net deferred tax assets where the Company determines realization is not currently judged to be more likely than not. The Company and its 80% or more owned U.S. subsidiaries file a consolidated federal income tax return. Although income tax returns have not been filed since 1999, the Company has no material tax liability due to its losses during these periods. The Company is currently having these income tax returns prepared.

EARNINGS (LOSS) PER SHARE ("EPS")

Basic EPS is computed by dividing income (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of incremental shares issuable upon conversion of preferred stock outstanding.

STOCK BASED COMPENSATION

The Company has elected to early adoption of SFAS 123R which requires all share based payments to officers, directors, and employees, including stock options to be recognized as a cost in the financial statements based on their fair values. The Company accounts for stock based grants issued to non-employees at fair value in accordance with SFAS 123 and EITF 96-18 "Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or In Conjunction with Selling, Goods, or Services". There were no options granted during the nine months ended March 31, 2007 and 2006, respectively.

7

REVERSE STOCK SPLIT

The Company's Board of Directors effected a 1 for 1,000 reverse stock split of

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

its common stock \$.001 par value on June 3, 2005. Accordingly all shares information included in the consolidated financial statements has been adjusted to reflect the reverse stock split. The reverse stock split did not change the ratio for the conversion of the preferred stock which remained at 1 share of Series A preferred stock converts into 10,000 shares of common stock.

NEW ACCOUNTING PRONOUNCEMENTS

In February 2007, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 159. SFAS 159 permits all entities to choose to measure eligible items at fair value at specified election dates. The Company is currently assessing the impact of adopting SFAS 159 on its consolidated financial statements.

In September 2006, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements", which establishes a framework for reporting fair value and expands disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The Company is currently assessing the impact of the adoption of this standard on its financial statements.

NOTE 2: GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the company as a going concern. The Company has experienced significant losses in recent years, and as of the third quarter ended March 31, 2007 for fiscal year end June 30, 2007 the stockholders' deficiency is \$2,810,865 and working capital deficiency is \$1,277,535.

The Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing. The Company's ability to continue as a going concern is contingent upon its ability to secure financing and attain profitable operations. The financial statements do not include any adjustment to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

NOTE 3: LONG TERM DEBT

During the fiscal year end of June 30, 2006, the Company borrowed \$4,600,000 under three loan agreements with Ayuda Funding LLC of which 184,000 of previously issued Series A convertible preferred shares are held as collateral. Additional loans were acquired during the fiscal year end of June 30, 2007 in the amount of \$2,800,000 of which 120,000 of previously issued Series A convertible preferred shares are held as collateral. These notes are in default which allows the note holder to convert the preferred stock to common stock. Proceeds from the converted stock paid off some of the notes. Interest on the unpaid principal amount is 6.5% per annum due and payable quarterly commencing June 21, August 1 and August 15, 2006, January 6, 2007, and April 5, 2007 until such loan is paid in full. The total loan balance of \$4,648,333 at March 31, 2007 is due and payable on January 5, 2010 with an accrued interest of \$219,645.

NOTE 4: OTHER CURRENT LIABILITIES

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Other current liabilities consist of the following:

Credit cards payable	\$ 376,371 (1)
Payable to Integrated Communication	228,701 (2)
Various liabilities assumed from Alpha Tooling acquisition	276,187

	\$ 881,259
	=====

- (1) Payments in varying amounts are due monthly with interest at 18% per annum.
(2) Results from contract cancellation.

NOTE 5: RELATED PARTY TRANSACTIONS

The Company has made the following loans and advances to related parties as of March 31, 2007:

		Loan/Advance Balance	Allowance for for uncollectible loans/advances	Balance Net
		-----	-----	-----
Accepted Sales	(A)	\$ 338,533		\$ 338,533
Carbon Jungle, Inc.	(B)	198,677	\$ 198,677	-
DK Corp.	(C)	98,160	98,160	-
DLR Funding	(D)	650,773		650,773
1st Global Financial Service	(E,F)	1,308,074		1,308,074
		-----	-----	-----
Total:		\$2,594,217	\$ 296,837	\$ 2,297,380
		=====	=====	=====

The above interest at annual rates ranges from 6% to 12%. The net balance at March 31, 2007 in the amount of \$2,297,380 matures in the fiscal years ended June 30 as follows:

