MOBILEPRO CORP
Form 10KSB/A
October 04, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10 KSB

Amendment No. 1

ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED MARCH 31, 2002

MOBILEPRO CORP.
(Exact Name of Registrant as Specified in Charter)

Delaware	002-97869-D	87-0419571
(State of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

3204 Tower Oaks Blvd., Suite 350
Rockville, MD 20852
(Address of principal executive offices) (Zip Code)

(301) 230-9125
(Registrant's telephone number)

Securities registered pursuant to section 12(b) of the Act:

TITLE OF CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
NONE	NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
COMMON STOCK
(TITLE OF CLASS)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 X 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 of information statements incorporated by reference in Part 10-KSB or any amendment to this Form 10-KSB. { }

State issuer's revenues for its most recent fiscal year: $0.

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock as of a specified date within the past 60 days: As of October 2, 2002, the aggregate market price of the voting stock held by non-affiliates was approximately $1,104,592.

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of October 2, 2002, the Company had outstanding 19,516,788 shares of its common stock, par value $0.001.

Transitional Small Business Disclosure Format (Check one): Yes No X

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ITEM NUMBER AND CAPTION

PART I

ITEM 1. DESCRIPTION OF BUSINESS

BUSINESS

Mobilepro is a development stage company whose business focus has been recently redirected towards solutions supporting the third generation ("3G") wireless market, through NeoReach, Inc., Mobilepro's wholly-owned subsidiary.

NeoReach is a development stage company developing 3G-semiconductors in three product families:

- Modem and baseband technology and semiconductor chips for 3G network base stations (also called Node B)

- Modem and baseband technology and semiconductor chips for 3G handsets and other user equipment

- Radio Frequency CMOS (RF-CMOS, Radio Frequency Complementary Metal Oxide Semiconductor) chipsets for the wireless markets, to include both handsets and base stations.

NeoReach is focusing its initial efforts on developing the technology for the base stations.

Handsets - each 3G compatible handset manufactured requires a modem as one of its components in order to communicate with the various base stations in the wireless network.

To provide a complete 3G network infrastructure across a typical geographical area, three types of base stations (also called Node B) are required for deployment:

- MACRO CELLS - Provide a signal over a very large geographical area where signal volume is low and may cover a range of 20 - 30 miles to include an entire city, town or community or low populated areas outside of cities.

- MICRO CELLS - Provide a signal over a medium size area and may cover a range of 1 - 5 miles to include a part of a city, community or business area where call volume is higher than areas covered by a Macro Cell.

- PICO CELLS - Provide a signal over a very small area and may cover a range of 300 yards - 0.5 mile to provide coverage for high volume call areas such as shopping malls, train and bus stations, airports, office buildings and dense city centers where call volume could be extremely high.

NeoReach will be exclusively focused on solutions for the Micro- and Pico-Cell Base Stations since the market size and required quantity of these units is expected to be much greater than for the Macro-cells.

Our state-of-the-art modem solutions support the 3G wireless communications systems as defined by the worldwide W-CDMA standard and, in a later development stage, the GSM (Global System for Mobile Communication) standard. The W-CDMA specifications standard has been defined by the official Third Generation Partnership Project (3GPP) such that the base station modem will properly communicate with the corresponding handset modems over the so-called air-interface.

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The NeoReach modem solution has been developed to align directly with the factors driving the market:

1) NETWORK CONVERGENCE - EASILY TRANSMIT VOICE AND DATA - The Node B modem will be designed using both Frequency Division Duplex (FDD) and Time Division Duplex (TDD). We believe that these two technologies that are part of the 3GPP specifications are ideal for transmitting both voice and data.

2) COMPETITIVE COST ADVANTAGES - REDUCE OPERATING COSTS THROUGH HIGH BASE STATION MODEM CAPACITY - NeoReach will offer a dense multi-channel modem with up to 256 channels. Operators may service more customers with the same base station.

3) PRODUCT PERFORMANCE - MAXIMIZE PERFORMANCE THROUGH SMART ANTENNA PROCESSING - NeoReach will enhance Pico Base Station capacity by supporting built-in directional antennae and external omni-directional antennae. We believe that this may result in supporting more users per sector and lower error rates.

4) WIDER COVERAGE AREA - SERVICE LARGER AREAS AT LOWER COSTS - NeoReach will offer modems with greater coverage capacity (3 miles vs. the typical 0.6 miles) thereby enabling operators to service larger areas using Micro and Pico Base Stations instead of installing a more expensive Macro Base Station.

5) TECHNOLOGY COMPATIBILITY - GREATER ROI - Flexible Architecture that we believe will enable easy upgrades and modifications, thereby lengthening product life.

A handset, or also called cell phone or User Equipment, typically consists of six elements; the case, the display, the key buttons, a Microprocessor Control Unit (MCU), the modem and base band processing unit, and finally the radio frequency transceiver unit. NeoReach will develop and provide the modem solution including the baseband processing. This is a semiconductor chip installed on a printed circuit board inside of the handset. NeoReach also intends to develop and provide the complete radio frequency transceiver as a semiconductor chip, the RF-CMOS chip.

The RF-CMOS chip is a highly complex and integrated complete receiver and transmitter system, also called a transceiver, for a handset or other user devices such as PDA's and laptops and for the smaller Pico-Cell base stations. The various handsets in existence today has a radio frequency transceiver built with many individual components such as integrated circuits, transistors, capacitors, resistors, and coils. Most of these various components with be integrated into the single RF-CMOS chip of a size approximately -1/4 inch by -1/4 inch. The RF-CMOS chip is initially intended for the W-CDMA and GSM standards.

3G technology features integrate voice and data, access to high-speed Internet and intranet applications, interactive e-mail, data exchange, global roaming and full motion video transmission--all delivered to a mobile device such as a cellular phone, PDA or laptop. NeoReach is designing advanced modems that are intended to support these services and that may be utilized in base stations supporting the wireless networks that offer these services and in customer handsets and other wireless devices utilized in connection with such wireless networks. These modems will be based on proprietary technology already developed by NeoReach. We will continue to develop distinguishing design features that will include a multi-channel base station support and multi-mode handset compatibility with W-CDMA and GSM network standards.

The current generation of digital wireless networks primarily in use today is referred to as second generation, or 2G services. We believe that the demand for faster networks supporting information-rich applications is rising, pushing the wireless communications industry toward a third generation of services that are expected to result in higher productivity, greater transmission speed and seamless access around the world.

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Selection of network standards and government policies regarding spectrum availability and licensing will drive adoption of 3G services at different rates in different regions of the world. Europe and Japan have centralized systems that are based on a single network operator standard, W-CDMA, while operators in the United States have begun to deploy systems that are based on two different 3G standards, CDMA2000 and W-CDMA. Wireless operators in Europe and Japan have recently begun to roll out 3G services and are expected to continue to roll out 3G services through 2005, while operators in the United States are expected to begin to roll out true 3G services in late 2003 or 2004.

We believe that the worldwide number of deployed base stations, a transmission and reception station for cellular traffic, also referred to as a cell site, may double in the five-year period between 2001 and 2005. Cahners In-Stat Group estimates in its report for the year 2000 that, during that period, approximately 286,000 new base stations will be placed into service each year, yielding annualized revenue of $56 billion, and that revenue from semiconductors for base station applications will grow from approximately $6.5 billion to nearly $10 billion. Cahners also indicates in its report that China represents the largest market and growth opportunity for new base station deployment. On-time market availability of 3G-enabled handsets is critical to the roll-out of 3G services. Morgan Stanley estimates in its report dated March 26, 2002 that approximately 3.7 million handsets will be needed to support the 3G demand in 2002 and that the number of handsets needed to support the 3G demand will grow to nearly 75 million by 2006.

NeoReach has filed six patent applications for its W-CDMA smart antenna processing approaches. Smart antennae technology combines multiple antenna elements with signal processing capabilities to optimize its radiation and/or reception pattern automatically in response to the signal environment. In one application, the processing may double the capacity, i.e. the number of simultaneous user channels at a time, of the base station. The technology may also improve and make the communication more stable with less interference or interruption of the communication with the handset from the base station. We intend to pursue other patents to protect its intellectual property rights in various modem design and implementation areas. NeoReach initiated product research and design in 2000 and entered into a co-development contract with a Korean electronics corporation during 2001, which provided NeoReach with important technical experience, know-how, and expertise in the area of W-CDMA core-technology to satisfy the W-CDMA specifications.

Qualcomm is the leading provider of wireless modem technology, marketing a wide variety of products worldwide. Qualcomm products have all been designed for the CDMA standard and only recently has the company announced it will now also build to the W-CDMA standard. Other companies developing modems include Nokia, Ericsson, Siemens, Motorola and Samsung. A large number of smaller companies around the world specialize in various niche technologies addressing the wireless market to include the modems for the handsets. These include PrairieComm and InterDigital in the U.S., Yozan in Japan, Sierra Wireless in Canada and Xircom in Germany.

CORPORATE HISTORY

Mobilepro is a development stage company and currently trades on the Bulletin Board under the stock symbol "MOBL". The following is a brief history of the Company.

Mobilepro was incorporated on July 14, 2000 and was focused on the integration and marketing of complete mobile information solutions that satisfy the needs of mobile professionals.

The company with which Mobilepro merged in June of 2001 was first organized in June 1988 as Bud Corp. Bud Corp. changed its name to Tecon, Inc. in July 1992, then to Buyit.com, Inc. in May 1999 and finally to CraftClick.com, Inc. on January 4, 2000. CraftClick's business strategy and focus was to become the premier

destination for buyers and sellers of arts and crafts products and supplies through the use of Internet websites. Due to the lack of adequate funding and the lack of generating enough Internet traffic to achieve profitability, CraftClick began to cease business operations in October 2000. CraftClick subsequently disposed of substantially all of its assets in February 2001 when secured creditors foreclosed on outstanding loans made to CraftClick.

In April 2001, CraftClick reorganized pursuant to a Plan of Merger wherein its domicile was changed from Utah to Delaware, and the common stock was subject to a reverse split on the basis of 1 new share for every 100 shares outstanding. On June 6, 2001, CraftClick and Mobilepro entered into an Agreement and Plan of Merger dated June 1, 2001 ("CraftClick Merger Agreement"). Under the CraftClick Merger Agreement, Mobilepro merged with and into CraftClick, with CraftClick being the surviving corporation. On July 9, 2001, the name of the surviving corporation was changed to Mobilepro Corp.

On November 19, 2001, Mobilepro implemented a 200 for 1 reverse stock split of its Common Stock. There were no fractional shares issued. Concurrent with the reverse stock split, Mobilepro issued 3,000,000 new shares of Common Stock to Dungavel, Inc., pursuant to an Investor Rights Agreement, which the Company entered into with Dungavel on June 1, 2001 as part of the merger with CraftClick.

On February 19, 2002, the Company entered into a Stock Purchase Agreement with Mr. Daniel Lozinsky and Dungavel, Inc., and another Stock Purchase Agreement with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith. Dungavel, Inc., Ms. Joann Smith and Mr. Scott Smith were all significant stockholders of the Company at the time. Pursuant to these two stock purchase agreements, Mr. Lozinsky acquired an aggregate of 2,057,733 shares of Mobilepro Common Stock, representing approximately 64.7% of the Company's voting securities at that time. On February 28, 2002, Mr. Scott Smith resigned as the President, CEO and Chairman of the Company, and Mr. Lozinsky became the President and CEO of the

Company. On May 10, 2002, Mr. Arne Dunhem became the Company's President, CEO and Chairman and Mr. Lozinsky became our Senior Vice President.

On March 21, 2002, the Company entered into an Agreement and Plan of Merger with NeoReach, pursuant to which a newly-formed, wholly-owned subsidiary of the Company merged into NeoReach in a tax-free transaction. The merger was consummated on April 23, 2002. As a result of the merger, NeoReach is now a wholly-owned subsidiary of the Company.

BUSINESS STRATEGY BEFORE THE MOBILEPRO MERGER

CraftClick was formed to be the premier arts and crafts destination on the Internet. We intended to build an online arts and crafts community that offered amateur and professional craftspeople worldwide a wealth of arts and crafts related content. We acquired 16 online arts and crafts related web sites. We shipped our products through a fulfillment center located in the Midwestern United States. Orders placed with us were transmitted electronically to our fulfillment center using EDI protocol. Our fulfillment center then shipped the order directly to the end customer.

While our sales increased substantially for the year ended March 31, 2001 as compared to the year ended March 31, 2000, we did not have adequate capital funding in order to continue as a going-concern in this business segment. As such, we discontinued the arts and crafts business in October 2000. As previously mentioned, there was a change of control and business strategy in June 2001.

BUSINESS STRATEGY AFTER THE MOBILEPRO MERGER AND BEFORE THE NEOREACH MERGER

Mobilepro was formed to position ourselves as a provider of wireless business solutions for the mobile business professional workforce. We intended to develop complete mobile information solutions that include products and services such as wireless handheld devices and Web based enterprise applications. As a solutions provider, we intended to bundle the service and the hardware device into a single offering. None of the products or services were fully developed and were not available for sales. The strategy was for the Company to develop the overall designs of both the hardware and the software of the devices but to outsource the actual manufacturing and the detailed software development to existing device providers. We intended to distribute the devices with the bundled software through various distribution channels including direct sales and alliance partners with co-marketing and referrals. The Web based services were to be developed jointly with strategic development partners and maintained and

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operated jointly with ISP and Web-hosting partners. The applications that drove the demand for this strategy was the ever increasing use of E-mail for business correspondence and the need for mobile professionals at all levels of an organization to access corporate data and applications from outside their offices.

We had no sales for the year ended March 31, 2002, and we did not have adequate capital funding in order to continue as a going-concern in this business segment. As such, we discontinued the wireless business solutions provider business in March of 2002. As previously mentioned, there was a change of control and business strategy in March 2002.

The audited financial statements included elsewhere in this filing contain only the operations of the wireless business solutions provider business and are not reflective of the new business strategy adopted by the new majority owners.

BUSINESS STRATEGY AFTER THE NEOREACH MERGER

We are a development stage company and therefore, the following business strategy contains forward-looking information and we can give no assurances that we will be able to accomplish these goals, generate sufficient revenues to be profitable, obtain adequate capital funding or continue as a going concern. Our independent auditors have issued a going-concern opinion for the year ended March 31, 2002 and March 31, 2001 (See "Financial Statements and Supplementary Data").

Mobilepro is attempting to develop advanced modem solutions for both the base stations (also called Node-B) and the handsets to capitalize on the approaching 3G wave. The base station solution targets smaller systems called Micro- and Pico Cell base stations. The handset modem solution also targets PDA's and laptop plug-in cards. They are based on Mobilepro's own, proprietary technology. Distinguishing design features include a multi-channel base station support and multi-mode handset compatibility with W-CDMA and GSM network standards.

Mobilepro has solved core modem development issues with its architecture without having to license and pay expensive, ongoing royalties to other vendors. The core modem technology development is the interpretation and implementation of the international W-CDMA standards specifications defined by the Third Generation Partnership Project (3GPP) such that the base station modem will properly communicate with the corresponding handset modem over the so called air-interface. The issues range from identifying ways to enable multi-channel support to solving smart antenna processing problems. This accomplishment is attributed to the depth and breadth of experience of the Company in cellular and wireless communications technologies, network operation and system development, ASIC and handset design and manufacturing, and 3G network standards. ASIC means an Application Specific Integrated Circuit.

