WiFi Wireless, Inc.

Address: 34145 Pacific Coast HWY, Dana Point, CA 92629 Phone: 312-972-3072

# Interim CFO Compilation Report

To the Board of Directors of
WiFi Wireless, Inc.
(A Development Stage Enterprise)
Aliso Viejo, California

I, Rachel Lanham, Interim Chief Financial Officer of Wifi Wireless, Inc., certify the following:

1. **Review:** I have reviewed the accompanying balance sheet of WiFi Wireless, Inc. (a development stage company) as of June 30, 2014 and December 31, 2013 and the related statements of income, shareholders equity, and cash flows for the quarter and three months ended June 30, 2014 and the period from August 28, 1989 (inception) to June 30, 2014 (the "financial statements").

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the financial statements do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the financial statements.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the financial statements fairly present in all material respects the financial condition, financial performance and cash flows of the Company, as of the date of and for the periods presented in the financial statements.

4. **No opinion:** The accompanying financial statements have not been independently audited or reviewed and, accordingly, I do not express an opinion or provide any representation about

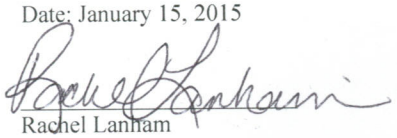
    a. whether the financial statements are in accordance with accounting principles generally accepted in the United States of America (GAAP)

    b. or relating to the establishment and maintenance of controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

5. **Going Concern:** The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in the notes to the financial statements, the Company has suffered losses from operations, which raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

6. I am not independent with respect to these financial statements.

Date: January 15, 2015



Rachel Lanham
Interim Chief Financial Officer

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**BALANCE SHEETS**
**For the Six Months Ended June 30, 2014**
**and the Year Ended December 31, 2013**

**ASSETS**

| | | Six Months Ended 6/30/2014 | | Year Ended 12/31/2013 |
|---|---|---|---|---|
| Current Assets: | | | | |
| Cash and Cash Equivalents | $ | 330 | $ | - |
| Prepaid Expenses | | - | | - |
| Inventory | | 4,551 | | 4,551 |
| Total Current Assets | $ | 4,881 | $ | 4,551 |
| Fixed Assets: | | | | |
| Property and Equipment | | 29,823 | | 29,823 |
| R&D Equipment | | 54,227 | | 54,227 |
| | | 84,050 | | 84,050 |
| Less: Accumulated Depreciation | | (77,432) | | (73,109) |
| Net Fixed Assets | $ | 6,618 | | 10,942 |
| Other Assets: | | | | |
| Security and Other Deposits | $ | 3,915 | $ | 3,915 |
| Organizational Costs | | 10,874 | | 10,874 |
| Accumulated Amortization - Org Costs | | (10,874) | | (10,874) |
| Investments | | - | | - |
| Deferred Income Tax Benefit | | 1,787,712 | | 1,787,712 |
| Allowance for Realization | | (1,787,712) | | (1,787,712) |
| Total Other Assets | $ | 3,915 | $ | 3,915 |
| Total Assets | $ | 15,414 | $ | 19,408 |

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**BALANCE SHEETS**
**For the Six Months Ended June 30, 2014**
**and the Year Ended December 31, 2013**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

| | | Six Months Ended 6/30/2014 | | Year Ended 12/31/2013 |
|---|---|---|---|---|
| Current Liabilities: | | | | |
| Accounts Payable | $ | 494,642 | $ | 407,502 |
| Rent Payable | | - | | - |
| Other Current Liabilities | | 243,313 | | 232,697 |
| Total Current Liabilities | $ | 737,955 | $ | 640,199 |
| Long-Term Liabilities: | | | | |
| Loan from Shareholder | | 156,474 | | 156,474 |
| Note Payable to Shareholder | | 240,227 | | 211,717 |
| Total Long Term Liabilities | $ | 396,701 | $ | 368,191 |
| Total Liabilities | $ | 1,134,656 | $ | 1,008,390 |
| Stockholders' Equity | | | | |
| Common Stock, par value $0.005 per share, 100,000,000 shares authorized, 68,365,466 and 59,350,466 shares issued, 68,365,466 and 59,350,466 shares outstanding, respectively | $ | 1,404,997 | $ | 1,359,992 |
| Treasury Stock, 390,000 shares | | (1,950) | | (1,950) |
| Paid-in-Capital | | 2,911,023 | | 2,911,023 |
| Accumulated Deficit during Development Stage | | (5,433,312) | | (5,257,978) |
| Total Stockholder's Equity | $ | (1,119,242) | $ | (988,982) |
| Total Liabilities & Capital | $ | 15,414 | $ | 19,408 |

