

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

SEAMLESS WI-FI, INC.
Form 10QSB
November 19, 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 September 30, 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

33-0845463

(State or other jurisdiction of
incorporation or organization)

(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 November 15, 2007, the number of shares of common stock issued and outstanding was 7,078,922,154

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

-1-

INDEX

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

Page
Number

PART I - FINANCIAL INFORMATION

Item 1.	Financial Statements (Unaudited)	3
	Balance Sheet - September 30, 2007	3
	Statements of Operations - For the three and three months ended September 30, 2007 and 2006	4
	Statements of Cash Flow - For the three months ended September 30, 2007 and 2006	5
	Notes to Financial Statements	7
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	
Item 4.	Submission of Matters to a Vote of Security Holders	19
Item 5.	Other Information	19
Item 6.	Exhibits	19

SIGNATURES

-2-

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SEAMLESS WI-FI, INC.
f/k/a ALPHA WIRELESS BROADBAND, INC.
CONSOLIDATED BALANCE SHEETS
September 30, 2007
(unaudited)

ASSETS

Current assets		
Cash	\$	467
Accounts Receivable		111,133
Notes receivable-related parties, current portion		1,538,236
Accrued interest receivable		315,559

Total current assets		1,965,395

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

Property and equipment (net of accumulated depreciation \$52,063)	45,938
Technology	2,161,949
Notes receivable - related parties (net of allowance \$334,703)	1,129,248
Security deposit	13,030

TOTAL ASSETS \$ 5,315,560
=====

LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)

Current liabilities	
Accounts payable	\$ 227,582
Payroll taxes	81,706
Judgments payable	361,054
Other current liabilities	1,285
Payable to officer	1,981
Investment payable	50,000

Total current liabilities 723,608

Commitments and contingencies (See Note 7)

Stockholders' equity/(deficit)	
Preferred A stock, par value \$0.001, 10,000,000 shares authorized, 775,742 shares issued and outstanding	775
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, 7,078,922,154 shares issued and outstanding	7,078,921
Additional paid-in capital	15,560,048
Accumulated deficit	(18,247,792)

Total stockholders' equity/(deficit) 4,691,952

(Less:) Treasury stock at cost (100,000)

Adjusted stockholders' equity/(deficit) 4,591,952

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT) \$ 5,315,560
=====

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

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

FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(unaudited)

	2007 ----	2006 ----
Revenues	\$ 7,014	\$ 10,746
Cost of revenues	14,404	39,638
	-----	-----
Gross Income (Loss)	(7,390)	(28,892)
	-----	-----
Expenses:		
Selling, general and admin.	238,607	144,462
Technology development costs	--	131,945
Consulting	70,066	242,914
Interest	6,864	123,521
Legal	93,717	9,569
Officer Payroll	63,000	141,000
Bad Debt Expense	--	17,000
Depreciation and amortization	7,970	7,937
	-----	-----
Total Expenses	480,224	818,348
	-----	-----
(Loss) from operations	(487,614)	(847,240)
Other income		
Interest	79,427	27,567
Other	848,483	6,500
	-----	-----
Income (Loss) before income taxes	440,296	(813,173)
Income taxes (benefit) (note 6)	--	--
	-----	-----
Net Income (Loss)	\$ 440,296	\$ (813,173)
	=====	=====
Basic and Diluted income (loss) per common shares	\$ 0.00	\$ (0.01)
	=====	=====
Weighted average basic and diluted common shares	5,933,386,719	133,750,923
	=====	=====

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

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

SEAMLESS WI-FI, INC.
f/k/a ALPHA WIRELESS BROADBAND, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30,
(unaudited)

	2007 ----	2006 ----
Cash flows used in operating activities		
Net income from continuing operations	\$ 440,296	\$ (813,173)
Adjustments to reconcile net loss to used by operating activities:		
Depreciation and amortization	7,970	7,937
Cancellation of indebtedness	(846,983)	
Issuance of common stock for services	0	105,000
Interest expense	6,864	
Bad debt expense		17,000
Payable to officer	23,739	(4,366)
Changes in operating assets and liabilities		
Accounts receivable	12,944	
Accrued interest receivable	(79,427)	(27,536)
Other Receivable		--
Accounts payable	(1,255)	4,337
Other current liabilities	20,268	27,110
Payroll taxes payable	(15,000)	--
Judgments payable	--	(56,220)
Restricted cash - Escrow	75,000	--
Security deposits	(6,430)	--
	-----	-----
Net cash used by operating activities	(362,014)	(739,911)
	-----	-----
Cash flows used in investing activities:		
Employee advance		(630)
Technology	(145,619)	
Investments	(2,750)	--
Advances to related party	(174,331)	(415,223)
	-----	-----
Net cash used in investing activities	(322,700)	(415,853)
	-----	-----
Cash flows from financing activities		
Proceeds for additional paid in capital	670,000	--
Increase in long term debt	--	1,210,245
Repayment of investment payable	--	(25,000)
Repayment of related party advances	--	(7,000)
	-----	-----
Net cash provided by financing activities	670,000	1,178,245
	-----	-----
Increase (decrease) in cash	(14,714)	22,481
Cash at beginning of period	15,181	94,342
	-----	-----