The modem features that have already been developed for the base station (Node-B) modem include:

- Node-B Rake Receiver (4 Channels), functions include Finger Correlator, Channel Estimator & Compensator, Frequency Estimator & Compensator, SIR Measurement, Tracking Loop, Rake Combiner

- Node-B Symbol Level Processing (Transmitter and Receiver)

- Node-B Preamble and Traffic Searchers

- Node-B Transmitter (4 Channels)

- Completed Functional Tests

- Voice and Image demonstration platforms

Additional features being developed are:

- Node-B Rake Receiver (with up to 256 Channels)

- Node-B Transmitter (with up to 256 Channels)

- Node-B Physical Layer Procedure

- Node-B Physical Layer Measurements

Mobilepro has filed six patent applications for its W-CDMA smart antenna processing approaches and will pursue other patents to protect its intellectual property rights in various chief modem design and implementation areas.

Product research and design was initiated in 2000. A co-development contract with a customer during 2001 provided important, co-development technical resources and expertise during the critical design phase. We believe that the four-channel version of the base station modem will be available for evaluation during the fourth quarter 2002 with commercial ASIC multi-channel modems mid/end 2003. ASIC means an Application Specific Integrated Circuit, i.e. a semiconductor chip that will be designed and developed by the Company but will be manufactured under an out-source agreement with a plant most likely in Taiwan. This is also called Fab-less manufacturing of a semiconductor chip. The handset ASIC modem is planned for mid/end 2003 market availability.

The long-term product vision is founded on product line extensions that leverage the current technology and expertise in 3G. We intend to add new products to the development schedule if market success with the modem solutions is demonstrated and based on the market timing and future competitive landscape.

Mobilepro believes it can be successful in the 3G wireless modem market for two key reasons: 1) capitalizing on an early-to-market advantage with advanced capabilities; and, 2) maintaining narrowly focused product and market strategy on its two core solutions. We believe that all the other vendors must rationalize 3G development, sales and marketing resources among a larger product line and among an installed base of customers utilizing other products for which upgrades are expected and required.

The RF-CMOS chip is a highly complex and integrated complete receiver and transmitter system, also called a transceiver, for a handset or other user devices such as PDA's and laptops and for the smaller Pico-Cell base stations. The various handsets in existence today has a radio frequency transceiver built with many individual components such as integrated circuits, transistors, capacitors, resistors, and coils. Most of these various components with be integrated into the single RF-CMOS chip of a size approximately 1/4 inch by 1/4 inch. The RF-CMOS chip is initially intended for the W-CDMA and GSM standards.

NeoReach has signed an MOU with RF Microelectronics Laboratory, part of the Information and Communications University (ICU) of the Republic of Korea to cooperate in research, particularly in RF-CMOS ASICs development for RF transceiver of the 3G W-CDMA standard. This specific ASIC, chipset, which will support the W-CDMA standard, is also a required component in the consumer handsets and base stations managed by the mobile operators to support 3G wireless services. This co-development initiative has the potential to expand the NeoReach product suite beyond the Company's modem solutions currently in development and testing.

MARKET/INDUSTRY PROJECTIONS

MARKET OUTLOOK FOR THIRD GENERATION SERVICES

The current generation of digital wireless networks primarily in use today is referred to as second generation, or 2G services. Demand for faster networks supporting information-rich applications are on the horizon, pushing the industry toward the third generation of services delivering higher productivity, greater transmission speed and seamless access around the world.

Marketplace players with different motivations are all driving the push toward 3G services. Manufacturers are motivated by the lure of new revenue streams from new 3G equipment. Wireless operators worldwide are motivated to capture first to market advantage and to relieve their frequency spectrum shortage. Regulators are motivated to gain new license revenue from operators. And finally, consumers and businesses are motivated by the ability to combine wireless mobility with content and multi-media messaging.

Markets in which both wireless and Internet penetration is high are well positioned for 3G services. Selection of network standards and government policies regarding spectrum availability and licensing will drive adoption at different rates in different regions of the world.

Europe and Japan centralize on a single network operator standard, W-CDMA, and wireless operators there have recently begun to roll out 3G services on a schedule that builds throughout 2002-2005. The U. S. will deploy two

standards - CDMA and W-CDMA, and full rollout is projected by industry analysts to begin in late 2003, although some limited operation may start in 2002.

MARKET SIZE AND OPPORTUNITY

The worldwide number of deployed base stations will more than double in the five-year period between 2001 and 2005. During that time, slightly more than 286,000 new base stations will be placed into service each year, yielding annualized revenue of $56 billion, according to research reports published by Cahners In-Stat Group. Further, China is projected to represent the largest market and growth opportunity for new base station deployment.

In terms of revenue potential, Cahners estimates the 2001 revenues from semiconductors for the base station applications at approximately $6.5 billion to grow to nearly $10 billion by 2005.

On-time market availability of 3G-enabled handsets is critical to the roll-out of the services. Morgan Stanley, in published research reports, estimates that in 2002 alone, approximately 3.7 million handsets will be needed to support demand. This increases to nearly 75 million units in 2006. Going forward, handset replacement volume will continually expand due to customer exposure to more choices in new phone features, prices and services. It is generally assumed in the industry that the expected lifetime of the handsets is expected to be reduced from from 18 months to 12 months, further driving new demand. This is a result of the customers loosing, dropping or otherwise damaging their handsets causing them to buy or otherwise acquire a new one.

FINANCIAL FUNDING NEEDS AND USE OF FUNDS

The Company will need additional financing and may use a private placement offering or debt financing to raise such additional funds, to be used for the following:

1) Investment in laboratory facilities including test and simulation equipment;

2) Acquisition or licensing of certain intellectual property related to the development of modems and communications semiconductor and component technology;

3) Pay-down certain debt, such as a convertible debenture from Cornell Capital. We intend to pay-off debt owed to Mr. Daniel Lozinsky, a Director, and Mr. Arne Dunhem, an officer and Director, during 2003; and

4) General working capital purposes.

We have initiated a private placement offerings as of this filing but we cannot give any assurances that we will be successful in raising any capital.

PRODUCTS AND SERVICES

After the merger with Neoreach, the Company will develop products for the 3G markets. Its product line will initially comprise of pico base station modems and handset modems ASICs. These products are not currently available in the market. The Company believes that its products will be first to market and will offer unique value to the manufacturers and the marketplace in general. The Company currently has prototypes available of modems for the micro cell base station.

The product line extensions will include RF CMOS chip set (Radio Frequency CMOS). The RF CMOS is a highly complex and miniaturized ASIC chip of a size less than -1/4 inch by -1/4 inch that is a complete radio and transmitter system. The ASIC chip is specialized for the 1.9 GHz/2.1 GHz frequency bands used in Europe and Asia for the new 3G W-CDMA networks and may be used in both smaller pico-cell base stations and in 3G handsets. Future similar versions of the RF CMOS chip may be developed for the similar 3G frequency bands used in the USA and Canada and may also be developed for Wireless-LAN applications, although operating in the 5 GHz frequency band. We intend to co-develop the product jointly together with the RF Microelectronics Laboratory at the Information and Communications University (ICU) in the Republic of Korea.

There are no assurances that our products, once developed, will be accepted or marketable to our intended customers.

MARKETING AND COMPETITION

MARKETING

The Company intends to sell products and services through direct and indirect sales channels. The Company intends to have a direct sales force in North America, Europe and Asia. The sales organization will have directors in each of these areas of the world. The technical support team will support the direct sales team. Target customers include manufacturers of base stations and other infrastructure equipment.

In addition to a direct sales channel, the Company intends to sells product through OEM agreements with other manufacturers. OEM means Original Equipment Manufacturer. Any OEM relationships will enable the Company's products to be embedded into the base stations. The business development team will be responsible for initiating the relationships with the OEM partners and the sales team supports them on an ongoing basis.

The Company cannot assure you that its marketing efforts will be successful.

COMPETITION

The markets for our products are intensely competitive and subject to rapid technological advancement. We must identify and capture future market opportunities to offset the price erosion that characterizes our industry. We may not be able to develop new products at competitive pricing and performance levels. Even if we are able to do so, we may not complete a new product and introduce it to market in a timely manner. Our customers may substitute use of our products in their next generation equipment with those of current or future competitors.

Qualcomm is the leading provider of wireless modem technology, marketing a wide variety of products worldwide. Qualcomm products have all been designed for the CDMA standard and only recently has the company announced it will now also build to the W-CDMA standard. Other companies developing modems for the base stations in addition to the handsets include bigger companies such as Nokia, Ericsson, Siemens, Motorola and Samsung. Several smaller companies around the world specialize in various niche technologies addressing the wireless market to include the modems for the handsets. These include PrairieComm and InterDigital in the U.S., Yozan in Japan, Sierra Wireless in Canada and Xircom in Germany. Over the next few years, we expect additional competitors, some of which may also have greater financial and other resources, to enter the market with new products. In addition, we are aware of venture-backed companies that focus on specific portions of our range of products. These companies, individually or collectively, could represent future competition for many design wins and subsequent product sales.

RESEACH AND DEVELOPMENT

Our product development efforts are focused on defining the functionality of the product and developing services for it. We believe the innovation and design of our product will play an important role in our success. We intend to identify and respond to the needs of our customers by introducing new designs with an emphasis on innovations in the functionality, simplicity and ease of use of our products and services.

We estimate that the amount of time spent during the last two years on research and development activities uniquely for our product and services was approximately $2,715 and $446,359 for the fiscal years ended March 31, 2002 and 2001, respectively. None of the cost of such activities were borne directly by customers. We have no individual people engaged in research and development activities.

INTELLECTUAL PROPERTY

As of June 30, 2002, we had filed a total of six patent applications which were pending with the U.S. Patent and Trademark Office (PTO) in the area of "Smart Antenna" technology. On April 29, 2002, we announced that two of our six previously filed patents have been allowed which means that they have been or are being issued.

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One allowed and awaiting issue notification patent application is "Smart Antenna with Adaptive Convergence Parameter" with PTO Docket #3228-003-64, involves intellectual property that can enhance the performance of conventional smart antenna processing technology if used for 3G wireless communications.

A second allowed and issued patent application is "A Smart Antenna With No Phase Calibration For CDMA Reverse Link" with PTO Docket #3228-004-64, delivers automatic, low-cost improvements to the smart antenna processing technology.

A third allowed and issued patent application is "PN Code Acquisition With Adaptive Antenna Array and Adaptive Threshold for DS-CDMA Wireless Communication" with PTO Docket #3228-002-64, would provide an improvement to the quality of the communications channel.

The remaining three patent applications, currently still under review at the PTO, involve innovations that deliver increased capacity in 3G wireless networks, expansion of the coverage areas, and that maintain high quality of the communication channels. The patent applications include "New Cellular Architecture" with PTO Docket # 3228-001-64, "Direction of Arrival Angel Tracking Algorithm For Smart Antennas" with PTO Docket #3228-005-64, and

"Improvement of PN Code Chip Time Tracking with Smart Antenna" with PTO Docket #3228-007-64.

In addition, we also have two other patent applications pending which are referred to as "Wireless Communication System and Method of Providing Wireless Communication Service" with specific descriptions to include "Device and Method for Changing the Orientation and Configuration of a Display of an Electronic Device" and "Electronic Device Having Multiple Service Functionality". Both of these pending patent applications relate to the business of the Company before the merger with NeoReach.

GOVERNMENT APPROVALS

We do not believe that there is a need for any specific government approval for any of our modem solutions since these do not include any radio transmitter and do not radiate any radio frequency signals. Our RF CMOS product will be sold to OEM customers who will integrate the product into their own products that may be required to adhere to certain Federal Communications Commission section requirements because it does in fact contain a radio transmitter. We believe that the OEM customers will obtain any required licensing.

RECENT DEVELOPMENTS

On May 31, 2002, the Company entered into an equity line of credit arrangement (the "Equity Line") with Cornell Capital Partners, LP ("Cornell"). The Equity Line provides, generally, that Cornell will purchase up to $10 million of Common Stock over a two-year period, with the timing and amount of such purchases, if any, at the Company's discretion. Any shares of Common Stock sold under the Equity Line will be priced at a 9% discount to the lowest closing bid price of the Common Stock during the five-day period following the Company's notification to Cornell that it is drawing down on the Equity Line. The Company is not permitted to draw down more than $450,000 in any 30-day calendar period. In addition, there are certain other conditions applicable to the Company's ability to draw down on the Equity Line including the filing and effectiveness of a registration statement registering the resale of all shares of Common Stock that may be issued to Cornell under the Equity Line and the Company's adherence with certain covenants. At the time of each draw down, the Company is obligated to pay Cornell a fee equal to three percent of amount of each draw down.

In addition, on May 31, 2002, the Company entered into a Securities Purchase Agreement with certain investors pursuant to which the Company issued and sold $250,000 of convertible debentures (the "Debentures"). The Securities Purchase Agreement contemplates the sale of up to an additional $250,000 of Debentures. The Debentures accrue interest at the rate of four percent per year. The Debentures must be repaid two years following their issuance or, at the Company's election, converted into shares of Common Stock. In addition, at any time, the holders of the Debentures may elect to convert their debt into Common Stock. If, at the time of conversion, the Common Stock is listed on the NASD Bulletin Board System, Nasdaq SmallCap Market, or American Stock Exchange, the conversion price will be 120% of the closing bid price. If, at the time of conversion, the Common Stock is not listed on any of the foregoing markets, the conversion price will be 80% of the closing bid price of the

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Common Stock as furnished by the National Association of Securities Dealers, Inc. The Debentures also provide the Company with certain redemption rights which, if exercised, will require the Company to issue Common Stock warrants to the Debenture holders. Holders of the Debentures have certain registration rights with respect to the resale of shares of Common Stock received upon any conversion of the Debentures.

ITEM 2. DESCRIPTION OF PROPERTY

Our offices are located at 3204 Tower Oaks Blvd., Suite 350, Rockville , MD 20852. We believe that this facility is adequate to meet our needs in the near future. In the event our business expands, we believe we will have to find new offices.

We currently employ one person. Subsequent to the period of this report and effective with the merger with Neoreach, the Company will employ nine people. If the business grows as we plan, we anticipate that we will need additional persons to fill administrative, sales and technical positions.

ITEM 3. LEGAL PROCEEDINGS

We are not a party to any material legal proceedings, and no material legal proceedings have been threatened by or, to the best of our knowledge, against us.

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

The Company's Board of Directors announced that the close of business on November 1, 2001 was the record date for the determination of stockholders entitled to notice about the proposal authorizing the reverse stock split of the outstanding common stock, par value $.001 par value, of the Company at the rate of one new share for each 200 issued and outstanding shares of common stock and the subsequent restoration of the authorized capital of the Company to 50,000,000 shares of common stock, $.001 par value, 5,000,000 shares of preferred stock, $.001 par value and 35,425 shares of Series A Convertible Preferred Stock, $.001 par value ("Recapitalization") and the approval of the Mobilepro 2001 Equity Performance Plan ("Equity Performance Plan").

On October 31, 2001, the Board of Directors approved the Recapitalization and the Equity Performance Plan and authorized the Company's officers to obtain written consents from the holders of the outstanding voting securities of the Company to approve the Recapitalization and the Equity Performance Plan.

On November 1, 2001, stockholders owning of record an aggregate of 9,605,393 shares of the Company's common stock, representing approximately 53.7% of the outstanding voting securities of the Company, executed and delivered to the Company a written consent authorizing and approving the Recapitalization and approving the Plan. Under Section 228 of the Delaware General Corporation Law, and the certificate of incorporation and by-laws of the Company, any action required or permitted to be taken at an annual or special meeting of stockholders of a Delaware corporation may be taken without a meeting, without prior notice and without a vote, is signed by the holders of outstanding stock entitled to vote thereon having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the consent to the Recapitalization and approval of the Equity Performance Plan must be given, and was given on or about November 2, 2001, to those stockholders who have not consented in writing to the action and who, if the action had been taken at a meeting, would otherwise have been entitled to notice of the meeting.