2007	\$ 400,877
2008	506,599
2009	1,389,904

	\$ 2,297,380
	=====

- (A) Accepted Sales is a division of 1st Global Financial Services noted below.
(B) The President of the Company is a Director of the Company; the Secretary of the Company is an officer of this Company. During the nine months ended March 31, 2007, the Company has lent Carbon Jungle an additional \$ 67,572.
(C) DK Corp is a business held by David Karst. See Creditor Trust below.
(D) The President of the Company is a stockholder and director of this Company. The Secretary of the Company is an officer and stockholder of this Company. During the subsequent nine months ended March 31, 2007, the Company has lent DLR Funding an additional \$ 666,509 and received \$ 121,835.
(E) The President of the Company is a stockholder and director of this Company. The Secretary of the Company is an officer and stockholder of this Company. A director of 1st Global is paid \$10,000 per month by the Company, which is recorded as a loan receivable by the Company. During the subsequent nine months ended March 31, 2007, the Company has lent 1st Global an additional \$186,677 and received \$193,271.
(F) The President of the Company is an officer of this Company.

The Company has recorded interest income on the above for the quarter ended March 31, 2007 of fiscal year end June 30, 2007 in the amount of \$ 182,663.

The Company owns 19% of the common stock of 1st Global Financial Services, Inc. (1st Global). Accepted Sales is a wholly owned subsidiary of 1st Global. Albert Reda, our CEO, is a director of 1st Global. 1st Global is in the debit/credit card processing business and is in the process of becoming a credit card processor. 1st Global will also collaborate with the Company to market Seamless Skyy-Fi services to its merchants. Accordingly, the Company has made advances to 1st Global until they can obtain permanent financing from other sources.

Creditor Trust

As of September 30, 2005, the Company appointed Financial Services LLC as the Trust Protector for the Creditor Trust. The Trust is currently managed by Albert Reda who is also the Officer and the Company's President.

The Company's creditor trust was established to return the maximum amount to beneficiaries and to allow the Company to continue operations without interruption.

Following the submission and validation of claims, the trustee is to liquidate the trust property and distribute the proceeds to the trust beneficiaries in a manner deemed most beneficial.

NOTE 6: STOCKHOLDER'S EQUITY

ISSUANCE OF COMMON STOCK AND PREFERRED STOCK

The Board of Directors of the Corporation may from time to time authorize by resolution the issuance of any or all shares of the Common Stock and the Preferred Stock herein authorized in accordance with the terms and conditions set forth in the Articles of Incorporation for such purposes, in such amounts to such persons, corporations, or entities, for such consideration and in the case of the Preferred Stock, in one or more series, all as the Board of Directors in its discretion may determine and without any vote or either action by the stockholders, except as otherwise required by law. The Board of Directors, from time to time also may authorize by resolution, options, warrants and other rights convertible into Common or Preferred stock (collectively "securities". The securities must be issued for such consideration, including cash, property, or services, as the Board of Directors may deem appropriate, subject to the requirement that the value of such consideration be less than the par value of the shares issued. Any shares issued for which the consideration so fixed paid or delivered shall be fully paid stock and the holder of such shares shall not be liable for any further call assessment or any other payment thereon, provided that the actual value of such consideration is not less than the par value of the shares so issued. The Board of Directors may issue shares of Common Stock in the form of a distribution or distributions pursuant to a stock dividend or split-up of the shares of the Common Stock only to ten holders of the outstanding shares of the Common stock.

Preferred A shares converts as follows: 1 share of Preferred converts into 10,000 shares of common.

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Preferred C shares converts as follows: one share of C which has a par value of \$1.00 converts into \$1.00 worth of common shares.

Examples:

1. If the common stock 10 day average prior to the date of conversion, was trading at \$.10 per share, one share of preferred C would convert into 10 shares of common.
2. If the common stock 10 day average prior to the date of conversion, was trading at \$.001 per share, one share of preferred C would convert into 1,000 shares of common.

STOCK ISSUANCE

During the third quarter ended March 31, 2007 for the fiscal year end June 30, 2007:

Ayuda Funding, LLC converted 87,500 shares of Series A Preferred Stock into 875,000,000 shares of common stock.

During the second quarter ended December 31, 2006 for the fiscal year end June 30, 2007:

Ayuda Funding, LLC converted 87,500 shares of Series A Preferred Stock into 875,000,000 shares of common stock.

