

Edgar Filing: SEAMLESS WI-FI, INC. - Form 10-Q/A

SEAMLESS WI-FI, INC.  
Form 10-Q/A  
May 20, 2008

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

FORM 10-Q/A

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

For the quarterly period ended March 31, 2008

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

Commission File Number: 000-20259

SEAMLESS WI-FI, INC.  
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(Exact name of small business issuer as specified in its charter)

Nevada  
-----

(State or other jurisdiction of  
incorporation or organization)

33-0845463  
-----

(IRS Employer  
Identification No.)

800 N. Rainbow Blvd., Ste. 200, Las Vegas, NV 89109  
-----

(Address of principal executive offices)

(775) 588-2387  
-----

(Issuer's telephone number)

N/A  
---

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

Indicate by check mark whether the registrant (1) filed all reports required to  
be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months  
(or for such shorter period that the Registrant was required to file such  
reports) and (2) has been subject to such filing requirements for the past 90  
days. YES  NO

Indicate by checkmark whether the registrant is a large accelerated filer, an  
accelerated filer, a non-accelerated filer, or a smaller reporting company.  
See the definitions of "large accelerated filer," "accelerated filer" and  
"smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer   
Accelerated Filer  Smaller Reporting Company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) YES [ ] NO [X]

### APPLICABLE ONLY TO REGISTRANTS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. [ ]

### APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. 29,290,963 as of April 25, 2008

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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

ASSETS	March 31, 2008 (unaudited)	June 30, 2007
	-----	-----
Current assets		
Cash	\$ 2,210	\$ 15,181
Accounts Receivable	112,030	124,077
Notes receivable-related parties (Net of Allowance \$334,703)	2,669,865	--
Accrued interest receivable	474,967	236,132
	-----	-----
Total current assets	3,259,072	375,390
Property and equipment (net of accumulated depreciation \$68,133)	29,867	51,158
Technology	2,702,438	1,968,991
Employee advance	0	22,319
Notes receivable - related parties (net of allowance \$334,703)	0	2,493,153
Restricted cash	0	75,000
Security deposit	21,561	6,600
	-----	-----
TOTAL ASSETS	\$ 6,012,938	\$ 4,992,611
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,242,035	\$ 239,226
Payroll taxes	42,824	96,706
Judgments payable	361,054	361,054
Other current liabilities	15,738	828,000
Payable to officer	89,381	--
Investment payable	47,000	50,000
	-----	-----
Total current liabilities	1,798,032	1,574,986
	-----	-----
Commitments and contingencies (See Note 7)		
Stockholders' equity		
Preferred A stock, par value \$0.001, 4,000,000 shares and 10,000,000 shares authorized at March 31, 2008 and June 30, 2007, 713,132 shares and 498,914 shares issued and outstanding at March 31, 2008 and June 30, 2007	713	498
Preferred B stock, par value \$0.001, 1,000,000 and 10,000,000 shares authorized at March 31, 2008 and June 30, 2007 0 shares issued and outstanding	--	--

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Preferred C stock, par value \$0.001, 5,000,000 shares authorized at March 31, 2008 and June 30, 2007, 3,300,000 shares and 300,000 shares issued and outstanding at March 31, 2008 and June 30, 2007	3,300	300
Common stock, par value \$0.001, 10,990,000,000 shares and 11,000,000 shares authorized at March 31, 2008 and June 30, 2007, 19,690,963 shares and 4,847,202. shares issued and outstanding at March 31, 2008 and June 30, 2007	19,691	4,847
Additional paid-in capital	25,888,585	22,199,508
Stock subscription receivable	(1,340,750)	--
Accumulated deficit	(20,256,633)	(18,687,528)
	-----	-----
Total stockholders' equity	4,314,906	3,517,625
Less: Treasury stock at cost	(100,000)	(100,000)
	-----	-----
Adjusted stockholders' equity	4,214,906	3,417,625
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 6,012,938	\$ 4,992,611
	=====	=====

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

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SEAMLESS WI-FI, INC.  
f/k/a ALPHA WIRELESS BROADBAND, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE THREE AND NINE MONTHS ENDED MARCH 31,  
(unaudited)