The purpose of the Mobilepro Corp. 2001 Equity Performance Plan ("Equity Performance Plan") is to enable the Company to offer to its employees, officers, directors and consultants whose past, present and/or potential contributions to the Company and its Subsidiaries have been, are or will be important to the success of the Company, an opportunity to acquire a proprietary interest in the Company. The various types of long-term incentive awards that may be provided under the Equity Performance Plan will enable the Company to respond to changes in compensation practices, tax laws, accounting regulations and the size and diversity of its businesses.

In effecting the Recapitalization, a majority of the Stockholders, in their written consent authorizing and approving the Recapitalization, and the Board of Directors of the Company approved the following Certificate of Amendment of the Certificate of Incorporation of Mobilepro Corp.:

FIRST: The name of the Corporation is Mobilepro Corp.

SECOND: The Certificate of Incorporation of the Corporation is hereby amended by deleting the first paragraph of Article FOURTH in its entirety and by substituting the following two new paragraphs at the beginning of Article FOURTH in lieu thereof:

> "FOURTH: That as of the effective date of this Certificate of Amendment of the Certificate of Incorporation of the Corporation ("Amendment") each 200 shares of the Corporation's common stock that is issued and outstanding shall be changed, without any further action, into one fully paid and non-assessable share of the Corporations common stock, fractional shares to be rounded up.
>
> As of the effective date of this Amendment, after the reverse stock split set forth above, the total number of shares of capital stock of all classes which the Corporation shall have authority to issue 55,035,425 shares, of which 50,000,000 shares shall be common stock, par value $.001 per share ("Common Stock"), 5,000,000 shares shall be preferred stock, par value $.001 per share ("Preferred Stock") and 35,425 shares shall be the Series A Convertible Preferred Stock, par value $.001 per share. ("Series A Convertible Preferred Stock")."

THIRD: The foregoing Amendment of Certificate of Incorporation was duly approved by the Corporation's Board of Directors in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware and thereafter was duly adopted by the consent of the holders of a majority of the outstanding voting stock of the Corporation in accordance with the provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET FOR COMMON STOCK

Our Common Stock is traded in the over-the-counter market and quoted on OTC EBB under the symbol "MOBL" and quoted in the pink sheets published by the National Quotations Bureau. From time to time, a very small number of securities broker-dealers published only intermittent quotations for the Common Stock, and there was no continuous, consistent trading market. The trading volume in the Common Stock has been and is extremely limited. During the above period, the limited nature of the trading market created the potential for significant changes in the trading price for the Common Stock as a result of relatively minor changes in the supply and demand for Common Stock and perhaps without regard to our business activities. Because of the lack of specific transaction information and our belief that quotations during the period were particularly sensitive to actual or anticipated volume of supply and demand, we do not believe that such quotations during this period are reliable indicators of a trading market for the Common Stock.

As of July 11, 2002, there were approximately 531 holders of record of our Common Stock, which does not take into account those shareholders whose certificates are held in the name of broker-dealers or other nominees.

TRANSFER AGENT

The transfer agent for our Common Stock is Interwest Transfer Co., 1981 East Murray-Holladay Rd., P. O. Box 17136, Salt Lake City, Utah 84117.

Subject to the above limitations, we believe that during the six fiscal quarters preceding the date of this filing, the high and low share prices for the Common Stock during each quarter are as set forth in the table below. The quotations reflect inter-dealer share prices, without retail mark-up, mark-down, or commission and may not represent actual transactions. The share prices were obtained from OTC Bulletin Board NASDAQ Trading & Market Services. These high and low share prices do reflect the effects both of the 1 for 100 share reverse stock split, which occurred on May 8, 2001 and of the 1 for 200 share reverse stock split, which occurred on November 6, 2001.

QUARTER ENDED	HIGH	LOW
March 31, 2002	4.00	1.05
December 31, 2001	38.00	4.00
September 30, 2001	790.00	12.00
June 30, 2001	400.00	30.00
March 31, 2001	3,750.00	312.50
December 31, 2000	10,625.00	625.00
September 30, 2000	40,000.00	7,500.00
June 30, 2000	77,500.00	17,500.00
March 31, 2000	57,500.00	30,000.00
December 31, 1999	75,000.00	25,000.00

The ability of an individual shareholder to trade their shares in a particular state may be subject to various rules and regulations of that state. A number of states require that an issuer's securities be registered in their state or appropriately exempted from registration before the securities are permitted to trade in that state. Our shares are subject to the provisions of Section 15 (g) and Rule 15g-9 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), commonly referred to as the "penny stock" rule. Section 15 (g) sets forth certain requirements for transactions in penny stocks and Rule 15g-9(d)(1) incorporates the definition of penny stock as that used in Rule 3a51-1 of the Exchange Act.

The Commission generally defines penny stock to be any equity security that has a market price less than $5.00 per share, subject to certain exceptions. Rule 3a51-1 provides that any equity security is considered to be a penny stock unless that security is: registered and traded on a national securities exchange meeting specified criteria set by the Commission; authorized for quotation on the NASDAQ Stock Market; issued by a registered investment company; excluded from the definition on the basis of price (at least $5.00 per share) or the issuer's net tangible assets; or exempted from the definition by the Commission. Since our shares are a penny stock, trading in the shares will be subject to additional sales practice requirements on broker-dealers who sell penny stocks to persons other than established customers and accredited investors, generally persons with assets in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse.

For transactions covered by these rules, broker-dealers must make a special suitability determination for the purchase of such securities and must have received the purchaser's written consent to the transaction prior to the purchase. Additionally, for any transaction involving a penny stock, unless exempt, the rules require the delivery, prior to the first transaction, of a risk disclosure document relating to the penny stock market. A broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, and current quotations for the securities. Finally, monthly statements must be sent disclosing recent price information for the penny stocks held in the account and information on the limited market in penny stocks. Consequently, these rules may restrict the ability of broker-dealers to trade and/or maintain a market in our Common Stock and may affect the ability of shareholders to sell their shares.

DIVIDEND POLICY

Subject to the provisions of the Certificate of Incorporation, the Board of Directors may, out of funds legally available therefore at any regular or special meeting, declare dividends upon the capital stock of the corporation as and when they deem expedient. Before declaring any dividend there may be set apart out of any funds of the corporation available for dividends, such sum or sums as the Board of Directors from time to time in their discretion

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deem proper for working capital or as a reserve fund to meet contingencies or for equalizing dividends or for such other purposes as the Board of Directors shall deem conducive to the interests of the corporation.

We have not paid any dividends to date. We can make no assurance that our proposed operations will result in sufficient revenues to enable profitable operations or to generate positive cash flow. For the foreseeable future, we anticipate that we will use any funds available to finance the growth of our operations and that we will not pay cash dividends to stockholders.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information
(As of 3/31/02)

Equity Compensation Plan Categories	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
Approved by security holders			
- 2001 Equity Performance Plan	0	$0.00	20,000
Not approved by security holders			

- None	0	0	0
	---	-----	------
Total	0	$0.00	20,000

The securities underlying the 2001 Equity Performance Plan were registered on the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on December 4, 2001 (File No. 333-74492).

RECENT SALES OF SECURITIES

COMMON STOCK

We have issued the following shares of our common stock from March 31, 2000 through July 11, 2002. On May 11, 2001, we implemented a 1 share for 100 shares reverse stock split of our common stock. On November 19, 2001, we implemented a 1 share for 200 shares reverse stock split of our common stock. The issuances below have not been adjusted for these reverse stock splits, but rather disclosed as issued.

On April 16, 1999, we had subscriptions to issue 257,666 shares of our common stock for consideration of $386,499 at the time of the merger with Tecon (See "CORPORATE HISTORY"). These subscriptions were reduced to 245,997 and were exercised upon the consummation of the merger with Tecon. Tecon also issued 1,621,621 shares of common stock of Tecon for additional subscriptions in consideration of $600,000, cash. Additional subscriptions were received and 215,702 common shares were issued for $315,515. Simultaneously, we issued 10,333 common shares for business equipment valued at $15,500. The Company believes the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

At various dates during the year ended March 31, 2000, we issued 1,812,829 shares of common stock to various consultants and professionals for services rendered. The total value of the shares has been recorded at $1,000,000. The Company believes the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

From April through June 2000, we issued 430,000 shares of common stock for additional website business valued at $.75 per share or $322,500 and a total of 38,000 shares of preferred stock was issued under a Private Placement Memorandum. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

In August 2000, we granted 1,903,574 common stock options valued at $475,000 for a Note Receivable for the same amount. The options were granted pursuant to the "2000 Stock Option Plan". As of March 31, 2001, we had granted a total of 2,562,250 additional options pursuant to the "2000 Stock Option Plan" not including the initial 1,903,574 common stock options vesting over a period of up to 4 years with an exercise price of $1.00. Since these options were granted, 1,186,000 were cancelled and 850,125 expired due to termination of employee relationships.

On June 7, 2000 we exchanged 500,000 shares of our stock for 450,706 shares of Popmail.com in a transaction valued at $500,000. We subsequently sold this investment to meet our financial obligations. The shares were "Restricted" under S144. On September 15, 2000, the Popmail.com stock was sold to an individual related party for $74,650, in a private sale to an accredited/sophisticated investor. A loss of $425,350 was realized during the period. Approximately

$225,353 of the loss was due to market value decline during the holding period. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On March 12, 2001, we issued 4,040,000 shares of common stock for services out of which 1,180,000 shares to Sandip Seth, 1,180,000 to Maninder Singh, both being officers of the Company, 1,180,000 shares to Sanjay Sabnani, 350,000 shares to Cora Castillion and 150,000 shares to Amber Luke valued at a total of $1,284,923. We believe that Sabnani, Castillion and Luke were not affiliated with the Company. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On December 1, 2000, we issued 25,000,000 shares of common stock at $.004 per share and 1,000 shares of Class C preferred stock at $10 per share to creditors as settlement of $110,000 worth of debt. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On March 16, 2001, Dungavel, Inc., a Bahamian company, contracted to purchase the above referenced 25,000,000 shares of our common stock and 1,000 shares of our Class C Preferred Stock from the former creditors (Metropolitan Capital Partners LLC), in a private sale to an accredited/sophisticated investor. At the time of the sale, we believe that there was no affiliation between Dungavel, Inc. and Metropolitan Capital Partners, LLC. The transfer of 25,000,000 shares of common stock and 1,000 shares of preferred stock by Metropolitan Capital Partners LLC to Dungavel Inc. was not made under Rule 144. In the acquisition agreement, Dungavel represented that it was a sophisticated, accredited investor and was acquiring restricted securities. The only entity from which Dungavel acquired shares of CraftClick on March 16, 2001 was Metropolitan Capital Partners LLC, which name is stated above. The shares continued to be restricted in the hands of Dungavel, Inc. and therefore the certificate beared the same legend as the original certificates. The Class C Preferred Stock is convertible at any time prior to December 31, 2001, into 11.5% of the then issued and outstanding common stock of CraftClick.com, Inc., computed on a fully diluted basis. Together the common stock and the Class C Preferred Stock acquired by Dungavel, Inc. represents greater than 50% of the voting control of CraftClick.com, Inc., on an as converted basis. The sale was consummated as of March 27, 2001. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On April 24, 2001, the 1,000 Class C Preferred shares were converted to 6,877,678 shares of common stock. The Company believes the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act. On June 6, 2001, CraftClick.Com, Inc. a Delaware corporation, and Mobilepro Corp., a Delaware corporation, entered into an Agreement and Plan of Merger dated as of June 1, 2001. Under the Merger Agreement Mobilepro merged with and into CraftClick, with CraftClick being the surviving corporation. The consideration for the shares of common stock issued by CraftClick to the shareholders of Mobilepro was all the outstanding shares of Mobilepro. The merger of Mobilepro into CraftClick was structured as a share-for-share exchange. The exchange ratio was negotiated without reference to the market price of the CraftClick common stock because it was difficult to value the merger participants and the market of a thinly traded security on the OTC Bulletin Board. The Company issued a total of 8,750,000 shares of its common stock in connection with the Merger. Based on the last trading price of $0.16, the fair value of the Company's stock issued was $1,400,000. Of these shares issued, the Company issued to Ms. Joann M. Smith an aggregate of 8,227,663 shares of common stock representing approximately 55% of our 14,907,196 issued and outstanding shares of common stock. In addition we also issued as part of the merger, a total of 522,337 shares of its common stock at value $83,574, to Wallenstein & Wagner, 152,730 shares at value $24,437, Laser Modeling, Inc. 152,730 shares at value $24,437, Francine B. Goodman, 152,730 shares at value $24,437, Denise Patterson, 38,183 shares at value $6,109, and Inform Product Development, Inc., 25,964 shares at value $4,154. We believe that all these parties were non-affiliated with the Company at the issuance. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

Effective June 6, 2001, in connection with the Merger, we issued 3,000,000 shares in a conversion of debt and accrued interest to Dungavel, Inc. a Bahamian company. We believe that the controlling person of Dungavel was Robert Landau, who we believe also had a controlling interest in Mobilepro. The debt had a recorded value of $50,000. The issuance of shares were valued at $480,000, the fair value of the Company's stock at that time. In September 2000, Dungavel Inc. was issued a $50,000 convertible note by Mobilepro. At the time of the merger of Mobilepro into CraftClick, Dungavel negotiated with Mobilepro the conversion of the note into 3,000,000 shares of the post-merger company. Dungavel was the controlling shareholder of CraftClick at the time of this negotiation. The value of CraftClick and Mobilepro at the time of the merger is difficult to determine and the negotiations for the shares to be issued to acquire Mobilepro was made without reference to the then market price. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

In May 2001, we registered 6,500,000 shares of our common stock for future issuance under the "2001 Performance Equity Plan". Effective June 6, 2001, we issued a total of 2,600,000 shares, based on the last trading price of $0.16, with the total fair value of $416,000 to the following parties: 250,000 shares to Dungavel Inc. for services performed in connection with the Mobilepro merger and reorganization and re-incorporation and using the last trading price, the fair value of the consideration was $40,000, 250,000 shares at value $40,000 to Mr. Scott R. Smith, our Chief Executive Officer for employment services, 1,475,000 shares at value $236,000 to ZDG Investments for consulting services regarding the Mobilepro merger and reorganization and re-incorporation, 50,000 shares at value $8,000 each to Mr. Howard Geisler, Mr. Mitchell Geisler and Ms. Cindy Roach for services as officers and directors, 25,000 shares at value $4,000 to Weil Consulting Corp. for merger consultations and 450,000 shares at value $72,000 to Henning Capital Ltd. for merger consultations.

On August 1, 2001, we issued 330,000 shares of its common stock pursuant to the exercise of a special warrant that was issued as a part of the reverse merger agreement with CraftClick.com, Inc. The conversion price of this warrant was $330 or $0.001 per share, the par value of the common stock. The issuance of shares was valued at $577,500, the fair value of the Company's stock at that time. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On September 6, 2001, we issued a total of 1,500,000 shares of its common stock under the 2001 Performance Equity Plan to Camilla Holdings for services rendered. These services were valued at $0.165 per share or a total of $247,500.