7,905,000 shares of common stock were issued for services and expensed for officer's compensation at \$79,050.

During the first quarter ended September 30, 2006 for the fiscal year end June 30, 2007:

Ayuda Funding, LLC converted 76,027 shares of Series A Preferred Stock into 760,270,000 shares of common stock to payback Ayuda in the amount of \$2,392,991.

Global Debit Card Ltd. converted 100 shares of Series A Preferred Stock valued at \$ 0.10 into 1,000,000 shares of common stock valued at \$1,000.

500 shares of Series A Preferred Stock were converted into 5,000,000 shares of common stock for consulting services and expensed at \$24,000.

8,100,000 shares of common stock were issued for services and expensed for officer's compensation at \$81,000.

190,000,000 shares of common stock were issued by Ayuda Funding, LLC valued at \$190,000.

NOTE 7: INCOME TAXES

No provision for income taxes has been recorded in the accompanying financial statements as a result of the Company's net operating losses. The Company has unused tax loss carry forwards of approximately \$24,000,000 to offset future taxable income. Such carry forwards expire in the years beginning 2021. The deferred tax asset recorded by the Company as a result of these tax loss carry forwards is approximately \$8,000,000 at March 31, 2007. The Company has reduced the deferred tax asset resulting from its tax loss carry forwards by a valuation allowance of an equal amount as the realization of the deferred tax asset is uncertain. There is no net change in the deferred tax asset and valuation allowance from July 1, 2006 to March 31, 2007.

NOTE 8: COMMITMENTS AND CONTINGENCIES

LEASE

The Company, through its Alpha Tooling Inc. subsidiary has entered into lease agreements for office space and an automobile which will expire on June 14, 2007 and October 8, 2007, respectively. The Company rents additional office space in Nevada, on a month to month basis. Rent expense under these leases for the nine months ended March 31, 2007 and 2006 was \$31,358 and \$25,589, respectively.

LEGAL PROCEEDINGS

The Company is a party to the following legal proceedings:

GLOBALIST V. INTERNET BUSINESS'S INTERNATIONAL, INC. ET AL

On March 30, 2006, the Superior Court of the State of California, County of Orange, entered a judgment against us and other defendants, jointly and severally, in the total amount of \$452,714.79 in the matter of Globalist Internet Technologies, Inc. vs. Iron Horse Holdings, Inc., et al.

EMPLOYMENT CONTRACT

The Company has an employment contract with their Chief Executive Officer, Alfred Reda, that calls for a base salary of \$240,000 for the year ended June 30, 2006 and an increase of \$1,000 a month from July, 2006 until its expiration date in January, 2007. In addition, the contract includes a performance bonus based on the Company's sales levels from \$2,000,000 to \$12,000,000 in sales with a bonus ranging from 500,000 to 3,000,000 shares of common stock.

NOTE 9: SEGMENT INFORMATION

In accordance with SFAS No. 131 "Disclosure about Segments of an Enterprise and Related Information", management has determined that there are three reportable segments based on the customers served by each segment: Such determination was based on the level at which executive management reviews the results of operations in order to make decisions regarding performance assessment and resource allocation.

The Company is currently a start up business that is providing "Wireless Internet" access at business locations and a developer and provider of a patent pending software. In December 2005 the Company started a hosting company Alpha Internet offering Seamless clients a high-security hosting facility (See Note 1: Organization and Operations).

Certain general expenses related to advertising and marketing, information systems, finance and administrative groups are not allocated to the operating segments and are included in "other" in the reconciliation of operating income reported below. Information on reportable segments is as follows:

	Third quarter ended March 31,	
	2007	2006
-----		-----

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Wi-Fi ISP net sales	\$ 30,990	\$ 18,535
Cost of Wi-Fi sales	(103,484)	(85,783)
Cost and expenses	(2,093,480)	(3,955,843)
Other net income	549,452	364,163
	-----	-----
Net loss	\$ (1,616,522)	\$ (3,224,478)
	=====	=====

NOTE 10: SUBSEQUENT EVENT

On May 8th Seamless Wi-Fi executed an agreement with Microsoft to acquire the licenses for the mobile operating system of the S-XGen.

The agreement requires Seamless Wi-Fi to pay Microsoft \$490,000 per year for two years ending December 31, 2007 and December 31, 2008.

13

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

The following discussion and analysis should be read in conjunction with our financial statements, including the notes thereto, appearing elsewhere in this Report.