	3 Months		9 Mo
	2008	2007	2008
	-----	-----	-----
Revenues	\$ 7,449	\$ 9,350	\$ 19,000
Cost of revenues	23,726	42,900	39,103
	-----	-----	-----
Gross Income (Loss)	(16,277)	(33,550)	(20,103)
	-----	-----	-----
Expenses:			
Selling, general and admin.	338,917	184,389	748,357
Consulting	385,993	129,243	503,600
Interest	--	95,838	6,864
Legal	360,000	92,492	488,076
Officer Payroll	63,000	101,549	389,000
Finance	--	58,333	--
Bad Debt Expense	--	9,162	--
Depreciation and amortization	8,036	7,937	24,041
	-----	-----	-----
Total Expenses	1,155,946	678,943	2,159,938
	-----	-----	-----

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(Loss) from operations	(1,172,223)	(712,493)	(2,180,041)
Other income			
Cancellation of indebtedness	12,119	250,454	871,221
Interest	79,287	50,586	238,835
Other	--	56	1,440
	-----	-----	-----
Income (Loss) before income taxes	(1,080,817)	(411,397)	(1,068,545)
Income taxes (benefit) (note 6)	--	--	--
	-----	-----	-----
Net Income (Loss)	\$ (1,080,817)	\$ (411,397)	\$ (1,068,545)
	=====	=====	=====
Preferred C stock dividends-deemed	--	--	(500,000)
	-----	-----	-----
Net loss available to common stockholders	\$ (1,080,817)	\$ (411,397)	\$ (1,568,545)
	=====	=====	=====
Basic and Diluted income (loss) per common shares	\$ (0.09)	\$ (3.08)	\$ (0.18)
	=====	=====	=====
Weighted average basic and diluted common shares	12,072,783	133,751	8,643,901
	=====	=====	=====

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

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SEAMLESS WI-FI, INC.  
f/k/a ALPHA WIRELESS BROADBAND, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED MARCH 31,  
(unaudited)

	2008	2007
	-----	-----
Cash flows used in operating activities		
Net income (loss) from continuing operations	\$ (1,068,545)	\$ (1,616,521)
Adjustments to reconcile net loss to used by operating activities:		
Depreciation and amortization	24,041	23,812
Cancellation of indebtedness	(871,221)	(465,737)
Issuance of common stock for services	539,743	184,050
Issuance of common stock for payment of financing costs	--	--
Issuance of preferred C stock for payment of expense	2,485	--
Interest expense	6,864	208,638
Financing cost	--	148,333
Bad debt expense	--	67,573
Prepaid legal	--	(5,000)
Changes in operating assets and liabilities		
Accounts receivable	12,047	(201,289)
Accrued interest receivable	(238,835)	(71,570)
Security deposits	(14,961)	--
Accounts payable	1,025,317	(469,150)

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Accrued expense	--	211,000
Payroll taxes payable	(53,882)	(65,170)
Other current liabilities	46,840	63,638
Payable to officer	111,140	45,458
Restricted cash - Escrow	75,000	--
Interest payable	--	--
	-----	-----
Net cash used by operating activities	(403,967)	(1,941,935)
	-----	-----
Cash flows used in investing activities:		
Intangible assets	--	(865,045)
Technology	(689,108)	(50,000)
Investments	(2,750)	88
Advances to related party	(169,265)	(1,244,953)
	-----	-----
Net cash used in investing activities	(861,123)	(2,159,910)
	-----	-----
Cash flows from financing activities		
Proceeds for additional paid in capital	362,119	--
Net proceeds from preferred C stock issuance	890,000	--
Increase in long term debt	--	4,109,569
Repayment of note payable	--	(66,833)
Repayment of related party advances	--	(19,468)
Purchase of treasury stock	--	(5,000)
	-----	-----
Net cash provided by financing activities	1,252,119	4,018,268
	-----	-----
Increase (decrease) in cash	(12,971)	(83,577)
Cash at beginning of period	15,181	94,342
	-----	-----
Cash at end of period	\$ 2,210	\$ 10,765
	=====	=====