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**STATEMENT OF EXPENSES AND ACCUMULATED DEFICIT**
**For the Six Months Ended June 30, 2014**
**and the Period from August 29, 1989 (Inception) to June 30, 2014**

| | Six Months Ended 6/30/2014 | August 29, 1989 (Inception) to 6/30/2014 |
|---|---|---|
| REVENUE | - | - |
| COST OF SALES | $ - | $ - |
| GROSS PROFIT | - | - |
| Research and Development | - | 253,120 |
| SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES: | | |
| Accounting | - | 102,428 |
| Administrative | - | 6,858 |
| Amortization | - | 10,874 |
| Automobile expense | - | 8,571 |
| Bank service charges | - | 4,578 |
| Consulting | 20,800 | 888,498 |
| Depreciation | 2,162 | 77,433 |
| Taxes, licenses and fees | - | 22,948 |
| Insurance | - | 6,854 |
| Interest expense | 5,308 | 259,373 |
| Legal | - | 1,769,365 |
| Marketing | - | 47,624 |
| Membership Fees | - | 3,000 |
| Miscellaneous | - | 9,731 |
| Office supplies and expense | - | 52,804 |
| Office support and expenses | - | 442 |
| Other expenses | - | 2,777 |
| Outside services and other professional | - | 39,370 |
| Postage and delivery | - | 17,489 |
| Rent - facilities | - | 123,852 |
| Rent - equipment | - | 8,562 |
| Repairs and maintenance | - | 9,923 |
| Salaries and wages | - | 61,558 |
| Payroll tax expense | - | 6,186 |
| Telephone | - | 37,164 |
| Travel and entertainment | - | 143,800 |
| Utilities | - | 11,320 |
| Stock-based payments | 40,325 | 1,434,997 |
| Website development | - | 11,812 |
| Total R&D, selling, general and administrative expenses | $ 68,595 | $ 5,433,311 |
| Loss | $ (68,595) | $ (5,433,311) |
| Income tax expense (benefit) | - | - |
| NET LOSS | $ (68,595) | $ (5,433,311) |

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**STATEMENT OF CASH FLOWS**
**For the Six Months Ended June 30, 2014**
**and the Year Ended December 31, 2013**

| | | Six Months Ended 6/30/2014 | | August 29, 1989 (Inception) to 6/30/2014 |
|---|---|---|---|---|
| CASH FLOW FROM OPERATION ACTIVITIES | | | | |
| Net Loss | $ | (68,595) | $ | (5,433,312) |
| ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FLOWS USED FOR OPERATING ACTIVITIES | | | | |
| Depreciation Expense | | 2,162 | | 77,432 |
| Amortization | | - | | 10,874 |
| Allowance for deferred tax benefit | | - | | - |
| Increase in Inventory | | - | | (4,551) |
| Increase in prepaid expenses | | - | | 1 |
| Decrease in accounts payable | | 20,800 | | 515,442 |
| Rent payable | | - | | - |
| Decrease in other current liabilities | | 5,308 | | 243,313 |
| | $ | (40,325) | $ | (4,590,801) |
| NET CASH USED IN OPERATING ACTIVITIES | | | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Office Equipment | | - | | (29,823) |
| R&D Equipment | | - | | (54,227) |
| Increase in security and other deposits | | - | | (3,915) |
| Investments | | - | | - |
| Organization costs | | - | | (10,874) |
| Deferred income tax benefit from accum. Losses | | - | | - |
| NET CASH USED IN INVESTING ACTIVITIES | $ | - | $ | (98,839) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Loan from shareholder | | | | 156,474 |
| Net borrowings from shareholder loan | | - | | 219,427 |
| Stock issued in acquistions | | - | | - |
| Stock-based payments | | 40,325 | | 1,434,997 |
| Allowance for deferred tax benefit | | - | | - |
| Proceeds for the issuance of stock | | - | | 2,879,072 |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | | 40,325 | | 4,689,970 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | - | | 330 |
| CASH AND CASH EQUIVALENTS, Beginning of Period | | 330 | | - |
| CASH AND CASH EQUIVALENTS, End of Period | $ | 330 | $ | 330 |