On October 26, 2001, we issued 25,000 shares of its common stock to David Lake, 4,000 shares, James Sacks, 3,000 shares, Donna Villegas, 1,000 shares, Jon Lake, 1,000 shares, Mark Daugherty, 1,000 shares, Ashok Mirpuri, 5,000 shares, Sanjay Sabnani 10,000 shares. We believe they were all non-affiliated with the Company at the time of issuance. In connection with the reorganization/redomestication of CraftClick from a Utah corporation to a Delaware corporation, the 25,000 shares were issued as settlement shares in connection with the change in the terms of the preferred stock. The issuance of shares was valued at a total of $1,250, the fair value of our stock at that time. We believe the value of the settlements were commensurate with the value of the stock issued. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On November 19, 2001, we had a 1 for 200 reverse stock split which effectively reduced their issued and outstanding shares 16,677,711. Additionally, on that date we issued 3,000,000 shares for services in conjunction with an Investors Rights Agreement. We valued that issuance at a value of $240,000, the fair value of our stock at that time. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act. On February 15, 2002, we entered into an agreement to issue 86,000 shares of our common stock to John Madigan, 30,000 shares, Douglas Tucker, 30,000 shares, Wallenstein & Wagner, 30,000 shares, Natalie Boitehouk, 2,000 shares, Gregory Bochniak, 2,000 shares, and Stephen Jouzapaitis, 2,000 shares for services rendered.. We believe they were all non-affiliated with the Company at the time of issuance. The shares issued on February 15, 2002 were authorized to be issued on February 19, 2002 by instruction letter of that date. Per the agreement, the shares were subsequently issued on March 22, 2002. The issuance of the shares were valued at $90,300, the fair value of our

stock at that time. We believe the value of the services provided were commensurate with the value of the stock issued. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act. On February 19, 2002, we issued 25,000 shares of our common stock to Scott R. Smith 25,000 shares were issued to Scott Smith in exchange for his surrender of his rights to past wages and other benefits under his employment agreement of June 2001 and cancellation of that employment agreement as an executive and officer of our Company. The shares were valued at $26,250, the fair value of our stock at that time. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On March 18, 2002, we issued a total of 960,000 shares of our common stock under the "2001 Equity Performance Plan" to the following parties: 255,000 to Mr. Daniel Lozinsky, our Chief Executive Officer for employment services and services as a director, 355,000 to Mr. Arne Dunhem for services as an officer and director, 25,000 to Mr. Scott Smith for services as an officer and director, and 325,000 to Jesus Gomez Romero for engineering consulting services for advanced software related projects. These shares were issued at $0.55 per share based on a Board Resolution fixing the Fair Market Value of the securities pursuant to the 2001 Equity Performance Plan on and as of March 6, 2002.

On April 23, 2002, we issued 12,352,129 shares of our common stock to the holders of NeoReach's common stock pursuant to an Agreement and Plan of Merger, dated March 21, 2002. A newly formed, wholly-owned subsidiary of Mobilepro merged into NeoReach, in a tax-free one-for-one share exchange transaction. The merger was consummated on April 23, 2002. As a result of the merger, NeoReach is now a wholly-owned subsidiary of Mobilepro. The issuance of the shares were valued at a fair value of $ 6,546,628, based on the last trading price of $0.53 and assuming there was actual active trading of our stock at that time. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On May 31, 2002, We issued a total of 690,000 shares of its common stock to the following parties: 450,000 shares to INFe, Inc., 150,000 shares to Thomas Richfield, 60,000 shares to Francene Goodman, and 30,000 shares to Triple Crown Consulting. These shares were issued for consulting services regarding the Mobilepro-NeoReach merger. The issuance of the shares were valued at $ 317,400, the fair value of our stock at that time. We believe the value of the services provided were commensurate with the value of the stock issued. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

On May 31, 2002, Mobilepro issued a convertible debenture to Cornell Capital in the original principal amount of $250,000. The convertible debenture is convertible into shares of our common stock as a price equal to either 120% of the closing bid price of our common stock as of May 31, 2002, or 80% of the average of the four lowest closing bid prices of our common stock for the five trading days immediately preceding the conversion date. If such conversion had taken place on May 31, 2002, then the holder of the convertible debenture would have received 452,899 shares of our common stock. The convertible debenture accrues interest at a rate of 4% per year and is convertible at the holder's option. The convertible debenture has a term of five years. At Mobilepro's option, the convertible debenture may be paid in cash or converted into shares of our common stock on the fifth anniversary unless converted earlier by the holder.

On June 10, 2002, we issued a total of 784,314 shares of its common stock to the following parties: 764,706 to Cornell Capital Partners, LP and 19,708 to Westrock Advisors, Inc. These shares were issued pursuant to an equity line of credit arrangement with Cornell Capital Partners, dated May 31, 2002. The issuance of the shares were valued at $517,647, the fair value of our stock at that time. We believe the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act.

Except as otherwise noted, the securities described in this Item were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933. Each such issuance was made pursuant to individual contracts which are discrete from one another and are made only with persons who were sophisticated in such transactions and who had knowledge of and access to sufficient information about Mobilepro to make an informed investment decision. Among this information was the fact that the securities were restricted securities.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The financial information set forth in the following discussion should be read in conjunction with, and qualified in its entirety by, the financial statements of the Company included elsewhere herein. These financial statements reflect only the financial information of our prior business operations as a wireless business solutions provider and are not reflective of our new business strategy (See "BUSINESS").

FINANCIAL CONDITION AND CHANGES IN FINANCIAL CONDITION

OVERALL OPERATING RESULTS

We had no sales from our wireless business solutions provider operation for the years ended March 31, 2002 and 2001. However, our general and administrative expenses were $3,147,119 for the current year and $1,009,193 for the prior year, which resulted in substantial operating losses for each year. Operating losses were $3,147,119 and $1,009,193 for the years ended March 31, 2001 and 2000, respectively. The Company had other income, including income from the forgiveness of debt of $248,717 and $0 for the years ended March 31, 2001 and 2000, respectively. The areas where we expended the most funds for each year were for payroll, professional fees, consulting fees, and marketing expenses. Because of these large losses and the fact that we did not have adequate capital in order to continue to operate, we were pursuing alternative business opportunities in the first quarter of 2002. See "BUSINESS" for our change in control and our future business strategy.

Our net losses after taxes and other income/expenses were $2,898,402 for March 31, 2002 and $1,009,193 for March 31, 2001.

OPERATING LOSSES

We have accumulated approximately $1,563,018 of net operating loss carryforwards as of March 31, 2002, that may be offset against future taxable income. There will be limitations on the amount of net operating loss carryforwards that can be used due to the change in the control of the management of the Company. No tax benefit has been reported in the financial statements, because we believe there is a 50% or greater chance the carryforwards will expire unused. Accordingly, the potential tax benefits of the loss carryforwards is offset by a valuation allowance of the same amount.

LIQUIDITY AND CAPITAL RESOURCES

We do not currently have any revenues, liquidity or capital resources as we move forward into our new business venture (See "BUSINESS") and our independent auditors have issued a going-concern opinion. We will need additional financing in order to implement our business plan and continue as a going concern. We do not currently have a source for any additional financing and we cannot give any assurances that we will be able to secure any financing.

NEW ACCOUNTING PRONOUNCEMENTS

We have adopted FASB Statement 128. It is not expected that we will be impacted by other recently issued standards. FASB Statement 128 presents new standards for computing and presenting earnings per share (EPS). The Statement is effective for financial statements for both interim and annual periods ending after December 15, 1997.

FASB Statement 131 presents news standards for disclosures about segment reporting. We do not believe that this accounting standard applies to us as all of our operations are integrated for financial reporting and decision-making purposes.

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INFLATION

Our results of operations have not been affected by inflation and we do not expect inflation to have a significant effect on its operations in the future.

PLAN OF OPERATION

This plan of operation does not reflect only the financial information of our prior business operations as a wireless business solutions provider business and are reflective of our new business strategy (See "BUSINESS").

MobilePro generated revenue in September, 2002 by the sale of its currently available base station modems (version 1.0) for shipment to prospective customers. These modems are currently available in board format. Continued product development will evolve the base station modems from the boards to ASICs (Application Specific Integrated Circuit).

Product development plans include defining specifications for the next version of the base station board subsequently leading to base station modem ASICs. We believe that the timeline below demonstrates the current product delivery schedule, and the anticipated costs associated with the achieving the milestones. This schedule could change depending on challenges faced in engineering and development.

	April, 2003	August, 2003	October, 2003	December, 20
Base Station Modem ASIC	Prototype	Beta	GA (general availability)	
RF CMOS		Prototype	Beta	GA
Handset ASIC				Prototype
Financial Resources Needed - Cumulative		$7M	$10M	$15M

The next generation (version 2.0) of MobilePro's base station modem board will incorporate up to 256 channels - up from the currently offered 4 channels. In addition to the base station modem, MobilePro intends to develop RF-CMOS (Radio Frequency Complementary Metal Oxide Semiconductor) chipsets for the wireless markets. These chipsets will be designed to support the GSM (Global System for Mobile Communications) and the WCDMA (Wide Band Code Division Multiple Access) markets. Product development cycle of these chipsets is typically 12 to 14 months. MobilePro will outsource the manufacturing of the chipsets to a third party, essentially categorizing MobilePro as a Fab-less developer of semiconductors.

The sales cycle for MobilePro products is about 6 to 9 months. Currently MobilePro is offerings its board to potential prospects. MobilePro's primary markets are Europe and Asia with North America being the secondary market. MobilePro intends to build a sales team in these regions to support its customers. In addition to investing in a direct sales force, MobilePro will continue to develop business relationships with potential partners who can serve as an indirect sales channel for MobilePro's products.

Typical price points for the version 1.0 of the board begin at $10,000.

As a result of the Plan, we expect a significant increase in the number of employees by mid 2003.

Mobilepro will need additional financing and may use the proceeds received from the Equity Line of Credit, a private placement offering or debt financing to raise such additional funds, to be used for the following:

1) Complete the design and development of advanced modems for both the base station and handset markets:

   a. Invest in laboratory facilities including test and simulation equipment.

   b. Acquire or license certain intellectual property related to the development of modems and communications semiconductor and component technology.

2) Develop plans for third party manufacturing to support the business goals of the Company.

3) Expand the product offerings of the Company to include RF CMOS development.

4) Develop direct and indirect sales and marketing channels for the Company's products and services:

a. Develop business partnerships that embrace the Company as their modem supplier for their advanced cellular handsets and user equipment.

b. Develop plans for extending our solution offerings for use in additional global markets such as Asia and Europe.

5) Pay-down certain debt, such as a convertible debenture from Cornell Capital. We intend to pay-off debt owed to Mr. Daniel Lozinsky, a Director, and Mr. Arne Dunhem, an officer and Director, during 2003.

6) General working capital purposes.

EMPLOYEES

We, as of March 31, 2002, currently employ one person. With the merger with Neoreach effective in April of 2002, the Company employs nine people. If the business grows as we plan, we anticipate that we will need additional persons to fill administrative, sales and technical positions.

FORWARD-LOOKING INFORMATION

From time to time, we or our representatives have made or may make forward-looking statements, orally or in writing. Such forward-looking statements may be included in, but not limited to, press releases, oral statements made with the approval of an authorized executive officer or in various filings made by us with the Securities and Exchange Commission. Words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project or projected", or similar expressions are intended to identify "forward-looking statements". Such statements are qualified in their entirety by reference to and are accompanied by the above discussion of certain important factors that could cause actual results to differ materially from such forward-looking statements.

We are currently unaware of any trends or conditions other than those previously mentioned in this management's discussion and analysis that could have a material adverse effect on the Company's consolidated financial position, future results of operations, or liquidity. However, investors should also be aware of factors that could have a negative impact on the Company's prospects and the consistency of progress in the areas of revenue generation, liquidity, and generation of capital resources. These include: (i) variations in revenue, (ii) possible inability to attract investors for its equity securities or otherwise raise adequate funds from any source should the Company seek to do so, (iii) increased governmental regulation, (iv) increased competition, (v) unfavorable outcomes to litigation involving the Company or to which the Company may become a party in the future and, (vi) a very competitive and rapidly changing operating environment. Other factors that might cause such a difference include, but are not limited to, those discussed below:

RISK FACTORS

WE MAY NOT BE SUCCESSFUL IN INTEGRATING THE BUSINESS AND TECHNOLOGY OF NEOREACH WITH THAT OF THE COMPANY.

We acquired NeoReach, Inc. effective April 23, 2002. We may not be successful in integrating the business and technology of NeoReach with the business and operations of the Company. Our failure to integrate successfully could materially adversely affect our operating results, financial condition and the trading price of our stock. Also, our integration efforts may divert our management time and resources from necessary aspects of our business and operations.

OUR MANAGEMENT TEAM IS NEW TO THE COMPANY AND MAY NOT BE ABLE TO SUCCESSFULLY EXECUTE THE BUSINESS PLAN.

Mr. Daniel Lozinsky became our President and CEO in February 2002 after he acquired 64.8% of our voting securities. After the acquisition of NeoReach, Mr. Arne Dunhem, replaced Mr. Lozinsky as our President and CEO and Mr. Lozinsky became our Senior Vice President. Our success depends to a significant extent on the leadership and vision of Messrs. Dunhem and Lozinsky. Prior to the merger, Messrs. Lozinsky and Dunhem had no experience working together. Failure to successfully integrate the management teams of the two companies could adversely affect the business and results of operations of the Company. Our future success also depends on our ability to identify, attract, hire, retain and motivate other well-qualified managerial, technical, sales and marketing personnel. There can be no assurance that these professionals will be available in the market or that we will be able to meet their compensation requirements.

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OUR ACCOUNTANTS RAISED SUBSTANTIAL DOUBT AS TO OUR ABILITY TO CONTINUE AS A GOING CONCERN AND WE WILL INCUR LOSSES FOR THE IMMEDIATE FUTURE.

Our independent accountants raised substantial doubt as to our ability to continue as a going concern in their report to the Board of Directors in July 2002. As a result of our acquisition of NeoReach effective in April, 2002, the Company has continued to incur substantial debt obligations. We anticipate that we will incur net losses for the immediate future. We expect our operating expenses to increase significantly, and, as a result, we will need to generate increased monthly revenue if profitability is to be achieved. To the extent that revenue does not grow at anticipated rates or that increases in our operating expenses precede or are not subsequently followed by commensurate increases in revenue, or that we are unable to adjust operating expense levels accordingly, our business, results of operations and financial condition will be materially and adversely affected. We cannot ensure that we will ever achieve or sustain profitability.

WE ARE AT DEVELOPMENT STAGE AND HAVE A LIMITED OPERATING HISTORY UPON WHICH YOU CAN BASE YOUR INVESTMENT DECISION.

The Company had a major shift in its business strategy in June 2001. It was not until June 2001 that the Company focused on the integration and marketing of complete mobile information solutions that satisfy the needs of mobile professionals. The Company acquired NeoReach, another development stage company, in April 2002. While management believes that this acquisition represents the Company's important entry into the exciting and promising 3G wireless communications market, the Company only very recently redirected its focus towards solutions supporting the 3G wireless market. We have a limited operating history upon which to evaluate our business plan and prospects. In addition, our business prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development. We cannot be sure that we will be successful in addressing these issues, and, if we are unsuccessful at doing so, our business, results of operations and financial condition could be materially and adversely affected.

OUR BUSINESS REVENUE GENERATION MODEL IS UNPROVEN AND COULD FAIL.

Our revenue model is new and evolving, and we cannot be certain that it will be successful. Our ability to generate revenue depends, among other things, on our ability to leverage NeoReach's technology in the 3G wireless communications market. The potential profitability of this business model is unproven. Accordingly, we cannot assure you that our business model will be successful or that we can sustain revenue growth or achieve or sustain profitability.

OUR INDUSTRY IS SUBJECT TO INTENSE COMPETITION.