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

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SEAMLESS WI-FI, INC.  
f/k/a ALPHA WIRELESS BROADBAND, INC  
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS  
FOR THE NINE MONTHS ENDED MARCH 31,  
(unaudited)

	2008	2007
	-----	-----
Cash paid for:		
Interest	\$ --	\$ --
Taxes	\$ --	\$ --
Noncash investing, and financing activities		
Common stock issued for services	\$ 52,575	\$ 160,050

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Preferred C stock issued for officer's compensation	\$ 200,000	--
Preferred C stock issued for deemed dividend	\$ 500,000	--
Preferred C stock issued for stock subscription receivable	\$ 200,000	--
Additional paid in capital recorded for third party payments	\$ 64,592	--
Common stock issued for employees' services	\$ 18,750	--
Common stock issued for conversion of preferred A stock and settling operating expenses	--	\$ 24,000
Common stock issued for conversion of preferred A stock	\$2,028,456	\$2,392,992
Common stock issued as collateral	\$ 10,750	--
Preferred C stock issued as collateral	\$1,200,000	--
Stock option issued for services	\$ 268,418	--

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

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SEAMLESS WI-FI, INC.  
f/k/a ALPHA WIRELESS BROADBAND, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

NOTE 1: ORGANIZATION AND OPERATIONS

Prior to December 31, 1997, Seamless Wi-Fi, Inc ("The Company") formerly known as Alpha Wireless Broadband, Inc. "the Company" was in the food product manufacturing business and formerly known as International Food and Beverage, Inc. In November 1998, new stockholders bought majority control from the previous Chief Executive Officer through a private transaction. Immediately thereafter, the former CEO resigned and the new stockholders assumed the executive management positions. In December 1998, after new management was in place, a decision was made to change the Company's principal line of business from manufacturing to high technology. The Company changed its name from International Food & Beverage, Inc. to Internet Business's International, Inc., and reincorporated the Company on December 8, 1998 in the state of Nevada. During April of 1999, the Company announced the opening of its first e-commerce site and engaged in the development, operation and marketing of a number of commercial web sites. The Company's subsidiaries consisted of: Lending on Line (providing real estate loans and equipment leasing), Internet Service Provider (providing national Internet access dial-up service, wireless high speed Internet, and Internet web design and hosting), E. Commerce (providing Auction sites), and Direct Marketing (providing direct marketing of long distance phone service, computers with Internet access, and Internet web design hosting). The Company ceased operations during the fiscal year ended June 30, 2003. During the fiscal year ended June 30, 2004, the Company changed its name to Alpha Wireless Broadband, Inc, and started a new wireless operation through it's wholly owned subsidiary Skyy-Fi, Inc a Nevada Corporation. Skyy-Fi began providing access to the Internet, by installing equipment in locations such as hotels and coffee shops for use by their patrons for a fee or free basis. These locations are commonly known as Wi-Fi Hotspots. The Company has 36 Wi-Fi locations.

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

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

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subsidiary from Skyy-Fi, Inc. to Seamless Skyy-Fi, Inc.

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

### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

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

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#### UNAUDITED FINANCIAL STATEMENTS

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

The operating results for the six-month period ended March 31, 2008 are not necessarily indicative of the results that may be expected for the year ended June 30, 2008. These unaudited consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-KSB for the year ended June 30, 2007.

#### RECLASSIFICATIONS

Certain reclassifications have been made in the 2007 financial statements to conform to the 2008 presentation. These reclassifications did not have any effect on net income (loss) or shareholders' equity.

#### USE OF ESTIMATES

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

#### CASH AND CASH EQUIVALENTS

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

#### ACCOUNTS RECEIVABLE



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

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### PROPERTY AND EQUIPMENT

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

### INVESTMENTS

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

### PROPRIETARY SOFTWARE IN DEVELOPMENT

In accordance with SFAS No. 86, accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed Software ("FAS 86"), the Company has capitalized certain computer software development costs upon the establishment of technological feasibility. Technological feasibility is considered to have occurred upon completion of a detailed program design which has been confirmed by documenting and tracing the detailed program design to product specifications. Amortization is provided based on the greater of the ratios that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product. The estimated useful life for the straight-line method is determined to be 2 to 5 years. For nine months ended March 31, 2008, there was no amortization for the capitalized costs.