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**STATEMENTS OF STOCKHOLDERS' EQUITY**
**June 30, 2014**

| | Common Shares Number | Common Shares Amount | Additional Paid-In Capital | Treasury Shares | Accumulated Deficit | Total Stockholders' Equity |
|---|---|---|---|---|---|---|
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (31,452) | (31,452) |
| Balance at 3/31/2012 | **57,250,466** | **$ 1,349,422** | **$ 2,184,008** | **$ (1,950)** | **$ (4,766,941)** | **$ (1,235,461)** |
| Issuance of shares (from xfer agent) | 2,100,000 | $ 10,500 | 727,015 | - | - | 737,515 |
| Net Loss | - | - | - | - | (27,486) | (27,486) |
| Balance at 6/30/2012 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$** | **$ (4,794,428)** | **$ (525,433)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (15,123) | (15,123) |
| Balance at 9/30/2012 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (4,809,551)** | **$ (540,556)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (85,452) | (85,452) |
| Balance at 12/31/2012 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (4,895,002)** | **$ (626,008)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (15,639) | (15,639) |
| Balance at 3/31/2013 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (4,910,642)** | **$ (641,647)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (151,028) | (151,028) |
| Balance at 6/30/2013 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (5,061,670)** | **$ (792,675)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (18,190) | (18,190) |
| Balance at 9/30/2013 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (5,079,860)** | **$ (810,865)** |
| Issuance of shares (from xfer agent) | - | - | - | - | - | - |
| Net Loss | - | - | - | - | (178,118) | (178,118) |
| Balance at 12/31/2013 | **59,350,466** | **$ 1,359,922** | **$ 2,911,022** | **$ (1,950)** | **$ (527,978)** | **$ (988,983)** |
| Issuance of shares (from xfer agent) | 950,000 | 4,750 | - | - | - | 4,750 |
| Net Loss | - | - | - | - | (106,739) | (106,739) |
| Balance at 3/31/2014 | **60,300,466** | **$ 1,364,672** | **$ 2,911,022** | **$ (1,950)** | **$ (5,364,717)** | **$ (1,090,972)** |
| Issuance of shares (from xfer agent) | 8,065,000 | 40,325 | - | - | - | 40,325 |
| Net Loss | - | - | - | - | (68,595) | (68,595) |
| Balance at 6/30/2014 | **68,365,466** | **$ 1,404,997** | **$ 2,911,022** | **$ (1,950)** | **$ (5,433,212)** | **$ (1,119,242)** |

**WiFi WIRELESS, INC.**
**(A Development Stage Enterprise)**
**NOTES TO THE FINANCIAL STATEMENTS**

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### *Nature of Business*

The company was incorporated under the laws of the State of Oregon on August 29, 1989 as Sunburst Resources Inc. The Company's products are developed for use in the military, maritime and commercial markets to be used internationally. WiFi Wireless utilizes GPS (Global Positioning Satellites) for tracking products used in the shipping and transportation industries as well as applications using current UHF frequencies enabling WiFi hardware to provide a greater range of service from the POP ("Point of Presence") versus the conventional wi-fi (802.11) retail space application.

WiFi Wireless, Incorporated provides an expanded network technology to the traditional wi-fi (802.11) system. Currently, wi-fi (802.11) systems are confined to "Hot Spot" locations within a limited radius. WiFi Wireless focuses on "Space-Time" technology applications by using current UHF frequencies that enable WiFi Wireless' hardware to provide 10 miles of service from the POP Point of Presence, rather than the conventional wi-fi (802.11) retail space application. WiFi Wireless utilized a base station antenna with a capacity that will allow up to 25,000 simultaneous users without degradation in performance. Business franchises can now be part of the WiFi Wireless network by providing a POP site in one central location, instead of multiple, costly, small networks at a fraction of the price of current T-Span charges affiliated with standard "Hot Spot" networks.

The Company has a calendar year end for reporting purposes. The Company's website address is www.wifiwirelessinc.net. The Company's principal office location is 65 Enterprise, Aliso Viejo, CA, 92656.

### *Development Stage Company*

The Company is in the development stage as more fully defined in Statement No. 7 of the Financial Accounting Standards Board. The Company is in the business of researching, developing and commercializing new technologies. The Company will be devoting all of its resources to the research, development and commercialization of its technologies.