We currently face significant competition in the telecommunications industry, and expect that this competition will continue, particularly with respect to the market within the telecommunications industry for wireless modem technology. Our competitors include Qualcomm, Nokia, Ericsson, Siemens, Motorola, Samsung and PrairieComm among others. Many of these competitors have advantages, including:

- existing rights to competing and emerging technologies;

- longer operating histories and presence in key markets;

- greater name recognition; and

- greater financial, sales and marketing, manufacturing, distribution, technical and other resources.

As a result of these factors, these companies may be more successful than we are in the telecommunications industry and the wireless modem technology market.

IF WE ARE NOT ABLE TO COMPETE EFFECTIVELY IN THE HIGHLY COMPETITIVE WIRELESS COMMUNICATIONS INDUSTRY, OUR FUTURE GROWTH AND OPERATING RESULTS WILL SUFFER.

Our ability to compete effectively with our competitors depends on the following factors, among others:

- the performance of our modem technology in a manner that meets customer expectations;

- the success of our efforts to develop effective channels of distribution for our products;

- our ability to price our products that are of a quality and at a price point that is competitive with similar or comparable products offered by our competitors;

- general conditions in the wireless communications industry;

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- the success of our efforts to develop, improve and satisfactorily address any issues relating to our modem technology; and

- the timely delivery and successful implementation of new technologies deployed in connection with any 3G services offered by the national and international wireless communications service providers.

OUR INDUSTRY IS SUBJECT TO RAPID TECHNOLOGICAL CHANGE THAT WE MUST KEEP PACE WITH TO SUCCESSFULLY COMPETE.

New technological innovations generally require a substantial investment before they are commercially viable. The market for our products and technology is characterized by many factors, including:

- rapid technological advances and evolving industry standards;

- changes in customer requirements; o frequent introductions of new products and enhancements; and

- evolving methods of building and operating telecommunications systems.

Our failure to keep pace with these rapid technological changes could adversely affect our business and results of operations.

OUR PATENT APPLICATIONS MAY BE REJECTED, WHICH MAY ADVERSELY AFFECT OUR BUSINESS.

We will rely on the patents that may be granted as a result of certain patent applications that have been filed with respect to our wireless modem technology, as well as copyrights, trademark and trade secret law, to protect our proprietary information. The rejection of our patent applications would adversely affect our business, because we would be unable to protect or enforce our intellectual property rights with respect to such technology and may result in claims by third parties that we infringe their intellectual property rights.

CONSOLIDATIONS IN THE WIRELESS COMMUNICATIONS INDUSTRY COULD ADVERSELY AFFECT OUR BUSINESS TO INCLUDE A REDUCTION OR ELIMINATION OF OUR PROPORTIONATE SHARE OF THE EMERGING MARKET.

The wireless communications industry has experienced consolidation of participants, and this trend may continue. If wireless carriers consolidate with companies that utilize technologies that are similar to or compete with our wireless modem technology, our proportionate share of the emerging market for wireless modem technologies may be reduced or eliminated.

WE WILL REQUIRE SIGNIFICANT ADDITIONAL CAPITAL IN THE FUTURE, WHICH WE MAY NOT BE ABLE TO OBTAIN.

Part of our business strategy is to raise additional capital to finance our operations. We cannot be sure that we will be successful in raising this additional capital or that the net proceeds from such financing will be sufficient to meet our funding demands. If additional financing is not available when required or is not available on acceptable terms, we may be unable to fund our operations and expansion, successfully promote our brand name or products, develop or enhance our technology, take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, results of operations and financial condition and the value of your investment.

In addition, the Company received a letter from the SEC dated April 26, 2002 in which the SEC raised certain comments and questions regarding certain of the Company's prior public filings with the SEC. Many of the issues addressed in the SEC's letter relate to the Company's prior business operations and strategy as well as the failure to comply with certain technical requirements relating to the Company's SEC filings. While the Company has responded to the SEC letter, the ability of the Company to raise funds through offerings that require registration with the SEC could be delayed. In addition, the Company could be subject to further action from the SEC and/or investors who may have relied on such filings.

MANAGEMENT OF THE COMPANY CONTROLS 70.3% OF OUR COMMON STOCK ON A FULLY DILUTED BASIS, AND THEY WILL HAVE THE ABILITY TO CONTROL MATTERS REQUIRING STOCKHOLDER APPROVAL.

As a result, these management stockholders will have significant influence in matters requiring stockholder approval, including the election and removal of directors, the approval of significant corporate transactions, such as any merger, consolidation or sale of all or substantially all of the Company's assets, and the control of the management and affairs of the Company. Accordingly, such concentration of ownership may have the effect of delaying, deferring or preventing a change in control of our Company, impeding a merger, consolidation, takeover or other

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business combination involving the Company or discouraging a potential acquirer from attempting to obtain control of the Company, which in turn could have an adverse effect on your investment.

SHAREHOLDERS MAY HAVE DIFFICULTY SELLING THEIR SHARES IN THE SECONDARY MARKET GIVEN THE NATURE OF THE BULLETIN BOARD AND RULES RELATING TO LOW-PRICE STOCKS, OR THE "PENNY STOCK" RULES.

The Common Stock is quoted on the Bulletin Board. Shares traded on this system are often characterized by low trading volumes and volatile prices. As a result, investors may find it more difficult to dispose of or to obtain accurate quotations of the Common Stock. In addition, quotations on the Bulletin Board depend on the willingness of broker-dealers to make a market for the stock. There can be no assurance that the Common Stock will continue to be quoted on the Bulletin Board or that there will continue to be a market for such stock.

Further, the SEC has adopted regulations which define a "penny stock" to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. The Common Stock presently is a "penny stock" and, accordingly, is subject to rules that impose additional sales practice requirements on broker/dealers who sell such securities to persons other than established customers and accredited investors. There can be no assurance that the Common Stock will trade for $5.00 or more per share, or if so, when. Consequently, the "penny stock" rules may restrict the ability of broker/dealers to sell the Common Stock and may affect the ability of the purchasers of any future offering by the Company to sell the Common Stock in a secondary market.

WE HAVE NOT PAID DIVIDENDS ON OUR COMMON STOCK TO DATE.

We have not paid to date and do not expect to pay in the foreseeable future any cash or stock dividends on our Common Stock.

THE COMPANY'S FINANCIAL PROJECTIONS CANNOT BE ASSURED.

The projections of the future business prospect of the Company were prepared by the Company in good faith based upon the assumptions that the Company believes to be reasonable. No assurance can be given, however, regarding the attainability of the projections or the reliability of the assumptions on which they were based. The projections are subject to the uncertainties inherent in any attempt to predict the results of operations for the next two years. Certain of the assumptions used will inevitably not materialize and unanticipated events will occur. Therefore, the actual results of operations are likely to vary from the projections and the variations may be material and adverse.

The projections are to give management information concerning the Company's estimates of future operating results based on the assumptions and no assurance can be made that such results will be achieved. The financial projections have not been prepared, reviewed or compiled by any firm of accountants. The projections of the Company were not prepared with a view to public disclosure or compliance with published guidelines of the Securities and Exchange Commission or any state securities commission, or the guidelines established by the American Institute of Certified Public Accountants and should not be considered as a forecast of actual earnings.

THE BUSINESS PLAN CONTAINS ASSUMPTIONS THAT MAY PROVE TO BE INCORRECT OR MAY NOT BE ADHERED TO BY MANAGEMENT.

The Company's Business Plan is based upon numerous assumptions that may later prove to be incorrect. The Company's ability to adhere to the Business Plan will depend upon factors that the Company believes are beyond its control. Likewise, management is not bound to follow the Business Plan and may elect to adopt other strategies based upon changes in circumstances.

The risks identified here are not all inclusive. New risk factors emerge from time to time and it is not possible for management to predict all of such risk factors, nor can it assess the impact of all such risk factors on the Company's business or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results.

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ITEM 7. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM,INC.)
(A DEVELOPMENT STAGE COMPANY)

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2002 AND
PERIOD JULY 14, 2000(INCEPTION)
THROUGH MARCH 31, 2001

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2002 AND
PERIOD JULY 14, 2000 (INCEPTION) THROUGH MARCH 31, 2001

INDEX TO FINANCIAL STATEMENTS

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Mobilepro Corp
Rockville, Maryland

We have audited the accompanying balance sheet of Mobilepro Corp.(formerly Craftclick.Com, Inc.) (A Development Stage Company) (the "Company") as of March 31, 2002 and the related statements of operations, changes in stockholders' (deficit), and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements for the year ended March 31, 2002 has been prepared assuming that the Company will continue as a going concern. As discussed in Note 4 to the financial statements, the Company has raised certain issues that lead to substantial doubt about its ability to continue as a going concern. The Company does not have any revenue generating activities and has substantial operating deficits. Management's plans in regard to these matters are also described in Note 4. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mobilepro Corp (A Development Stage Company) as of March 31, 2002 and the results of its operations and their cash flows for the year then ended.in conformity with accounting principles generally accepted in the United States of America.

The statement of operations, changes in stockholders' (deficit) and cash flows for the period July 14, 2000 (Inception) through March 31, 2001 were audited by Mantyla McReynolds and Associates. Mantyla McReynolds and Associates issued an unqualified opinion on those financial statements dated July 20, 2001.

BAGELL, JOSEPHS & COMPANY, L.L.C.
BAGELL, JOSEPHS & COMPANY, L.L.C.
Certified Public Accountants
Gibbsboro, New Jersey

July 10, 2002

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
BALANCE SHEET
MARCH 31, 2002

ASSETS

CURRENT ASSET	
Cash	$ 154
TOTAL ASSET	$ 154

LIABILITIES AND STOCKHOLDERS' DEFICIT

LIABILITIES	
Due to officer	$ 44,262
Short-term debt	75,000
Accounts payable and accrued expenses	187,663
TOTAL LIABILITIES	306,925
STOCKHOLDERS' DEFICIT	
Preferred stock, $.001 par value, authorized 5,000,000 shares, and 35,425 shares issued and outstanding	35
Common stock, $.001 par value, authorized 50,000,000 shares, and 4,175,492 shares issued and outstanding	4,176
Additional paid-in capital	3,596,613
Deficit accumulated during development stage	(3,907,595)
TOTAL STOCKHOLDERS' DEFICIT	(306,771)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 154

The accompanying notes are an integral part of these financial statements.

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2002 AND PERIOD
JULY 14, 2000 (INCEPTION) THROUGH MARCH 31, 2001
(WITH CUMULATIVE TOTALS SINCE INCEPTION)

	2002	2001
REVENUES	$ --	$ --
COST OF SALES	--	--
GROSS PROFIT	--	--
GENERAL AND ADMINISTRATIVE EXPENSES	3,147,119	1,009,193
LOSS BEFORE OTHER INCOME	(3,147,119)	(1,009,193)
OTHER INCOME (EXPENSES)		
Interest income	56	--
Forgiveness of debt	276,738	--
Other expense	(27,608)	--
Interest expense	(469)	--
TOTAL OTHER INCOME (EXPENSES)	248,717	--
NET LOSS BEFORE PROVISION FOR INCOME TAXES	(2,898,402)	(1,009,193)
Provision for income taxes	--	--
NET LOSS APPLICABLE TO COMMON SHARES	$(2,898,402)	$(1,009,193)
NET LOSS PER BASIC AND DILUTED SHARES	$ (0.44)	$ (0.11)
WEIGHTED AVERAGE SHARES OUTSTANDING	6,462,746	8,750,000 *

*After reorganization.

The accompanying notes are an integral part of these financial statements.

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)

(A DEVELOPMENT STAGE COMPANY)
STATEMENTS IN CHANGES OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2002 AND 2001 INCLUDING
THE FORMER COMPANY CRAFTCLICK.COM, INC.
AND THE REVERSE ACQUISITION THAT OCCURRED AS OF JUNE 1, 2001

CRAFTCLICK.COM, INC. ACTIVITY:	COMMON STOCK SHARES	COMMON STOCK AMOUNT	PREFERRED STOCK SHARES	PREFERRED STOCK AMOUNT	ADDITI PAID CAPI
BALANCE - MARCH 31, 2000	16,931,444	16,931	101,000	101	5,35
Issued preferred shares under PPM April-June, 2000			38,000	38	37
Issued common and preferred shares for debt, December 31, 2000	25,000,000	25,000	1,000	1	8
Issued common shares for assets/acquired companies	430,000	430	--	--	32
Options granted for Note Receivable	1,903,574	1,904	--	--	47
Issued stock for investment	500,000	500	--	--	49
Issued stock for services	4,040,000	4,040	--	--	1,28
Net loss for year ended March 31, 2001	--	--	--	--	
BALANCE - MARCH 31, 2001	48,805,018	48,805	140,000	140	8,39
Stock issued in conversion of preferred stock into common stock	6,877,678	6,878	(104,622)	(105)	(
Consolidation of shares due to corporate change in domicile	(55,125,493)	(55,125)	--	--	5
Issuance of common stock as part of Craftclick acquisition of Mobilepro	8,750,000	8,750	--	--	(
Net loss Craftclick for April 1, 2001 to May 31, 2001	--	--	--	--	

The accompanying notes are an integral part of these financial statements.

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)

(A DEVELOPMENT STAGE COMPANY)
STATEMENTS IN CHANGES OF STOCKHOLDERS' DEFICIT
FOR THE YEARS ENDED MARCH 31, 2002 AND 2001 INCLUDING
THE FORMER COMPANY CRAFTCLICK.COM, INC.
AND THE REVERSE ACQUISITION THAT OCCURRED AS OF JUNE 1, 2001

	COMMON STOCK		PREFERRED STOCK		ADDITION PAID-I CAPITA
	SHARES	AMOUNT	SHARES	AMOUNT	
MOBILEPRO CORP ACTIVITY:					
Recapitalization due to merger - Craftclick	--	--	--	--	(8,479
Recapitalization due to merger - Mobilepro	--	--	47	--	1,009
Issuance of shares to cover convertible debt	3,000,000	3,000	--	--	477
Issuance of common stock for services and salaries	2,600,000	2,600	--	--	413
Issuance of common stock for services	1,500,000	1,500	--	--	246
Issuance of common stock for warrants	330,000	330	--	--	577
Issuance of common stock for services	25,000	25	--	--	1
Reverse stock split	(16,677,711)	(16,678)	--	--	16
Issuance of common stock for services	3,000,000	3,000	--	--	237
Issuance of common stock for services	106,000	106	--	--	111
Conversion of debt for issuance of common shares	25,000	25	--	--	26
Issuance of common stock for services	960,000	960	--	--	527
Net loss for the year	--	--	--	--	
BALANCE MARCH 31, 2002	4,175,492	$ 4,176	35,425	$ 35	$ 3,596

The accompanying notes are an integral part of these financial statements.

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)

(A DEVELOPMENT STAGE COMPANY)
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2002 AND PERIOD
JULY 14, 2000 (INCEPTION) THROUGH MARCH 31, 2001
(WITH CUMULATIVE TOTALS SINCE INCEPTION)

	2002
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$(2,898,402)
ADJUSTMENTS TO RECONCILE NET LOSS TO NET CASH (USED IN) OPERATING ACTIVITIES:	
Forgiveness of debt	(276,738)
Increase in accounts payable	158,435
Issued common stock for services, compensation and conversion of debt	2,627,800
NET CASH USED IN OPERATING ACTIVITIES	(388,905)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	
Issued stock for cash	--
Proceeds from borrowings, net	344,730
Change in officer loan, net	44,262
NET CASH PROVIDED BY FINANCING ACTIVITIES	388,992
NET INCREASE IN CASH	87
CASH BALANCE - BEGINNING OF YEAR (PERIOD)	67
CASH BALANCE - END OF YEAR	$ 154
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Issued common shares for services, compensation and conversion of debt.	$ 2,627,800

The accompanying notes are an integral part of these financial statements.