### REVENUE RECOGNITION

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

### ADVERTISING EXPENSE

All advertising costs are expensed when incurred. Advertising costs were \$115,659 and \$58,022 for the nine months ended March 31, 2008 and 2007, respectively.

### CONCENTRATION OF CREDIT RISK

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

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### INCOME TAXES

The Company accounts for income taxes under the asset and liability approach of reporting for income taxes. Deferred taxes are recorded based upon the tax impact of items affecting financial reporting and tax filings in different periods. A valuation allowance is provided against net deferred tax assets where the Company determines realization is not currently judged to be more likely than not. The Company and its 80% or more owned U.S. subsidiaries file a consolidated federal income tax return.

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### EARNINGS (LOSS) PER SHARE ("EPS")

Basic EPS is computed by dividing income (loss) by the weighted average number of common shares outstanding for the period. Diluted EPS is computed giving effect to all dilutive potential common shares that were outstanding during the period. Dilutive potential common shares consist of incremental shares issuable upon conversion of preferred stock outstanding. At March 31, 2008, Series A Preferred shares are convertible to 7,131,320,000 common shares and Series C Preferred shares are convertible to 165,000,000 common shares. Because the convertible preferred shares have an anti-dilutive effect, there is no difference between basic and diluted earnings per share.

### STOCK BASED COMPENSATION

The Company has elected to early adoption of SFAS 123R which requires all share based payments to officers, directors, and employees, including stock options to be recognized as a cost in the financial statements based on their fair values. The Company accounts for stock based grants issued to non-employees at fair value in accordance with SFAS 123 and EITF 96-18 "Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or In Conjunction with Selling, Goods, or Services". There were no options granted during the year ended June 30, 2007. A stock option was issued during the third quarter of year 2008. It is disclosed in Note 5.

### NEW ACCOUNTING PRONOUNCEMENTS

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. ("SFAS") 141 (revised 2007), Business Combinations, which replaces SFAS 141. SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed and the goodwill acquired. SFAS 141R also establishes disclosure requirements that will enable users to evaluate the nature and financial effects of the business combination. SFAS 141R is effective as of the beginning of an entity's fiscal year that begins after December 15, 2008 and will be adopted by the Company in the first quarter of fiscal 2010. While the Company expects that SFAS 141R may have an impact on accounting for business combinations once adopted, the effect is dependent upon acquisitions occurring.

### NOTE 3: GOING CONCERN

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the company as a going concern. The Company has experienced significant losses in recent years. At March 31, 2008 the Company had an accumulated deficit of \$20,256,633.

The Company is actively pursuing additional equity financing through discussions

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with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing. The Company's ability to continue as a going concern is contingent upon its

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ability to secure financing and attain profitable operations. The financial statements do not include any adjustment to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the possible inability of the Company to continue as a going concern.

NOTE 4: RELATED PARTY TRANSACTIONS

The Company has made the following loans and advances to related parties as of March 31, 2008:

		Loan/Advance Balance	Allowance for uncollectible loans/advances	Balance Net
		-----	-----	-----
Accepted Sales	(A)	\$ 338,033		\$ 338,
Carbon Jungle, Inc.	(B)	243,332	\$ 236,543	6,
DK Corp.	(C)	98,160	98,160	
DLR Funding	(D)	891,403		891,
1st Global Financial Service	(E,F)	1,433,640		1,433,
		-----	-----	-----
	Total:	\$3,004,568	\$ 334,703	\$2,669,
		=====	=====	=====

The above interest at annual rates ranges from 6% to 12%. The net balance at March 31, 2008 is \$2,669,865 and it matures in the year ending March 31, 2009.

- (A) Accepted Sales is a division of 1st Global Financial Services noted below.
- (B) The President of the Company is a Director of the Company; the Secretary of the Company is an officer of this Company.
- (C) DK Corp is a business held by David Karst.
- (D) The President of the Company is a stockholder and director of this Company. The Secretary of the Company is an officer and stockholder of this Company.
- (E) The President of the Company is a stockholder and director of this Company. The Secretary of the Company is an officer and stockholder of this Company. A director of 1st Global is paid \$10,000 per month by the Company, which is recorded as a loan receivable by the Company.
- (F) The President of the Company is an officer of this Company.