In a development stage company, management devotes most of its activities to preparing the business for operations. Planned principal activities have not yet begun. The ability of the Company to emerge from the development stage with respect to any planned principal business activity is dependent upon its successful efforts to raise additional equity financing and/or attain profitable operations. There is no guarantee that the company will be able to raise any equity financing or sell any of its products at a profit. There is, therefore, doubt regarding the Company's ability to continue as a going concern.

### *Use of Estimates*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect

the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including those related to the accounts receivable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

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 materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

***Cash and Cash Equivalents***

The Company considers all highly liquid debt instruments with original maturities not exceeding three months to be cash equivalents.

***Property, Equipment and Depreciation***

Property and equipment are recorded at cost. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The Company uses other depreciation methods (generally accepted) for tax purposes where appropriate. Amortization of leasehold improvements is computed using the straight-line method over the shorter of the remaining lease term or the estimated useful lives of the improvements.

The estimated useful lives of property and equipment are as follows:

| | |
|---|---|
| Office Equipment | 3 – 10 years |
| R & D Equipment | 3 – 10 years |

***Long-Lived Assets Including Goodwill and Other Acquired Intangible Assets***

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future undiscounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented.

In accordance with SFAS No. 142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No. 142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be recoverable in accordance with SFAS No. 144, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

***Intangibles***

Intangibles consist of software, including purchased software, and development of new software products and enhancements to existing software products. Until technological feasibility is established, costs associated with software development, including costs associated with the acquisition of intellectual property relating to software development is expensed as incurred. After technological feasibility is established and until the products are available for sale, software development costs are capitalized and amortized over the greater of the amount computed using (a) the ratio that current gross revenue for the product bears to the total of current and anticipated future gross revenue for that product or (b) the straight-line method over the estimated economic life of the product including the period being reported on. The amortization period has been determined as the life of the product, which is three years.

***Revenue Recognition***

As the Company is continuing development of its technologies, no significant revenues have been earned to date. The Company recognizes revenues at the time of delivery of the product to the customers.

***Research and Development costs charged to Expense as Incurred***

Expenditures for research activities relating to product development and improvement are charged to expense as incurred. Such expenditures amounted to $253,120 since inception.

***Stock Issued in Exchange For Services***

The valuation of the common stock issued in exchange for services is valued at an estimated fair market value as determined by the officers and directors for the Company based upon other sales and issuances of the Company's common stock within the same general time period.

***Accounting Standards Codification***

In September 2009, the Financial Accounting Standards Board ("FASB") issued ASC 105, formerly FASB Statement No. 168, the FASB Accounting Standards Codification ("Codification") and the Hierarchy of Generally Accepted Accounting Principles ("GAAP"), a replacement of FASB Statement No. 162 ("SFAS 168"). SFAS 168 establishes the Codification as the single source of authoritative GAAP in the United States, other than rules and interpretive

releases issued by the SEC. The Codification is a reorganization of current GAAP into a topical format that eliminates the current GAAP hierarchy and establishes instead two levels of guidance — authoritative and non-authoritative. All non-grandfathered, non-SEC accounting literature that is not included in the Codification will become non-authoritative. The FASB's primary goal in developing the Codification is to simplify user access to all authoritative GAAP by providing all the authoritative literature related to a particular accounting topic in one place. The Codification was effective for interim and annual periods ending after September 15, 2009. As the Codification was not intended to change or alter existing GAAP, it did not have a material impact on the Company's consolidated financial statements.

***Effect of Recent Accounting Pronouncements***

The Company reviews new accounting standards as issued. No new standards had any material effect on these consolidated financial statements. The accounting pronouncements issued subsequent to the date of these financial statements that were considered significant by management were evaluated for the potential effect on these consolidated financial statements. Management does not believe any of the subsequent pronouncements will have a material effect on these consolidated financial statements as presented and does not anticipate the need for any future restatement of these consolidated financial statements because of the retro-active application of any accounting pronouncements issued subsequent to June 30, 2014 through the date these financial statements were issued.

***Litigation***

The Company may be subject to various claims and pending or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

***Legal Costs***

Legal costs are expensed as incurred.

***Advertising and Promotional Expenses***

Advertising and promotional costs are expensed as incurred.