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2002 AND 2001

NOTE 1- ORGANIZATION

Mobilepro Corp formerly Craftclick.com, Inc. was incorporated under the laws of the State of California in January 1999, as BuyIt.com, Inc. ("BuyIt"). From inception through March 31, 1999, the Company engaged in preliminary activities related to the set up of an Internet auction business. On April 16, 1999, the Company entered into an Agreement and Plan of Reorganization ("Plan") with Tecon, Inc. ("Tecon"), a Utah Corporation, wherein all of the outstanding shares and subscriptions of BuyIt were exchanged for 8,500,000 shares (for the outstanding shares of common stock of Tecon, and 245,997 shares (for the outstanding subscriptions) of common stock of Tecon. At the conclusion of all the transactions contemplated in the Plan, BuyIt shareholders and subscribers owned 8,745,997 shares of total outstanding shares of 12,179,249, or 71.9%, The survivor in the aforementioned combination was Tecon. However, the name of the surviving company was changed to BuyIt.com, Inc., simultaneously with the Plan. The combination of these two entities had been accounted for as a purchase. The Company changed its name to Craftclick.com, Inc., on January 4, 2000, as a result of changing its business strategy and focus-which was to become the premier destination for buyers and sellers of arts and crafts products and supplies through the use of Internet websites. However, the Company disposed of substantially all assets in February of 2001 when secured creditors foreclosed on loans to the Company.

In April 2001, Craftclick.com, Inc. reorganized pursuant to a Plan of Merger wherein its domicile was changed from Utah to Delaware, and the common stock was reverse split on the basis of 1 new share for every 100 shares outstanding.

On June 6, 2001, Craftclick.com, Inc. merged with Mobilepro Corp a Delaware corporation as of June 1, 2001. Under the merger agreement, Mobilepro Corp merged into Craftclick.com, Inc. with Craftclick being the surviving corporation and the Certificate of Incorporation and By Laws of Craftclick being the constituent documents of the surviving corporation.

In July 2001, the Company changed its name to Mobilepro Corp. On March 21, 2002 NeoReach, Inc. a Delaware company and Mobilepro entered into an Agreement and Plan of Merger pursuant to which NeoReach, Inc. would become a wholly-owned subsidiary of Mobilepro. The shares were exchanged on April 23, 2002 and the transaction was consummated. NeoReach, Inc. Is a development stage company designing state of the art modem solutions to support third generation (3G) wireless communication systems.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America. The following summarizes the e significant accounting policies:

DEVELOPMENT STAGE COMPANY

Mobilepro Corp is a development stage company. The Company since April 23, 2002 devotes substantially all of its efforts to researching and developing technology for the third generation wireless waves. Before the acquisition of NeoReach, Inc., Mobilepro Corp focused on the integration and marketing of complete mobile information solutions to the business market through strategic partnership with established firms already delivering information technology consulting, wireless service and vertical market application products and services.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management 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 reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid debt instruments and other short- term investments with an initial maturity of three months or less to be cash or cash equivalents.

REVENUE RECOGNITION

Revenue is recognized when earned. For products which the Company sells, revenue is recognized when products are shipped. Customer payments for sales are charged to pre-approved/authorized credit cards. Thus, the sale is not recorded and product not shipped unless collection is determined to be certain. The Company records accounts receivable for the sale proceeds during the period of time between shipping and when cash is posted in the bank.

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2002 AND 2001

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Effective July 14, 2000, the Company adopted the provisions of Statement of Financial Accounting Standards No. 109 (the Statement), Accounting for Income Taxes. The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting bases and tax bases of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled. The cumulative effect of this change in accounting for income taxes as of March 31, 2002 is $0 due to the valuation allowance established as described in Note 3.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported in the balance sheet for cash and cash equivalents, and accounts payable approximate fair value because of the immediate or short-term maturity of these financial instruments.

ADVERTISING COSTS

The Company expenses the costs associated with advertising as incurred. Advertising and promotional expenses were approximately $250,000 and $-0- for the year ended March 31, 2002 and the period July 14, 2000 (Inception) through March 31, 2001, respectively.

FURNITURE AND EQUIPMENT

Furniture and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments. There was no depreciation expense for the year ended March 31, 2002 and the period July 14, 2000 (Inception) through March 31, 2001.

EARNINGS (LOSS) PER SHARE OF COMMON STOCK

Historical net income (loss) per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) includes additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents were not included in the computation of diluted earnings per share when the Company reported a loss because to do so would be antidilutive for periods presented.

The following is a reconciliation of the computation for basic and diluted EPS:

	MARCH 31, 2002	MARCH 31, 2001
Net loss	$(2,898,402)	$(1,009,193)
Weighted-average common shares Outstanding (Basic)	6,462,746	8,750,000
Weighted-average common stock Equivalents		
Stock options	--	--
Warrants	--	--
Weighted-average common shares Outstanding (Diluted)	6,462,746	8,750,000

Options and warrants outstanding to purchase stock were not included in the computation of diluted EPS for March 31, 2002 and 2001 because inclusion would have been antidilutive.

MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2002 AND 2001

NOTE 3- PROVISION FOR INCOME TAXES

The Company did not provide for income taxes in the years ended March 31, 2002 and the period July 14, 2000 (Inception) through March 31, 2001. Additionally, the Company established a valuation allowance equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

At March 31, 2002 and 2001, the deferred tax assets consists of the following:

	2002	2001
Deferred taxes due to net operating loss carryforwards	$ 1,563,018	$ 403,677
Less: Valuation allowance	(1,563,018)	(403,677)
Net deferred tax asset	$ --	$ --

NOTE 4- GOING CONCERN

As shown in the accompanying financial statements the Company has sustained substantial net operating losses for the year ended March 31, 2002 and the period July 14, 2000 (Inception) through March 31, 2001. There is no guarantee that the Company will be able to raise enough capital or generate revenues to sustain its operations.

Management has received a commitment from Cornell Capital Partners, L.P. to provide the Company with up to $10 million in financing under certain conditions (See Note 8).

Additionally, the Company is anticipating that the above financing commitment will be sufficient enough to implement NeoReach, Inc. its subsidiary's Plan.

NOTE 5- STOCKHOLDERS' DEFICIT

The beginning balances reflected as of March 31, 2000 through June 1, 2001 are those of the former company (registrant) Craftclick.com, Inc. On June 6, 2001 Craftclick.com, Inc. and Mobilepro Corp merged under a reverse merger as of June 1, 2001. Upon that merger the stockholders' equity of Mobilepro Corp (a former private company) under a recapitalization, became that equity of the the public entity. Upon the recapitalization, 8,750,000 shares were issued to the former Craftclick.com, Inc.'s stockholders.

Additionally from June 1, 2001 to March 31, 2002 the Company issued 8,216,000 shares for services valued at fair market value. There were 3,025,000 shares issued for conversion of debt. Finally, 330,000 shares were issued because of a special warrant.

The following details the stock transactions after the recapitalization.

COMMON STOCK

On June 1, 2001, the Company issued 3,000,000 shares in a conversion of debt. The issuance of shares were valued at $480,000 (16 cents per share), the fair value of the Company's stock at that time.

On June 1, 2001, the Company issued 2,600,000 shares for services and compensation at a value of $416,000 (16 cents per share), the fair value of the Company's stock at that time.

On August 1, 2001, the Company issued 330,000 shares that were the result of the exercising of warrants. The value of $577,500 ($1.75 per share) was the fair value of the Company's stock at that time.

On September 6, 2001, the Company issued 1,500,000 shares for services at a value of $247,500 (16.5 cents per share), the fair value of the Company's stock at that time.

On October 26, 2001, the Company issued 25,000 shares for services at a value of $1,250 (5 cents per share), the fair value of the Company's stock at that time.

On November 19, 2001, the Company had a 1 for 200 reverse stock split which effectively reduced their issued and outstanding shares 16,677,711. Additionally, on that date the Company issued 3,000,000 shares for services in conjunction with an Investors Rights Agreement at a value of $240,000 (8 cents per share), the fair value of the Company's stock at that time.

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2002 AND 2001

NOTE 5- STOCKHOLDERS' DEFICIT (CONTINUED)

On February 15, 2002, the Company issued 106,000 shares for services at a value of $111,300 ($1.05 per share), the fair value of the Company's stock at that time.

On February 19, 2002, the Company issued 25,000 shares in conversion of a note payable at a value of $26,250 ($1.05 per share), the fair value of the Company's stock at that time.

On March 18, 2002, the Company issued 960,000 shares for services. These shares were issued at 55 cents per share ($528,000) based on a Board Resolution on March 6, 2002.

NOTE 6- LONG-TERM DEBT

In February, 2002, as part of the Company's President's private purchase of stock, the Company entered into two (2) promissory notes of $37,500 each ($75,000 total) with the seller and a related entity to the seller. These notes are due September 1, 2002 at an annual rate of interest on the notes of 5%. Should the Company fail to pay the notes on the due date, interest will be charged at 15%. Interest expense for 2002 was $469.

NOTE 7- DUE TO OFFICER

The President of Mobilepro Corp loaned the Company, net $44,262 in February 2002 to pay certain creditors at 6% interest due on demand. The officer has waived interest until April 2002.

NOTE 8- SUBSEQUENT EVENTS

On April 23, 2002 the Company consummated the purchase of its wholly-owned subsidiary NeoReach, Inc. On March 21, 2002, NeoReach, Inc., a Delaware Company, and Mobilepro Corp entered into the above Agreement and Plan of Merger. NeoReach, Inc. is a development stage company designing state of the art modem solutions to support third generation (3G) wireless communications systems. Mobilepro Corp exchanged 12,352,129 shares of its common stock for this purchase.

NeoReach, Inc. in April 2002 received notice that two of the five filed patent applications relating to its technology innovations have been allowed by the U.S. Patent and Trademark Office and the review process for the other three are still under way.

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MOBILEPRO CORP
(FORMERLY CRAFTCLICK.COM, INC.)
(A DEVELOPMENT STAGE COMPANY)
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2002 AND 2001

NOTE 8- SUBSEQUENT EVENTS (CONTINUED)

The first patent involves intellectual property that can enhance the performance of conventional smart antenna processing technology if used for 3G wireless communications. Using the Neoreach proprietary approach, wireless network operators will be able to provide 3G networks in which subscribers will experience less interference and more stable connections as they move around while using their handsets or personal digital assistants

(PDA's).

The second patent delivers automatic low-cost improvements to the smart antenna processing technology. Using this NeoReach invention, 3G network operators will be able to automatically eliminate potential distortions throughout their full network without having to conduct individual, time-consuming phase calibration of each separate communication channel.

In April 2002, NeoReach, Inc. established a technology alliance with Prime Circuits, Inc. Prime Circuits is a privately-held semiconductor developer based in Greenbelt, MD that specializes in ultra small, ultra low power analog, digital and hybrid chipsets. Prime Circuits' technology is currently in use in a number of NASA applications at Goddard Space Flight Center.

As part of the alliance, NeoReach will gain access to technical knowledge, personnel and low power semiconductor technology that NeoReach believes will greatly expand its digital modem suite. This solution targets the consumer handsets and network transmission base stations to support 3G communications.

On May 10, 2002 the Company announced that Arne Dunhem was appointed the Chairman, President and CEO of Mobilepro Corp. Mr. Dunhem has over 28 years of experience in the growth of high technology companies, especially in the telecommunications field.

On May 31, 2002, the Company entered into an equity line of credit arrangement with Cornell Capital Partners, L.P. The equity line provides generally, that Cornell will purchase up to $10 million of common stock over a two-year period, with the time and amount of such purchases, if any, at the Company's discretion.

There are certain conditions applicable to the Company's ability to draw down on the equity line including the filing and effectiveness of a registration statement registering the resale of all shares of common stock that may be issued to Cornell under the equity line and the Company's adherence with certain covenants.

The Company on May 31, 2002, entered into a Securities Purchase Agreement with certain investors pursuant to which the Company issued and sold $250,000 of convertible debentures. The debentures accrue interest at the rate of four percent (4%) per year. Holders of the debentures have certain registration rights with respect to the resale of shares of common stock received upon any conversion of the debentures.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective June 6, 2002, the Board of Directors of Mobilepro Corp. (the "Company") dismissed its independent auditors, Mantyla, McReynolds & Associates ("Mantyla"), and engaged the services of Bagell, Josephs & Company, L.L.C. ("Bagell"), as its new independent auditors. Bagell will audit the Company's financial statements for the fiscal year ended March 31, 2002.

During the two most recent fiscal years of the Company ended March 31, 2001, and the subsequent interim period through June 6, 2002, there were no disagreements between the Company and Mantyla on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Mantyla's satisfaction, would have caused Mantyla to make reference to the subject matter of the disagreements in connection with its reports; and there were no reportable events described under Item 304(a)(1)(v) of Regulation S-K.

The audit reports of Mantyla on the Company's financial statements as of and for the fiscal years ended March 31, 2000 and 2001 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to uncertainty, audit scope or accounting principles, other than a fourth explanatory paragraph describing going concern contingencies.

During the two most recent fiscal years of the Company ended March 31, 2001, and the subsequent interim period through June 6, 2002, the Company did not consult with Bagell regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Certain information about the directors and executive officers of the Company as of March 31, 2002 is included below.

Name	Age	Position	Director or Officer Since	T
Scott R. Smith	42	Director	June 1, 2001	
Arne Dunhem	52	Treasurer and Director	February 19, 2002	
Daniel Lozinsky	41	President and CEO and Chairman	February 19, 2002	
Kyung (Ken) Min	46	Senior Vice-President of NeoReach, Inc.	February, 2000	

The following describes the business background and the experience of each of the directors and executive officers of the Company:

Mr. Daniel Lozinsky, the President and CEO and Chairman of the Company, was appointed a Director of the Company in February 2002. Daniel Lozinsky has 17 years of management and software development experience with small and large multinational corporations. Mr. Lozinsky was between March 2001 and October 2001 President and CEO of VCmed Inc. a scientific medical start-up company that was attempting to bring to the market Cancer Research technology developed at MIT and Harvard, which allowed for early detection not otherwise available. Mr. Lozinsky was between February 1999 and February 2001working as a business advisor to include public relations firms for international business. Prior to that Mr. Lozinsky was between April 1995 and January 1999 senior

software engineer of AOL, Host Systems internet department, that allowed to meet AOL's growing Internet demands during the highest AOL's growth period between 96 and 99, when the company grew from 4 million to 21 million users. He was working for AOL's MIS (BISY) department between 4/95 - 6/96. Prior to that Mr. Lozinsky was employed as a senior software engineer at Eastman Kodak Corporation in Rochester NY between 9/89 - 4/95. He was an internal software consultant to multiple Kodak's lines of business. Mr. Lozinsky worked on Kodak PhotoCD system that is widely available now and allows scanning film into digital format and printing to paper or CD. He specifically worked for CD writer devices and testing firmware software components that he developed for the system. During those years he worked for Kodak's Mass Memory Division that manufactured and sold optical drives and jukeboxes to commercial companies and government offices. Working as a designer and developer of software and, occasionally as a support engineer, he participated in winning for Kodak and delivering large government contracts to include ADMAPS to US NAVY Printing and Publishing. During that project Mr. Lozinsky worked both in Rochester and at the Navy Technology Pilot Lab at Port Hueneme, Ca. Prior to that, between 8/87 - 9/88, Mr. Lozinsky worked as a programmer analyst for PaineWebber Strategic Technology Department, on the PaineWebber Backup System to the Maine Network at the Weehaken Center in NJ. Prior to that, during 8/85 - 5/87, Mr. Lozinsky worked as a programmer and systems analyst for Merrill Lynch, Real Time Pricing Group that delivers NYSE financial data to different departments of Merrill Lynch. Mr. Lozinsky holds MS/CS from Stevens Institute of Technology in Hoboken NJ, 1/89. He also holds BS/CS from Polytechnic Institute of NY, 1/84.