The Company has recorded interest income on the above for the nine-months ended March 31, 2008 in the amount of \$ 238,834.

NOTE 5: STOCKHOLDER'S EQUITY

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

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

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

500,000 shares of Preferred A stock were issued for pending lending agreement to Antigna.

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During the second quarter ended December 31, 2007 the following shares were issued.

1,200,000 shares of Series C Preferred Stock were issued to Ayuda Funding, LLC and DLR Funding for \$900,000. The shares are convertible to common stock worth \$1,200,000 and \$300,000 was recorded as deemed dividend for beneficiary conversion feature.

200,000 shares of Series C Preferred Stock were issued for \$200,000 as officer's compensation.

400,000 shares of Series C Preferred Stock were issued to Adobe Oil Development Corp. for \$200,000 that is scheduled to be received in the third quarter. The shares are convertible to common stock worth \$400,000 and \$200,000 was recorded as deemed dividend for beneficiary conversion feature.

800,000 common stock shares were issued for \$120,000 as deferred compensation.

135,084 shares of Series A Preferred Stock were converted to 1,350,840 common stock shares.

5,100 common stock shares were converted to 510 shares of Series A Preferred Stock.

125,000 shares of common stock were issued for employees' services at \$18,750.

During the third quarter ended March 31, 2008, the following transactions occurred.

On February 1, 2008, the Company filed a Certificate of Amendment providing for each one thousand shares of the Company's common stock, par value \$0.001 per share, issued and outstanding to be changed into one share of common stock, par value \$0.001 per share of the Company.

The reverse stock split became effective on February 15, 2008 and the Company's new symbol is SMWF.

On February 21, 2008, the Company filed a Certificate of Designation to establish the following regarding the voting powers, designations, preferences, limitations, restrictions and relative rights of the following series of stock.

The Company is authorized to issue 10,990,000,000 shares of common stock, par value \$0.001 per share, 4,000,000 shares of convertible Series A Preferred Stock, par value \$0.001 per share, 1,000,000 shares of convertible Series B Preferred Stock, par value \$0.001 per share, and 5,000,000 shares of convertible Series C Preferred Stock, par value \$0.001 per share.

The par value of Series C Preferred stock was adjusted to additional paid in

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capital in the balance sheet dated June 30, 2007 to reflect the change.

The Board of Directors has the authority to issue such shares of common and/or preferred stock in one or more series, with such voting powers, designations, numbers, preferences and rights or qualifications, limitations, restrictions or other distinguishing characteristics thereof as shall be stated in the resolution or resolutions.

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The Board of Directors has adopted the following resolutions regarding the preferred stock.

**LIQUIDATION RIGHTS.** In the event of any liquidation, dissolution or winding up of the corporation, after setting apart or paying in full the preferential amounts due to holders of senior capital stock, if any, the holders of Series "A" "B" "C" Preferred Stock and parity capital stock, if any, shall be entitled to receive, prior and in preference to any distribution of any of the assets of surplus funds of the corporation to the holders of junior capital stock, including Common Stock, an amount equal to approximately \$1.88 per share.

**DIVIDENDS.** The Preferred Stock shall not be entitled to receive any dividends.

**CONVERSION RIGHTS.** Each share of Series "A" Preferred Stock shall be convertible, at the option of the holder, into 10,000 fully paid and non-assessable shares of the Company's Common Stock. Each share of Series "B" Preferred Stock shall be convertible, at the option of the holder, into 1,000 fully paid and non-assessable shares of the Company's Common Stock. Each share of Series "C" Preferred Stock shall be convertible at the option of the holder, based upon the following formula: one Share of "C" Preferred Stock shall convert into One Dollar worth of fully paid and non-assessable shares of the company's common Stock based upon the most recent 10 day average closing price effective the date of receipt of the conversion request.

**VOTING RIGHTS.** The holders of shares of Preferred Stock shall be entitled to vote on any matters considered and voted upon by the corporation's Common Stock. The holders of the Preferred Stock are entitled to one vote per converted common share.