FORWARD-LOOKING STATEMENTS

The following information contains certain forward-looking statements. Forward-looking statements are statements that estimate the happening of future events and are not based on historical fact. Forward-looking statements may be identified by the use of forward-looking terminology, such as "may," "could," "expect," "estimate," "anticipate," "plan," "predict," "probable," "possible," "should," "continue," or similar terms, variations of those terms or the negative of those terms. The forward-looking statements specified in the following information have been compiled by our management on the basis of assumptions made by management and considered by management to be reasonable. Our future operating results, however, are impossible to predict and no representation, guaranty, or warranty is to be inferred from those forward-looking statements.

OVERVIEW

We have three operating subsidiaries: (1) Seamless Skyy-Fi, Inc. which provides wireless Internet access (commonly known as "Wi-Fi") at 30 business locations; (2) Seamless Peer 2 Peer, Inc. which develops and provides a patent pending software program called Phenom(R) that encrypts Internet communications and provides flexible telecom data and voice transport solutions, including its Freek2Freek social network; and (3) Seamless Internet, Inc. which offers high security hosting services for customers of Seamless Peer 2 Peer, Inc. and Seamless Skyy-Fi, Inc. and which is also manufacturing and marketing an ultra mobile personal computer named the S-XGen.

RESULTS OF OPERATIONS

The following table sets forth, for the periods indicated, our selected financial information:

Nine Months Ended March 31, 2007 (unaudited)	Nine Months Ended March 31, 2006 (unaudited)
--	--

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

Revenues	\$ 30,990	\$ 18,535
Cost of Revenues	103,484	85,783
	-----	-----
(Gross Loss)	(72,494)	(67,248)
Expenses	2,093,480	4,043,860
(Net Loss from Operations)	(2,165,974)	(4,111,108)
Other Income	549,452	(619,837)
(Net Loss)	\$ (1,616,522)	\$ (4,730,945)
(Net Loss) Per Share	\$ (0.01)	\$ (0.05)
Weighted Average Common Shares Outstanding	133,750,923	101,517,955

14

NINE MONTHS ENDED MARCH 31, 2007 (UNAUDITED) COMPARED TO NINE MONTHS ENDED DECEMBER 31, 2006 (UNAUDITED)

REVENUES

Revenues for the nine months ended March 31, 2007 were \$30,990 compared to \$18,535 for the same period in 2006, an increase of 165%. This increase in revenue was the result of further enhancement of Wi-Fi services at our Skyy-Fi locations.

COST OF REVENUES

The cost of revenues for the nine months ended March 31, 2007 was \$103,484 compared to \$85,783 for the nine months ended March 31, 2006, an increase of 120%. The increase in cost of revenue is because of the cost of our enhanced services offered by our Skyy-Fi hot spots.

OPERATING EXPENSES

Operating expenses decreased by approximately 52% from \$4,111,108 for the nine months ended March 31, 2006 compared to \$2,165,974 for the nine months ended March 31, 2007. This decrease in operating expenses was a result of a reduction in the amount of write-offs that occurred during the previous corresponding period.

OTHER INCOME

Other income for the nine months ended March 31, 2007 was \$549,452 compared to a loss of \$619,837 for the same period in 2006. Other income consists primarily of debt forgiveness from prior operations due to the fact that certain debts were not paid within the prescribed time as required by law and we now have to report that debt as income. During the corresponding period ended March 2006, the debt forgiveness of \$652,511 was offset by the increase in write-offs of \$1,272,348.

INCOME TAX

No provision for income taxes has been recorded in the accompanying financial statements as a result of the Company's net operating losses. The Company has unused tax loss carry forwards of approximately \$23,513,718 to offset future taxable income. Such carry forwards expire in the years beginning 2021.

NET LOSS

We experienced a net loss from operations of \$1,616,522 for the nine months ended March 31, 2007 as compared to a net loss of \$4,730,945 for the nine months ended March 31, 2006. The decrease in the net loss is due to a reduction in the write-offs of investments and of the developmental cost for the Phenom software

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

and a corresponding increase in the number of the weighed average shares issued and outstanding.

15

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled \$1,103,833 and \$184,504 at March 31, 2007 and 2006, respectively. Net cash used by operations was \$1,941,935 for the period ended March 31, 2007 compared to net cash used by operations of \$2,149,974 for the comparable period ended March 31, 2006.