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

Cash at end of period	\$	467	\$	116,823
		=====		=====

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

-5-

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

		September 30	

		2007	

Cash paid for:			
Interest	\$	--	\$
Taxes	\$	--	\$
Noncash investing, and financing activities			
Common stock issued for services	\$	--	\$
Additional paid in capital recorded for services	\$	64,592	\$
Common stock issued for conversion of preferred stock and settle operating expenses	\$	--	\$
Common stock issued for conversion of preferred stock	\$	2,231,720	\$
Additional paid in capital reduced for conversion of preferred stock	\$	(2,231,497)	\$

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

-6-

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

NOTE 1: ORGANIZATION AND OPERATIONS

Prior to December 31, 1997, Seamless Wi-Fi, Inc (the "Company"), formerly known as Alpha Wireless Broadband, Inc., was in the food product manufacturing business and formerly known as International Food and Beverage, Inc. In November 1998, new stockholders bought majority control from the previous Chief Executive Officer through a private transaction. Immediately thereafter, the former CEO resigned and the new stockholders assumed the executive management positions. In December 1998, after new management was in place, a decision was made to change the Company's principal line of business from manufacturing to technology. The Company changed its name from International Food & Beverage, Inc. to Internet Business's International, Inc., and reincorporated the Company on December 8, 1998 in the state of Nevada. During April of 1999, the Company announced the opening of its first e-commerce site and engaged in the development, operation and marketing of a number of commercial web sites. The Company's subsidiaries

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

consisted of: Lending on Line (providing real estate loans and equipment leasing), Internet Service Provider (providing national Internet access dial-up service, wireless high speed Internet, and Internet web design and hosting), E. Commerce (providing Auction sites), and Direct Marketing (providing direct marketing of long distance phone service, computers with Internet access, and Internet web design hosting). The Company ceased operations during the fiscal year ended June 30, 2003. During the fiscal year ended June 30, 2004, the Company changed its name to Alpha Wireless Broadband, Inc, and started a new wireless operation through its wholly owned subsidiary, Skyy-Fi, Inc., a Nevada Corporation. Skyy-Fi began providing access to the Internet, by installing equipment in locations such as hotels and coffee shops for use by their patrons for a fee or free basis. These locations are commonly known as Wi-Fi Hotspots. The Company has 36 Wi-Fi locations.

In January 2005, the Company acquired the assets of Seamless P2P, LLC and contributed these assets to its 80% owned subsidiary, Seamless Peer to Peer, Inc., which is a developer and provider of a patent pending software program, Phenom Encryption Software, that encrypts Wi-Fi transmissions based upon RSA's government certified 256 bit AES encryption coupled with RSA's Public Key Infrastructure flexible telecom data and voice transport solutions.

In May 2005, the Company changed its name from Alpha Wireless Broadband, Inc. to Seamless Wi-Fi, Inc., which was approved by the Board of Directors and changed the name of its subsidiary from Skyy-Fi, Inc. to Seamless Skyy-Fi, Inc.

In December 2005, the Company started a hosting company, Alpha Internet, offering Seamless clients a high-security hosting facility.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The financial statements include the accounts of the Company and its wholly owned subsidiaries and majority-owned subsidiary. They have been prepared in conformity with (i) accounting principles generally accepted in the United States of America; and (ii) the rules and regulations of the United States Securities and Exchange Commission. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated in consolidation.

-7-

UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of Seamless Wi-Fi, Inc. and its Subsidiaries (the Company) have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information, pursuant to the rules and regulations of the Securities and Exchange Commission. Pursuant to such rules and regulations, certain financial information and footnote disclosures normally included in the consolidated financial statements have been condensed or omitted. The results for the periods indicated are unaudited, but reflect all adjustments (consisting only of normally recurring adjustments) which management considers necessary for a fair presentation of operating results.

The operating results for the three-month period ended September 30, 2007 are not necessarily indicative of the results that may be expected for the year ended June 30, 2008. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes

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

thereto included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2007.