**MANDATORY REDEMPTION.** There shall be no mandatory redemption.

28,036 shares of Series A Preferred Stock were converted to 9,491,140 shares of common stock.

800,000 common stock shares issued for deferred compensation in the second quarter were cancelled.

500,000 common stock shares were issued to DC Assembly for a production in China as a collateral.

400,000 shares of Series C Preferred Stock were issued to DC Assembly for a production in China as a collateral.

The Company has a funding agreement with Alpha Blue, Inc. to receive up to \$5,000,000. Alpha Blue paid \$240,000 in the third quarter and the Company issued 100,000 shares of Series A preferred Stock.

The Company has a funding agreement with MAKR, Inc. that is to provide a fund up to \$600,000 for a production in China. The Company issued 800,000 shares of Series C Preferred Stock as a collateral.

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Dettman Group was granted an option to purchase 975,000 shares of common stock at a strike price of \$0.01 as a consulting fee. The option was evaluated to be worth \$268,418.

750,000 shares of common stock were issued to Wakabayashi for marketing services.

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400,000 shares of common stock were issued for consulting service.

### NOTE 6: INCOME TAXES

No provision for income taxes has been recorded in the accompanying financial statements as a result of the Company's net operating losses. The Company has unused tax loss carry forwards of approximately \$20,000,000 to offset future taxable income. Such carry forwards expire in the years beginning 2021. The deferred tax asset recorded by the Company as a result of these tax loss carry forwards is approximately \$7,000,000 for both years ended June 30, 2007 and 2006. The Company has reduced the deferred tax asset resulting from its tax loss carry forwards by a valuation allowance of an equal amount as the realization of the deferred tax asset is uncertain. There is no net change in the deferred tax asset and valuation allowance from July 1, 2007 to March 31, 2008.

The Company adopted the provisions of FASB Interpretation ("FIN") No. 48, Accounting for Uncertainty in Income Taxes, on January 1, 2008. The implementation of FIN No. 48 did not have any effect on the financial statements.

### NOTE 7: COMMITMENTS AND CONTINGENCIES

#### LEASE

The Company has entered into lease agreements for an office space which expires on August 31, 2010. The Company rents additional office space in Nevada, on a month to month basis. Rent expense under these leases for the nine months ended March 31, 2008 and 2007 were \$69,972 and \$31,358, respectively. The annual minimum future lease payments required under the Company's operating leases are as follows.

March 31, 2009	\$168,840
March 31, 2010	\$168,840
March 31, 2011	\$ 90,100
	-----
Total	\$427,780
	=====

#### LEGAL PROCEEDINGS

The Company is a party to the following legal proceedings:

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

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In July 2003, Globalist sued the Company and was awarded a judgment plus interest in the amount of approximately \$301,000. The Company appealed the Court's decision and the award amount. In February 2005 the Company reached a settlement agreement with Globalist. However, Globalist later rejected the

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settlement agreement and an appeal was filed in the second quarter with the appellate court by the Company seeking confirmation of the settlement agreement.

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### EMPLOYMENT CONTRACT

The Company has an employment contract with their Chief Executive Officer, Albert Reda that calls for a base salary of \$240,000 for the year ended June 30, 2007 and thereafter, a base salary of \$25,000 a month from July 2007 until its expiration date in June 2012. In the event that the company becomes profitable according to generally accepted accounting principles, the employee's monthly salary shall be increased to \$30,000 for the remainder of the employment term. In addition, the contract includes a bonus that will be determined by the company's Board of Directors.