As a result of our continuing losses, our working capital deficiency has increased. We have funded our losses through an equity line of credit secured by preferred stock. We have defaulted on repayment of certain loan amounts advanced from the credit line and the lender took possession of the collateral. We anticipate these losses will continue through 2007.

We have a working capital deficit of \$1,277,535 as of March 31, 2007 compared to a working capital deficit of \$3,106,867 as of March 31, 2006. This is a decrease in the working capital deficit from the previous year and we expect these deficits to decrease as product development costs decrease and income increases from revenue generated by sales of our products.

As shown in the accompanying financial statements, we have incurred an accumulated deficit of \$23,513,718 and a working capital deficit of approximately \$1,277,535 as of March 31, 2007. Our ability to continue as a going concern is dependent on obtaining additional capital and financing and operating at a profitable level. We intend to seek additional capital either through debt or equity offerings and to increase sales volume and operating margins to achieve profitability.

We will consider both the public and private sale of securities and/or debt instruments for expansion of our operations if such expansion would benefit our overall growth and income objectives. Should sales growth not materialize, we may look to these public and private sources of financing. There can be no assurance, however, that we can obtain sufficient capital on acceptable terms, if at all. Under such conditions, failure to obtain such capital would negatively impact our ability to timely meet our business objectives.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires our management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As such, in accordance with the use of accounting principles generally accepted in the United States, our actual realized results may differ from management's initial estimates as reported. A summary of our significant accounting policies appears in the notes to the financial statements which are an integral component of this Report.

USE OF ESTIMATES

The preparation of our consolidated financial statements is in conformity with United States generally accepted accounting principles which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

during the period. Actual results could differ from those estimates.

16

STOCK-BASED COMPENSATION ARRANGEMENTS

We issue shares of common stock to various individuals and entities for certain management, legal, consulting and marketing services. These issuances are valued at the fair market value of the service provided and the number of shares issued as determined, based upon the closing price of our common stock on the date of each respective transaction. These transactions are reflected as a component of general and administrative expenses in the accompanying statement of operations.

INFLATION

The moderate rate of inflation over the past few years has had an insignificant impact on our sales and results of operations during the period.

NET OPERATING LOSS CARRY FORWARD

No provision for income taxes has been recorded in the accompanying financial statements as a result of our net operating losses. We have unused tax loss carry forwards of approximately \$23,513,718 to offset future taxable income. Such carry forwards expire in the years beginning 2021.

The deferred tax asset we recorded as a result of these tax loss carry forwards is approximately \$23,513,718 as of March 31, 2007. We have reduced the deferred tax asset resulting from our tax loss carry forwards by a valuation allowance of an equal amount as the realization of the deferred tax asset is uncertain. The net change in the deferred tax asset and valuation allowance from July 1, 2006 to March 31, 2007 was an increase of approximately \$1,616,521.

OFF BALANCE SHEET ARRANGEMENTS

We have not entered into any off balance sheet arrangements that have, or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, result of operations, liquidity, capital expenditure, or capital resources which would be considered material to investors.

17

ITEM 3. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have designed such disclosure controls and procedures to ensure that material information is made known to them, particularly during the period in which this report was prepared. The Certifying Officers have evaluated the effectiveness of the Company's disclosure controls and procedures within 90 days of the date of this report and believe that the Company's disclosure controls and procedures are effective based on the required evaluation. There have been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On March 30, 2006, the Superior Court of the State of California, County of Orange, entered a judgment against us and other defendants, jointly and severally, in the total amount of \$452,714.79 in the matter of Globalist Internet Technologies, Inc. vs. Iron Horse Holdings, Inc., et al. On May 15, 2007 attorney's for the Company were paid \$75,000 as payment in full in the matter of Globalist Internet Technologies, Inc. vs. Iron Horse Holdings, Inc., et al.

To the best knowledge of management, there are no other legal proceedings pending or threatened against us.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following Exhibits are filed herein:

NO. ---	TITLE -----
31.1	Certification of Chief Executive Officer Pursuant to the Securities Exchange Act of 1934, Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to the Securities Exchange Act of 1934, Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

SIGNATURES

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10QSB

In accordance with the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, duly authorized.

DATED: May 15, 2007

SEAMLESS WI-FI, INC.

/S/ALBERT REDA

By: Albert Reda

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

20