RECLASSIFICATIONS

Certain reclassifications have been made in the 2006 financial statements to conform to the 2007 presentation. These reclassifications did not have any effect on net income (loss) or shareholders' equity.

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.

CASH AND CASH EQUIVALENTS

The Company considers all short-term, highly liquid investments with an original maturity date of three months or less to be cash equivalents.

ACCOUNTS RECEIVABLE

Accounts receivable are judged as to collectibility by management and an allowance for bad debts is not established.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful life of the assets, which is generally three to five years for computers and computer related equipment and five to seven years for furniture and other non-computer equipment. Leasehold improvements are amortized using the straight-line method over the shorter of their estimated useful lives or the term of the lease, ranging from one to five years.

-8-

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 to product specifications. 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 two to five 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

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

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 quarter ended September 30, 2007, there were no software development expenses.

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. Advertising cost was \$31,027 for the three months ended September 30, 2007.

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% of more owned U.S. subsidiaries file a consolidated federal income tax return.

-9-

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. At September 30, 2007, Series A Preferred shares are convertible to 7,757,420,000 common shares and Series B Preferred shares are convertible to 1,000,000,000 common shares. The Company's convertible Preferred stocks have an anti-dilutive effect on net loss per share and were not included in the computation of diluted earnings per share. There were no differences between basic and diluted earnings per share.

STOCK BASED COMPENSATION

The Company has elected to early adoption of SFAS 123R which requires all share

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

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 years ended September 30, 2007 and 2006, respectively.

NEW ACCOUNTING PRONOUNCEMENTS

In February 2007, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 159, "Fair Value Option for Financial Assets and Financial Liabilities." 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 3: 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. At September 30, 2007 working capital is \$1,241,787.

The Company is actively pursuing additional 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 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.

-10-

NOTE 4: RELATED PARTY TRANSACTIONS

The Company has made the following loans and advances to related parties as of September 30, 2007:

		Loan/Advance Balance	Allowance for for uncollectible loans/advances	Balance Net
Accepted Sales	(A)	\$ 338,033		\$ 338,033
Carbon Jungle, Inc.	(B)	236,543	\$ 236,543	
DK Corp.	(C)	98,160	98,160	
DLR Funding	(D)	890,237		890,237
1st Global Financial Service	(E,F)	1,439,214		1,439,214

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

Total:	\$	3,002,187	\$	334,703	\$	2,667,484
		=====		=====		=====

The above interest at annual rates ranges from 6% to 12%. The net balance at September 30, 2007 is \$2,667,484 and it matures in the fiscal years ended September 30 as follows:

2008	\$	1,538,236
2009		1,129,248

	\$	2,667,484
		=====

- (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.
- (C) DK Corp is a business held by David Karst.
- (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.
- (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.
- (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 September 30, 2007 in the amount of \$79,427.

NOTE 5: STOCKHOLDER'S EQUITY

During the first quarter ended September 30, 2007, the following securities were issued.

Ayuda Funding, LLC converted 130,000 shares of Series A Preferred Stock into 1,300,000,000 shares of common stock.

Alpha Blue converted 93,172 shares of Series A Preferred Stock into 931,720,000 shares of common stock.

NOTE 6: 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 \$20,000,000 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 \$7,000,000 for both years ended June 30, 2007 and 2006. 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

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

asset and valuation allowance from July 1, 2007 to September 30, 2007.

NOTE 7: COMMITMENTS AND CONTINGENCIES

LEASE

The Company has entered into lease agreements for office space and an automobile which expire on August 31, 2010 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 quarters ended September 30, 2007 and 2006 was \$13,375 and \$9,646, respectively. Remaining commitments under the operating leases are as follows:

Quarter ending September 30:

2008	\$ 51,624
2009	50,340
2010	46,145

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 the Company 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, Albert Reda that calls for a base salary of \$240,000 for the year ended June 30, 2007 and thereafter, a base salary of \$25,000 a month from July 2007 until its expiration date in June 2012. In the event that the company becomes profitable according to generally accepted accounting principles, the employee's monthly salary shall be increased to \$30,000 for the remainder of the employment term. In addition, the contract includes a bonus that will be determined by the Company's Board of Directors. The Employment Agreement provides for severance of the entire remaining compensation payable for the remainder of any term of the Agreement in the event of termination without cause.

NOTE 8: 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.