### NOTE 8: SEGMENT INFORMATION

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

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

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

Information on reportable segments is as follows:

	Three Months ended March 31,	
	2008	2007
Wi-Fi ISP net sales	\$ 7,449	\$ 9,350
Cost of Wi-Fi sales	(23,726)	(42,900)
Cost and expenses	(1,155,946)	(678,943)
Other income	91,406	301,096
	\$ (1,080,817)	\$ (411,397)
	=====	=====
	Nine Months ended March 31,	
	2008	2007
Wi-Fi ISP net sales	\$ 19,000	\$ 30,990
Cost of Wi-Fi sales	(39,103)	(103,484)
Cost and expenses	(2,159,938)	(2,093,480)
Other income	1,111,496	549,452
	-----	-----

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Net loss	\$ (1,068,545)	\$ (1,616,522)
	=====	=====

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

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

#### FORWARD-LOOKING STATEMENTS

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

#### OVERVIEW

Seamless Wi-Fi, Inc has operating subsidiaries: (1) Seamless Skyy-Fi, Inc. which provides wireless Internet access (commonly known as "Wi-Fi") at 30 business locations and is the developer of a Seamless Secure Internet Browser (S-SIB) software program which creates a virtual private network for the Internet user ; (2) Seamless Peer 2 Peer, Inc. which develops and provides a patent pending software program called Phenom(R) that encrypts Internet communications and provides flexible telecom data and voice transport solutions; and (3) Seamless Internet, Inc. which offers high security hosting services for customers of Seamless Peer 2 Peer, Inc. and Seamless Skyy-Fi, Inc. and which is also manufacturing and marketing an ultra mobile personal computer named the S-Gen.

#### RESULTS OF OPERATIONS

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

	Nine Months Ended March 31, 2008 (unaudited)	Nine Months Ended March 31, 2007 (unaudited)
Revenues	\$ 19,000	\$ 30,990
Cost of Revenues	39,103	103,484
(Gross Loss)	(20,103)	(72,484)
Expenses	2,158,938	2,093,480
(Net Loss from Operations)	(2,180,041)	(2,165,974)



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Other Income	1,111,496	549,452
(Loss)	\$(1,068,545)	\$(1,616,522)
Stock Dividend	(500,000)	0
(Net Loss)	\$(1,568,545)	\$(1,616,522)
(Net Loss) Per Share	\$ (0.18)	\$ (12.09)
Weighted Average Common Shares Outstanding	8,643,901	133,751

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NINE MONTHS ENDED MARCH 31, 2008 (UNAUDITED) COMPARED TO NINE MONTHS ENDED MARCH 31, 2007 (UNAUDITED)

REVENUES

Revenues for the nine months ended March 31, 2008 were \$19,000 compared to \$30,990 for the same period in 2007, a decrease of 38 %. This decrease in revenue was the result of eliminating locations that were not profitable thereby decreasing our Cost of Revenue at our Skyy-Fi locations.

COST OF REVENUES

The cost of revenues for the nine months ended March 31, 2008 was \$39,103 compared to \$103,484 for the nine months ended March 31, 2007, a decrease of 62%. The decrease in cost of revenue was the result of eliminating locations that were not profitable thereby decreasing our Cost of Revenue at our Skyy-Fi locations.

OPERATING EXPENSES

Operating expenses increased by approximately 3.2% from \$2,159,938 for the nine months ended March 31, 2008 compared to \$2,093,480 for the nine months ended March 31, 2007. This increase in operating expenses was a result of an increase consulting and marketing costs related to our new product and software programs that occurred during this corresponding period.

OTHER INCOME

Other income for the nine months ended March 31, 2008 of \$1,111,496 increased by 302% compared to other income of \$549,452 for the same period in 2007. During the nine months ended March 31, 2008, cancellation of indebtedness income increased by approximately \$320,000 from the same period in 2007 as a result of the lapse of the statute of limitations on higher debt levels from our prior operations. Interest income increased by approximately \$155,000 during the nine months ended March 31, 2008 versus 2007. The increase is due to higher balances on our notes receivable during the period.

INCOME TAX

No provision for income taxes has been recorded in the accompanying financial statements as a result of our net operating losses. We have unused tax loss

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carry forwards of approximately \$20,256,633 to offset future taxable income. Such carry forwards expire in the years beginning 2022.

### NET INCOME/LOSS

We experienced a reduction in the net loss from operations of \$(1,568,545) for the nine months ended March 31, 2008 as compared to a net loss of \$(1,616,522) for the nine months ended March 31, 2007. The reduction in net loss is primarily from reduced expenses and an increase in the other income for the Quarter. The net loss had a negligible impact on the weighted average shares because of the corresponding increase in the number of the weighed average shares issued and outstanding.