Mr. Arne Dunhem was appointed a Director and Treasurer of the Company in February 2002. Mr. Dunhem has over twenty-eight years general management and engineering experience with large complex multinational corporations, large international organizations as well as early stage technology companies. He has been instrumental in arranging more than $300 million in investor and vendor financing commitments and is knowledgeable in all aspects of business, management, information systems, network operations and engineering. Between July 2001 and January 2002 Mr. Dunhem was working as a strategic business consultant and was in January 2002 hired by Neoreach, Inc. as its President & CEO. Mr. Dunhem was between November 1998 and June 2001 the President & CEO of erbia, Inc. a long-distance communications company where he took the company from its start-up phase through the sale of the operation to another company. He was working between January 1998 and October 1998 as a strategic business consultant. Prior to this he was between 1993 and September 1997 the Chairman of Tele8 Kontakt AB, a Swedish nationwide start-up wireless operator and also between 1993 and December 1997 the Chairman of Nordiska Tele8 AB of Sweden, a long distance and local telephone service company. Here again, he took the company from its start-up phase through full operation and eventually the sale of the companies. Mr. Dunhem was between September 1989 and April 1990 the Executive Vice President, Engineering & Operations of Comvik Skyport AB, a Swedish telecommunications company providing satellite and data communications services. During the period September 1978 and June 1989 Mr. Dunhem was with INTELSAT, Washington, D.C., an international satellite communications organization in a capacity growing from staff engineer to program manager where he had responsibilities for building-up some of the world's largest command, control and monitoring networks. He has also been with the Saab-Scania corporation and the Swedish Telecom. He has lived in the Washington, D. C. area since 1978.

Mr. Scott R. Smith, a Director of the Company since June 1, 2001, has 20 years experience in the high technology sector, product development, sales, business development and engineering. Mr. Smith has since its founding in October 1997 been with the original Mobilepro Corp. and brings to this company extensive business, sales and technology experience. Mr. Smith was between February 2001 and June 2001 the acting Chief Technology Officer for Agate Technologies, Inc. From 1992 through 1999, he founded two technology product development companies named Parametric Design Associates, Inc. and Level IV Technology, Ltd. providing product development, prototyping, tooling, project management and process consulting services to major technology companies.. From 1989 to 1992 he was

Regional Director of Sales and Technology for Rand Worldwide and was primarily responsible for developing a midwest presence for the company by establishing anchor accounts and building a sales and technical support team. Prior to that Mr. Smith worked for several major technology companies, including Motorola Automotive, Parametric Technology Corp., Intergraph Corp. and Allen-Bradley Co.

On Feb. 26, 2002, Mr. Scott R. Smith, a director of the Company since June 1, 2001 and a director as of March 31, 2002, filed a petition for personal bankruptcy in the U.S. Bankruptcy Court for the Northern District of Illinois, Western Division.

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Mr. Kyung (Ken) Min, Senior Vice President, New Technologies of NeoReach, Inc. is a seasoned professional with twenty years of experience in the cellular and digital communications industries, Ken has specialized in the areas of business development, marketing, systems integration and engineering. Ken has had extensive experience in designing and marketing emerging technologies including GSM, CDMA, PCS, W-CDMA, Pico cells, and satellite communications. During his eleven years between May 1981 and June 1992 with Motorola, the Senior Product Manager of the Cellular Business Marketing and Sales unit developed wireless devices, including base stations, and formed strategic alliances to ensure product market entry on-time and within budget. Min spent more than three years between July 1992 and December 1995 as the General Manager for Telecommunications R&D at Samsung Electronics, heading the development of IS-95 CDMA, followed between January 1996 and June 1998 by a successful directorship of the PCS unit at Hyundai Electronics where Min managed two hundred engineers and technical marketing staff. Min represented Samsung and Hyundai in the CDMA Development Group (CDG) steering committee from 1994-1998. Min served between October 1998 and February 2000 with Hughes Network Systems as the Technical Director for mobile satellite projects with responsibilities for project management and system integration. As the founder in February 2000 of NeoReach, Min now serves in a capacity where he can most effectively capitalize on his experience in engineering and business development. Min earned his Master of Engineering at the Institution of Illinois Technology and holds a bachelor's degree in Computer Science from the University of Illinois.

Our Board of Directors, as of March 31, 2002, consisted of Messrs. Lozinsky, Dunhem and Smith listed above.

Subsequent to the period covered under this report, Mr. Smith, on April 1, 2002, resigned from the Board of Directors of the Company. His position has currently not been filled on the Board.

SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than 10% of the Company's common stock, to file with the Securities and Exchange Commission ("SEC") the initial reports of ownership and reports of changes in ownership of the common stock. Officers, directors and greater than 10% stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file. The Company has received Form 4, Statement of Changes of Beneficial Ownership of Securities from Messrs. Daniel Lozinsky (one group of transactions), Arne Dunhem (one group of transactions) and Scott Smith (three transactions); each of whom had failed to file such form on a timely basis.

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ITEM 10. EXECUTIVE COMPENSATION

The following table reflects compensation paid to our mostly highly compensated executive officers and directors for the year ended March 31, 2002.

	Annual Compensation				Long Term Compensat Awards	
Name And Principal Position	For Fiscal Year Ended March 31,	Salary ($)	Bonus ($)	Other ($)	Restricted Stock Awards ($)	Securities Underlying Options SARS (#)
Daniel Lozinsky	2002	$ 0	$ 0	$ 0	$ 0	0
CEO/Chairman	2001	$ 0	$ 0	$ 0	$ 0	0
	2000	$ 0	$ 0	$ 0	$ 0	0
Arne Dunhem	2002	$ 0	$ 0	$ 0	$ 0	0
Director	2001	$ 0	$ 0	$ 0	$ 0	0
	2000	$ 0	$ 0	$ 0	$ 0	0
Scott Smith	2002	$ 53,652	$ 0	$ 0	$ 0	0
Director & former CEO	2001(2)	$ 218,750	$ 0	$ 0	$ 0	0
	2000	$ 0	$ 0	$ 0	$ 0	0
Ken Min (3)	2002	$ 0	$ 0	$ 0	$ 0	0
	2001	$ 0	$ 0	$ 0	$ 0	0
Executive Officer (NeoReach)	2000	$ 0	$ 0	$ 0	$ 0	0

Notes:

(1) All of the amounts listed in this column paid paid to directors and officiers in the form of stock. The amounts listed are the fair market value of the stock on the date of the grant.

(2) The compensation for the period ended 3/31/2001 was earned while Mr. Smith was an employee of MobilePro Corp, a private company, prior to its reverse merger dated June 6, 2002. This amount was accrued and Mr. Smith took no cash payments for salary while at MobilePro Corp, a private company. On February of 2002 in connection with the Stock Purchase Agreement with Mr. Daniel Lozinsky and Dungavel, Inc., and in connection with another Stock Purchase Agreement with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith, Mr. Smith forgave the payment of this accrued amount. Part of the compensation Mr. Smith received for his forgiveness of the accrued salary was 25,000 shares of the Company's common stock, valued on the date of issuance at $26,250. This amount is included in the All Other Compensation column of this table. As of 3/31/2002, the Company does not owe Mr. Smith any accrued salary amount.

(3) Ken Min is an Executive Officer of the wholly owned subsidiary NeoReach, Inc. upon the merger that was consummated on April 23, 2002.

No other person makes over $100,000 per year.

COMPENSATION OF DIRECTORS

We do not currently compensate directors in cash for any services provided as a director. Persons who are directors and employees have been additionally compensated for their services as a director in the form of common stock of the Company. There is no formal plan in place for compensation of persons who are directors who are not employees of the Company, but it is expected that in the future we will create a formal remuneration and reimbursement plan.

OTHER COMPENSATION ARRANGEMENTS

On December 4, 2001, we registered 1,000,000 shares of our common stock in an S-8 filing with the Securities and Exchange Commission as part of the 2001 Equity Performance Plan. In March 2002, we issued 355,000 shares of the Company's common stock to Mr. Arne Dunhem, 255,000 shares of the Company's common stock to Mr. Daniel Lozinsky, and 25,000 shares of the Company's common stock to Mr. Scott Smith for compensation as officers and directors. In June 2001, we issued 250,000 to Mr. Scott Smith and 50,000 to Mr. Howard Geisler, Mr. Mitchell Geisler, and Ms. Cindy Roach for compensation as officers and directors (See "RECENT SALES OF SECURITIES").

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ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

PRINCIPAL STOCKHOLDERS

The following table sets forth, as of July 11, 2002, the name and shareholdings, including options to acquire our Common Stock, of each person who owns of record, or was known by the us to own beneficially, 5% or more of the shares of the Common Stock currently issued and outstanding; the name and shareholdings, including options to acquire the Common Stock, of each director; and the shareholdings of all executive officers and directors as a group. The address of each of the individuals listed below is the address of the Company.

		Beneficial Ownership (1)		
Name and Address	Common Stock	Common Stock Options (2)	Series A Preferred Stock (3)	Total (
Daniel Lozinsky (6) 3204 Tower Oaks Blvd. #350 Rockville, MD 20852	6,618,694	--	--	6,618,6
Arne Dunhem (7) 3204 Tower Oaks Blvd. #350 Rockville, MD 20852	2,601,244	210,519	--	2,811,7
Ken Min (8) 3204 Tower Oaks Blvd. #350 Rockville, MD 20852	2,833,156	--	--	2,833,1
Scott Smith (9) 1240 Alexandra Blvd Chrystal Lake, IL 60014	533,455	--	--	533,4
Cornell Capital				

Partners (10) 101 Hudson Street, Ste 3606 Jersey City, NJ 07302	764,706	--	--	764,7
Dungavel, Inc. (11) c/o Valdy Administration, British Colonial Center of Commerce, One Bay Street, 3rd Floor, P.O. Box N-7115, Nassau, Bahamas	333,552	--	--	333,5
All Others (12)	4,317,128	2,996,887	35,378	7,314,1
All executive officers and directors as a group (4 persons) (13)	12,586,549	210,519	--	12,797,0
Total	18,001,935	3,207,406	35,378	21,209,5

(1) Unless otherwise indicated, the Company believes that all persons named in the table have sole voting and investment power with respect to all shares of Common Stock beneficially owned by them. A person is considered to be the beneficial owner of securities that can be acquired by that person within 60 days of July 11, 2002 upon the exercise of warrants or option or the conversion of convertible securities.

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(2) Options to purchase shares of Common Stock that are presently or will become exercisable within 60 days.

(3) Each share of Series A Preferred Stock is convertible without additional consideration into one two-hundredth of a share of Common Stock, subject to adjustment for stock splits, stock dividends and other recapitalizations and reorganizations. As of July 11, 2002, the 35,378 shares of Series A preferred stock is currently convertible into 177 shares of Common Stock, subject to the issuance of additional fractional shares for rounding purposes. The holders of the Series A Preferred Stock and Common Stock vote together as a single class on all matters presented for the vote of the Company's stockholders. Each preferred stockholder may cast a number of votes equal to the number of shares of Common Stock issuable upon conversion of his or her preferred stock.

(4) Assumes that the beneficial owners' shares of Series A Preferred Stock have been converted into Common Stock, and warrants to purchase shares of Common Stock have been exercised.

(5) Each beneficial owner's percent ownership is determined by assuming that options or warrants that are held by that person (but not those held by any other person) and which are exercisable within 60 days have been exercised and that shares of Series A Preferred Stock that are held by that person (but not those held by any other person) have been converted into Common Stock.

(6) Includes shares owned by Mr. Daniel Lozinsky. Mr. Lozinsky is currently a Director of the Company. His address is c/o MobilePro Corp. 3204 Tower Oaks Blvd. Suite 350, Rockville, MD 20852.

(7) Includes, owned by Mr. Arne Dunhem, the following: 2,601,244 shares, 210,519 options vested and excercisable within 60 days, and 210,518 non-vested options. Mr. Dunhem is currently a Director of the Company. His address is c/o MobilePro Corp. 3204 Tower Oaks Blvd. Suite 350, Rockville, MD 20852.

(8) Includes 2,833,152 shares owned by Mr. Ken Min. Mr. Min is currently an executive officer of the Company. His address is c/o MobilePro Corp. 3204 Tower Oaks Blvd. Suite 350, Rockville, MD 20852.

(9) Includes the following shares owned by Mr. Scott Smith and Mrs. Joann Smith: (i) 33,455 shares of Common Stock owned directly by Scott Smith; (ii) 500,000 shares of Common Stock owned directly by Joann Smith. Mr. Scott was the President, Chief Executive Officer and Chairman of the Board of Directors of the Company and, as of July 11, 2002, is currently a Executive Vice President of the Company. Joann Smith is the wife of Scott Smith. Their address is 1240 Alexandra Blvd., Crystal Lake, IL 60014.

(10) Cornell Capital Partners, LLP is a New Jersey-based domestic investment fund. They use a variety of funding techniques, including both convertible instruments and equity lines of credit (also known as Private Investments in Public Equities or PIPEs) in making direct investments in small-to-midsized publicly traded companies in emerging markets. Mark A. Angelo is its President. Their address is 101 Hudson St. Suite 3606, Jersey City, NJ 07302. All investment decisions of Cornell Capital Partners are made by its general partner, Yorkville Advisors, LLC. Mark A. Angelo, the managing member of Yorkville Advisors, LLC, makes the investment decisions as a control person on behalf of Yorkville Advisors.

(11) The Company believes that Rob Landau is the control person of Dungavel, Inc. based on the Company's and the Company's representatives' interaction with Landau and Dungavel. Dungavel is a Bahamian company whose address is Dungavel Inc., c/o Valdy Administration, British Colonial Center of Commerce, One Bay Street, 3rd Floor, P.O. Box N-7115, Nassau, Bahamas. Their telephone is 242-326-3248. Boris Stein is the Authorized Signer.

(12) As of July 11, 2002, the common stock options column in this row includes 1) options to employees convertible into 2,302,443 shares of the Company's common stock, and 2) options to convert a $250,000 note payable into the Company's common shares based on a price of 120% of the closing bid price as quoted on the Nasdaq Bulletin Board System. As of July 11, 2002, the note can be converted into 694,444 shares of the company's common stock.

(13) As of July 11, 2002, executive officers and directors include Daniel Lozinsky, Arne Dunhem, Ken Min, and Scott Smith.

There are currently 2,723,480 outstanding options to purchase shares of our stock, of which 2,512,962 are currently vested and excercisable within 60 days.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the period ended March 31, 2000, Mr. Peter Yollin, a shareholder and officer, the Chairman & CEO of the Company, received advances of $13,000. These secured advances were eliminated as part of winding up the website business.

Mr. Howard Geisler, a former secretary and director of the Company, during the period January 2001 through May 2001 provided our office space on a gratis basis.

The Company sold its investment of 450,706 shares of Popmail.com to meet its financial obligations in the quarter ended September 30, 2000. The shares were "Restricted" under Rule 144. The stock was sold to Stephen C.Wolfe, being an investor and creditor, a related party at the time of the sale, for $74,650. The loss of $425,350 was charged to the Income Statement during the period ended September 30, 2000. $225,353 of the loss was due to market value decline during the holding period. The market value of the stock at the date of sale was $366,156.