-12-

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

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

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:

	Quarter ended September 30,	
	2007	2006
	-----	-----
Wi-Fi ISP net sales	\$ 7,014	\$ 10,746
Cost of Wi-Fi sales	(14,404)	(39,638)
Cost and expenses	(480,224)	(818,348)
Other net income	927,910	34,067
	-----	-----
Net loss	\$ 440,296	\$ (813,173)
	=====	=====

-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

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

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

	Three Months Ended September 30, 2007 ----- (unaudited)	Three Months Ended September 30, 2006 ----- (unaudited)
Revenues	\$ 7,014	\$ 10,746
Cost of Revenues	14,404	39,638
	-----	-----
(Gross Loss)	(7,390)	(28,892)
Expenses	480,224	818,348
(Net Loss from Operations)	(487,614)	(847,240)
Other Income	927,910	(34,067)
Net Income (Loss)	\$ 440,296	\$ (813,173)
(Net Loss) Per Share	\$ (0.00)	\$ (0.01)
Weighted Average Common Shares Outstanding	5,933,366,719	133,750,923

-14-

THREE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED) COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2006 (UNAUDITED)

REVENUES

Revenues for the three months ended September 30, 2007 were \$7,014 compared to \$10,746 for the same period in 2006, a decrease of 35 %. 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 three months ended September 30, 2007 was \$14,404 compared to \$39,638 for the three months ended September 30, 2006, a decrease of 64%. The decrease in cost of revenue is due to improvement in efficiency of our services offered at our Skyy-Fi hot spots.

OPERATING EXPENSES

Operating expenses decreased by approximately 58% from \$480,224 for the three months ended September 30, 2006 compared to \$818,348 for the three months ended September 30, 2007. This decrease in operating expenses was a result of a reduction in the consulting and development costs related to our new product and software programs that occurred during the previous corresponding period.

OTHER INCOME

Other income for the three months ended September 30, 2007 was \$927,910 compared to a loss of \$(34,067) 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 September 2006, the debt forgiveness of \$6,500 was offset by the increase in write-offs of \$(17,000).

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

INCOME TAX

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 \$18,247,792 to offset future taxable income. Such carry forwards expire in the years beginning 2021.

NET INCOME/LOSS

We experienced net income from operations of \$440,296 for the three months ended September 30, 2007 as compared to a net loss of \$(813,173) for the three months ended September 30, 2006. The net income is primarily from reduced expenses and an increase in the amount of the debt reductions for the quarter, as compared to the previous corresponding quarter that did not have a corresponding

-15-

reduction in debt and also had increased developmental costs for our products. The net income had a negligible impact on the weighted average shares because of the corresponding increase in the number of the weighed average shares issued and outstanding.

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled \$1,965,395 and \$666,409 at September 30, 2007 and 2006, respectively. Net cash used by operations was \$(362,014) for the period ended September 30, 2007 compared to net cash used by operations of \$(739,911) for the comparable period ended September 30, 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 surplus of \$1,241,789 as of September 30, 2007 compared to a working capital deficit of \$(1,928,952) as of September 30, 2006. This is an increase in the working capital surplus as compared to the working capital deficit from the previous year and we expect this trend to continue as decreases in product development costs continue 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 \$(18,247,792) and a working capital surplus of approximately \$1,241,789 as of September 30, 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 likely would at a minimum negatively impact our ability to timely meet our business objectives.

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

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.

-16-

USE OF ESTIMATES

The preparation of our consolidated financial statements are 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 during the period. Actual results could differ from those estimates.

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 \$(18,247,792) 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 \$(18,247,792) as of September 30, 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 which was \$(18,687,528) as of June 30, 2007 to September 30, 2007 was a decrease of approximately \$439,736.

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,

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

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.

-18-

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.

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

During the quarter ended September 30, 2007, Ayuda Funding, LLC converted 130,000 shares of Series A Preferred Stock into 1,300,000,000 shares of common stock. We relied on the exemption from registration relating to offerings that do not involve any public offering pursuant to Section 4(2) under the Securities Act of 1933 (the "Act") and/or Rule 506 of Regulation D promulgated pursuant thereto. We believe that Ayuda Funding, LLC is an "accredited investor" under Rule 501 under Regulation D of the Act and had adequate access to information about us through its relationship with us.

During the quarter ended September 30, 2007, Alpha Blue converted 93,172 shares of Series A Preferred Stock into 931,720,000 shares of common stock. We relied on the exemption from registration relating to offerings that do not involve any public offering pursuant to Section 4(2) under the Act and/or Rule 506 of Regulation D promulgated pursuant thereto. We believe that Alpha Blue is an "accredited investor" under Rule 501 under Regulation D of the Act and had adequate access to information about us through its relationship with us.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

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

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

-19-

SIGNATURES

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

DATED: November 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-