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### LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled \$3,259,072 and \$1,103,833 for March 31, 2008 and 2007, respectively. Net cash used by operations was \$(403,967) for the period ended March 31, 2008 compared to net cash used by operations of \$(1,941,935) for the comparable period ended March 31, 2007.

As a result of our decreases in net operation losses, our working capital deficiency has decreased. We have funded our losses through an equity line of credit secured by preferred stock. Repayments of certain loans occurred by the lender taking possession of the collateral. We anticipate these losses to continue through 2008.

We have a working capital surplus of \$1,461,040 as of March 31, 2008 compared to a working capital deficit of \$(1,277,535) as of March 31, 2007. This is an increase in the working capital surplus and as compared to the working capital deficit from the previous year and we expect this trend to continue to decrease as product development costs continue to decrease and income increases by the sales of our products.

As shown in the accompanying financial statements, we have incurred an accumulated deficit of \$(20,256,633) and a working capital surplus of approximately \$1,461,040 as of March 31, 2008. Our ability to continue as a going concern is dependent on obtaining additional capital and financing and operating at a profitable level. We intend to seek additional capital either through debt or equity offerings and to increase sales volume and operating margins to achieve profitability.

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

### CRITICAL ACCOUNTING ESTIMATES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires our management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. As such, in accordance with the use of accounting principles generally accepted in the United States, our actual

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realized results may differ from management's initial estimates as reported. A summary of our significant accounting policies appears in the notes to the financial statements which are an integral component of this Report.

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### USE OF ESTIMATES

The preparation of our consolidated financial statements are in conformity with United States generally accepted accounting principles which require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### STOCK-BASED COMPENSATION ARRANGEMENTS

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

### INFLATION

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

### NET OPERATING LOSS CARRY FORWARD

No provision for income taxes has been recorded in the accompanying financial statements as a result of our net operating losses. We have unused tax loss carry forwards of approximately \$(20,256,633) to offset future taxable income. Such carry forwards expire in the years beginning 2022.

The deferred tax asset we recorded as a result of these tax loss carry forwards is approximately \$(20,256,633) as of March 31, 2008. We have reduced the deferred tax asset resulting from our tax loss carry forwards by a valuation allowance of an equal amount as the realization of the deferred tax asset is uncertain. The net change in the deferred tax asset and valuation allowance which was \$(18,687,528) as of June 30, 2007 to March 31, 2008 of (\$20,256,633) a decrease of \$1,569,105.

### OFF BALANCE SHEET ARRANGEMENTS

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

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### ITEM 3. CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer (the "Certifying Officers") are responsible for establishing and maintaining disclosure controls and procedures for the Company. The Certifying Officers have designed such

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

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### PART II - OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS

In July 2003, Globalist sued the Company and was awarded a judgment plus interest in the amount of approximately \$301,000. The Company appealed the Court's decision and the award amount. In February 2005 the Company reached a settlement agreement with Globalist. However, Globalist later rejected the settlement agreement and an appeal was filed during the last quarter of 2007 quarter with the appellate court by the Company seeking confirmation of the settlement agreement.

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

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

None.

#### ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

#### ITEM 5. OTHER INFORMATION

On February 1, 2008, the after shareholder approval the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of Nevada (the "Amendment"), providing for each one thousand (1,000) shares of the Company's common stock, par value \$0.001 per share, issued and outstanding shall, automatically and without any action on the part of the respective holders thereof, be combined, converted, and changed into one (1) share of common stock, par value \$0.001 per share of the Company, provided, however, that the Company shall issue no fractions shares of common stock, and fractional shares resulting from the reverse split will be rounded up to the nearest whole share.

The Amendment states that the effective date of the Reverse Split was February 8, 2008. On February 14, 2008, the Company was informed by NASDAQ that the Reverse Split effective date is February 15, 2008, and the Company's new symbol is SMWF.

#### ITEM 6. EXHIBITS

The following Exhibits are filed herein:

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

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SIGNATURES

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

DATED: May 15, 2008

SEAMLESS WI-FI, INC.

/s/ Albert Reda

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By: Albert Reda

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

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