In connection with the merger effective June 1, 2001, between MobilePro and Craftclick, a significant shareholder, Dungavel, Inc. was issued 250,000 shares of the Company's common stock. Also in connection with the merger, ZDG Investments Ltd., a Toronto investment company, was issued 1,475,000 shares of the Company's common stock. The stock was given for services rendered with regard to the merger. The Company believes that Rob Landau is the control person of Dungavel, Inc. Mr. Landau is also the president of ZDG Investments Ltd. The fair market value of the shares given to Dungavel and ZDG were expensed in the amounts of $40,000 and $236,000, respectively.

Also in connection with the merger effective June 1, 2001, between MobilePro and Craftclick, a significant shareholder, Dungavel, Inc. converted a $50,000 note payable plus accrued interest into 3,000,000 shares of common stock of the Company. The note payable was originally issued by MobilePro prior to the merger into the public entity. The fair market value of the issued stock was $480,000. The difference between the face value of the note and its accrued interest was expensed in the period.

In February of 2002, Mr. Daniel Lozinsky, the President of the Company loaned the Company a net amount of $44,262 to pay certain creditors at 6% interest due on demand. The officer has waived interest until April 2002.

INVESTORS RIGHTS AGREEMENT

On June 6, 2001, CraftClick.Com, Inc. a Delaware corporation ("CraftClick"), and Mobilepro Corp., a Delaware corporation ("Mobilepro"), entered into an Agreement and Plan of Merger dated as of June 1, 2001 ("Merger Agreement"). Under the Merger Agreement Mobilepro merged with and into CraftClick, with CraftClick being the surviving corporation and the certificate of incorporation and bylaws of CraftClick being the constituent documents of the surviving corporation ("Merger").

In connection with the Merger, Mr. Scott R. Smith was appointed as a director of CraftClick by the existing board of directors. After the appointment, Mr. Mitchell Geisler and Ms. Cindy Roach, two of the then current directors of CraftClick, Inc. resigned. Mr. Smith was appointed the President and Chief Executive Officer and Chairman and Mr. Howard Geisler was appointed the secretary of CraftClick.

In connection with the Merger, CraftClick issued to Ms. Joann M. Smith an aggregate of 8,227,663 shares of common stock representing approximately 55% of the 14,907,196 issued and outstanding shares of common stock of CraftClick immediately after the Merger. Ms. Smith is the wife of Mr. Scott R. Smith, the President, Chief Executive Officer and Chairman of CraftClick after the Merger. Ms. Smith will be the single largest stockholder of CraftClick after the Merger.

To obtain the support for the Merger and the Merger Agreement from the largest stockholder of CraftClick prior to the Merger, CraftClick entered into an Investor Rights Agreement ("Investor Rights Agreement") with Dungavel, Inc. simultaneously with the Merger Agreement. The Investor Rights Agreement provides a number of rights to Dungavel, including:

- The right to have a person of its selection as a director of the company, who currently is Mr. Howard Geisler, and a limit of three persons as the size of the board of directors;

- Limitations on the issuances of securities of the company representing more than 2.5% of the outstanding common stock in any transaction in a three month period at less than the greater of the market price or $1.00 per share for cash or for no cash consideration;

- Limitations on the creation of any class of securities that has the right to elect any directors, to receive any dividends or to have the securities registered for public resale, unless approved by Dungavel;

- Limitations on the ability of the company to merge, combine or consolidate with another entity, repurchase any common stock of the company, recapitalize the common stock to reduce the number of shares outstanding, or declare a stock split or stock dividend without the consent of Dungavel; or if no consent is given by Dungavel and the company proceeds with the transaction, then the company must issue 3,000,000 post-transaction shares of common stock (or their equivalent) to Dungavel; and

- The right to request information about the company in addition to publicly disclosed information.

Although the above rights are granted to Dungavel and may be exercised within its sole discretion, Dungavel believes that these above rights will benefit all stockholders. The above rights last for five years after the Merger or, in some instances, only so long as Dungavel owns at least 2.5% of the issued and outstanding common stock or the right to acquire 2.5% of the issued and outstanding common stock

In addition, the Investor Rights Agreement provides for registration rights for common stock owned by Dungavel, and the right of first refusal and tag along rights in the event Mr. Smith or his wife sell any of their shares of common stock in a private transaction. Mr. and Ms. Smith have agreed that they will also vote any shares of common stock, over which they have voting control, in favor of the person Dungavel selects as its director nominee.

On November 19, 2001, the Company implemented a 200 for 1 reverse stock split, which resulted in 84,492 shares outstanding. Concurrent with the reverse stock split and as required pursuant to the Investor Rights Agreement, the Company issued 3,000,000 new shares of common stock to Dungavel, Inc., an investor in the Company.

On February 19, 2002, the Company entered into a Stock Purchase Agreement with Mr. Daniel Lozinsky and Dungavel, Inc., and another Stock Purchase Agreement with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith. Dungavel, Inc., Ms. Joann Smith and Mr. Scott Smith were all significant stockholders of the Company at the time. Pursuant to these two stock purchase agreements, this Investors Rights Agreement was terminated.

NEOREACH PURCHASE AGREEMENT

On February 19, 2002, the Company entered into a Stock Purchase Agreement with Mr. Daniel Lozinsky and Dungavel, Inc., and another Stock Purchase Agreement with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith. Dungavel, Inc., Ms. Joann Smith and Mr. Scott Smith were all significant stockholders of the Company at the time. Pursuant to these two stock purchase agreements, Mr. Lozinsky became the majority shareholder of MobilePro.

Subsequent to but in connection with the Stock Purchase Agreements, on March 21, 2002, Neoreach, Inc., a Delaware company and Mobilepro entered into an Agreement and Plan of Merger pursuant to which a newly formed, wholly-owned subsidiary of Mobilepro would merge into Neoreach, in a tax-free one-for-one stock exchange transaction. The merger was consummated on April 23, 2002. Mr Daniel Lozinsky and Mr. Arne Dunhem, both members of the Company's Board of Directors, were both significant shareholders and members of the Board of Directors of Neoreach, Inc., holding approximately 32.5% and 18.5% of Neoreach's common stock, respectively.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

a) Exhibits

2.1 Articles of Merger of CraftClick.com, Inc. (a Utah corporation) and CraftClick.com, Inc. (a Delaware corporation) (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on May 11, 2001 (File No. 333-60726)

2.2 Plan of Merger of CraftClick.com, Inc. (a Utah corporation) with and into CraftClick.com, Inc. (a Delaware corporation) (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on May 11, 2001 (File No. 333-60726)

3.1 Certificate of Incorporation of CraftClick.com, Inc. (a Delaware corporation) (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on May 11, 2001 (File No. 333-60726)

3.2 By-Laws of CraftClick.com, Inc. (a Delaware corporation) (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on May 11, 2001 (File No. 333-60726)

3.3 Certificate of Amendment of Certificate of Incorporation of Mobilepro Corp (a Delaware corporation) (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on December 4, 2001 (File No.

333-74492)

4.1 2001 Performance Equity Plan (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on May 11, 2001 (File No.

333-60726)

4.2 2001 Equity Performance Plan (incorporated by reference to the Company's Form S-8 Registration Statement as filed with the Securities and Exchange Commission on December 4, 2001 (File No.

333-74492)

10.1 Agreement and Plan of Merger dated as of June 1, 2001, between CraftClick.Com, Inc. a Delaware corporation, and Mobilepro Corp., a Delaware corporation, (incorporated by reference to the

Company's Form 8-K Current Report as filed with the Securities and Exchange Commission on June 20, 2001 (File No. 002-97869-D)

10.2 Stock Purchase Agreement dated February 19, 2002 with Mr. Daniel Lozinsky and Dungavel, Inc., and another Stock Purchase Agreement dated February 19, 2002 with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith. Dungavel, Inc. (incorporated by reference to the Company's Form 8-K Current Report as filed with the Securities and Exchange Commission on March 6, 2002 (File No. 002-97869-D)

10.3 Agreement and Plan of Merger dated March 21, 2002, consummated April 23, 2002, between Neoreach, Inc., a Delaware company and Mobilepro. (incorporated by reference to the Company's Form 8-K Current Report as filed with the Securities and Exchange Commission on April 5, 2002 (File No. 002-97869-D)

10.4 Confidentiality and Non-disclosure Agreement dated April 9, 2002 between NeoReach, Inc. a Delaware corporation and Prime Circuits, Inc.

23. Consent letter from Bagell, Josephs & Company, L.L.C. CPA, dated October 4, 2002

b) Reports on Form 8-K

During the fourth quarter of the fiscal year ended March 31, 2001 we filed the following reports on Form 8-K with the Securities and Exchange Commission:

The Company filed a Current Report on Form 8-K dated February 23, 2001 with the Securities and Exchange Commission on March 7, 2001. The Current Report was regarding that the Company sold substantially all of its assets to a group of California entrepreneurs (the "Group") in exchange for the forgiveness of outstanding secured loans made by the Group to the Company totaling $546,000 plus accrued interest of $9,625 and a payment of $77,275 to substantially redeem all of the Company's current obligations.

The Company filed a Current Report on Form 8-K dated March 27, 2001 with the Securities and Exchange Commission on March 28, 2001. The Current Report was regarding the change of control of the Company, contracted on March 16, 2001 and consummated on March 27, 2001, to Dungavel, Inc., a Bahamian company, from Metropolitan Capital Partners LLC, arising from the private sale of the outstanding stock of the Company representing greater than 50% of the voting control of the Company.

Subsequent to March 31, 2001 we filed the following report on Form 8-K with the

Securities and Exchange Commission:

On June 6, 2001, we reported that CraftClick.Com, Inc. a Delaware corporation ("CraftClick"), and Mobilepro Corp., a Delaware corporation ("Mobilepro"), entered into an Agreement and Plan of Merger dated as of June 1, 2001 ("Merger Agreement"). Under the Merger Agreement Mobilepro merged with and into CraftClick, with CraftClick being the surviving corporation and the certificate of incorporation and bylaws of CraftClick being the constituent documents of the surviving corporation ("Merger").

In connection with the Merger, Mr. Scott R. Smith was appointed as a director of CraftClick by the existing board of directors. After the appointment, Mr. Mitchell Geisler and Ms. Cindy Roach, two of the then current directors of CraftClick, Inc. resigned. Mr. Smith was appointed the President and Chief Executive Officer and Chairman and Mr. Howard Geisler was appointed the secretary of CraftClick.

In connection with the Merger, CraftClick issued to Ms. Joann M. Smith an aggregate of 8,227,663 shares of common stock representing approximately 55% of the 14,907,196 issued and outstanding shares of common stock of CraftClick immediately after the Merger. Ms. Smith is the wife of Mr. Scott R. Smith, the President, Chief Executive Officer and Chairman of CraftClick after the Merger. Ms. Smith will be the single largest stockholder of CraftClick after the Merger.

On August 8, 2001, we filed an amended 8-K to include the pre-merger audited financials of Mobilepro Corp.

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The Company filed a Current Report on Form 8-K dated February 19, 2002 with the Securities and Exchange Commission on March 6, 2002. The Current Report was regarding a change of control of registrant. On February 19, 2002, the Company entered into a Stock Purchase Agreement with Mr. Daniel Lozinsky and Dungavel, Inc., and another Stock Purchase Agreement with Mr. Daniel Lozinsky, Ms. Joann Smith and Mr. Scott Smith. Dungavel, Inc., Ms. Joann Smith and Mr. Scott Smith were all significant stockholders of the Company at the time. Pursuant to these two stock purchase agreements, Mr. Lozinsky, an accredited investor, paid $160,000 in cash out of his own personal funds and assumed the Company's debt of approximately $25,000 in order to acquire an aggregate of 2,057,733 shares of our Common Stock, representing approximately 64.7% of the Company's voting securities. On February 28, 2002, Mr. Scott Smith resigned as the President, CEO and Chairman of the Company, and Mr. Lozinsky became the President and CEO of the Company.

Subsequent to the period of this report, the Company filed a Current Report on Form 8-K dated April 5, 2002 with the Securities and Exchange Commission on March 21, 2002. On March 21, 2002, Mobilepro entered into an Agreement and Plan of Merger with NeoReach, Inc., a private Delaware company, pursuant to which a newly-formed, wholly-owned subsidiary of Mobilepro merged into NeoReach in a tax-free transaction. NeoReach is a development stage company designing state of the art modem solutions to support third generation (3G) wireless communications systems. The merger was consummated on April 23, 2002. As a result of the merger, NeoReach is now a wholly-owned subsidiary of Mobilepro. On April 23, 2002, the Company issued 12,352,129 shares of its common stock in a one-for-one tax-free stock exchange to the holders of NeoReach's common stock pursuant to the Agreement. This was a cash-less transaction and there were no payments or finder's fees involved. The Board of Directors determined the consideration to be a fair compensation to the NeoReach shareholders. The issuance of the shares were valued at a fair value of $ 6,546,628, based on the last trading price of

$0.53 and assuming there was actual active trading of our stock at that time. The Company believes the issuance of the stock to be exempt from registration under Section 4(2) of the Securities Act. The related parties from both the Company and Neoreach were Messrs. Daniel Lozinsky, Arne Dunhem, Scott Smith and Ken Min. Mr. Daniel Lozinsky who was a controlling stockholder of Mobilepro also owned approximately 32.5% of Neoreach.

Mr. Daniel Lozinsky who is a controlling stockholder of Mobilepro also owns approximately 32.5% of Neoreach.

The Company filed a Current Report on Form 8-K dated May 10, 2002 with the Securities and Exchange Commission on June 20, 2002. Effective June 6, 2002, the Board of Directors of Mobilepro Corp. (the "Company") dismissed its independent auditors, Mantyla, McReynolds LLC ("Mantyla"), and engaged the services of Bagell, Josephs & Company, L.L.C. ("Bagell"), as its new independent auditors. Bagell will audit the Company's financial statements for the fiscal year ended March 31, 2002.

During the two most recent fiscal years of the Company ended March 31, 2002, and the subsequent interim period through June 6, 2002, there were no disagreements between the Company and Mantyla on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to Mantyla's satisfaction, would have caused Mantyla to make reference to the subject matter of the disagreements in connection with its reports; and there were no reportable events described under Item 304(a)(1)(v) of Regulation S-K.

The audit reports of Mantyla on the Company's financial statements as of and for the fiscal years ended March 31, 2000 and 2001 did not contain any adverse opinion or disclaimer of opinion, nor were they qualified or modified as to certainty, audit scope or accounting principles, other than a "going concern" disclaimer which applied to the audit reports of Mantyla on the Company's financial statements as of and for the fiscal years ended March 31, 2000 and 2001.

During the two most recent fiscal years of the Company ended March 31, 2001, and the subsequent interim period through June 6, 2002, the Company did not consult with Bagell regarding any of the matters or events set forth in Item 304(a)(2)(i) and (ii) of Regulation S-K.

Also included in the Current Report dated May 10, 2002, on May 13, 2002, the Company announced in a press release that Mr. Daniel Lozinsky had resigned as the President, Chief Executive Officer and Chairman of the Board of the Company and that Mr. Arne Dunhem had been appointed to serve as the President, Chief Executive Officer and Chairman of the Board of the Company, effective as of May 10, 2002. Mr. Lozinsky was also appointed to serve as a Senior Vice President of the Company, effective as of May 10, 2002.

The Company filed an amended Current Report on Form 8-K/A dated May 10, 2002 with the Securities and Exchange Commission on June 25, 2002.

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.

Date: October 3, 2002 MOBILEPRO CORP.

Bys: /s/ Arne Dunhem

Arne Dunhem
President and Chief Executive Officer
(Principal executive and financial 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.

/s/ Arne Dunhem --------------------------- Arne Dunhem	Chief Executive Officer and Chairman (Principal executive and financial officer)
/s/ Daniel Lozinsky --------------------------- Daniel Lozinsky	Director