***General Comment on Contingencies***

Certain conditions may exist as of the date the Financial Statements are issued, which may result in a loss to the company but which will only be resolved when one or more future events occur or fail to occur. The Company's management and its legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived

merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's Financial Statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

## NOTE 2 – GOING CONCERN

WiFi Wireless' financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities and commitments in the normal course of business for the foreseeable future. Since inception in August 1989, WiFi Wireless has accumulated losses aggregating $5,433,212 of which $1,434,997 is related to stock-based payments for services.

Management's plans for WiFi Wireless' continued existence include selling additional stock or borrowing additional funds to pay overhead expenses while current marketing efforts continue to raise its prospects of future sales. There is no guarantee that either of these efforts will be successful in the future.

## NOTE 3 – RELATED PARTY TRANSACTIONS

### *Related Parties Reimburse the Company for Operating Expenses – Loan from Shareholder*

A major shareholder reimburses the Company for certain operating expenses. These expenses generally consist of salaries and related benefits paid to corporate personnel, rent, data processing services, and other corporate facilities costs. The Company provides engineering, marketing, administrative, accounting, information management, legal, and other services during their operations. All amounts paid by the shareholder are recorded under shareholder loans and are payable under the specific terms of the loan. As of June 30, 2014, the amount of shareholder loans payable was $396,701.

### *Patents – Intangible Assets / Affiliated Company*

The Company plans to utilize certain technology patents for use in its operations. These patents are controlled and owned by an affiliated company. The Company is dependent on certain patents from an affiliated company for the development of its products. These patents are pending as of June 30, 2014.

### *Companies under Common Control May Experience Change in Operations*

The Company's majority shareholder also controls other entities whose operations are similar to those of the Company. Although there were no transactions between the Company and these

entities as of June 30, 2014, the majority shareholder is, nevertheless, in a position to influence the sales volume of the company for the benefit of the other entities that are under his control.

## NOTE 4 – INCOME TAXES

Deferred income taxes reflect the tax effect of the temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The components of the net deferred income tax assets are as follows:

| | December 31, 2013 |
|---|---|
| CURRENT | $ -0- |
| DEFERRED | $ 1,787,712 |
| Allowance for realization | $ 1,787,712 |
| Total Deferred Income Tax Benefit | $ -0- |

***Realization of the Deferred Income Tax Asset is Dependent on Generating Future Taxable Income***

**Background**

Deferred tax assets arise when a company's financial statements recognize charges or expenses that, for income tax purposes, will not be allowed as deductions until future periods. For example, when a corporation incurs an expense in its financial statements, such as certain restructuring type charges, that it is not allowed to deduct on its federal tax return until paid in the future, the future tax benefit of that expense is generally recorded in the income statement as a reduction of income tax expense and in the balance sheet as a tax asset. The same general treatment applies to the carry forward of unused net operating losses and unused tax credits. Deferred tax assets are often netted with deferred tax liabilities when presented in the balance sheet and are referred to as net deferred tax assets.

Under FAS 109, Accounting for Income Taxes, a net deferred tax asset may only be carried on the balance sheet at its full value if it is more likely than not that the deductions, losses, or credits giving rise to such deferred tax asset will be used in the future. If the more likely than not test is not met, then a valuation allowance is required to be recorded against the net deferred tax asset. A valuation allowance creates a charge to income tax expense in the income statement and a reduction of an asset on the balance sheet, in the period it is recorded. Common practice would support a determination that a corporation with two or more consecutive years of significant losses is presumed to fail the more likely than not test. Because of the Company's losses in recent years the Company has examined the value of its deferred tax assets and felt it was appropriate to record a valuation allowance against a major portion of them. The valuation allowance essentially reduced the Company's deferred tax asset to zero. The effect was to reverse the benefit of those deferred tax assets that were recorded in prior years' income

statements and balance sheets. Consequently, these tax benefits will be available in the future to reduce our income tax expense when we have positive income to use the tax benefits, or we have sufficient deferred tax liabilities to absorb the tax assets.

Realization of the deferred income tax asset is dependent on generating sufficient taxable income in future years. Although realization is not assured, management believes it is more likely than not that all of the deferred income tax assets will be realized. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income are reduced.

As of December 31, 2013, the Company's net operating loss carry forwards for income tax purposes were approximately $5,257,978. If not utilized, they will start to expire in twenty years or 2026 for federal purposes and ten years or 2016 for state purposes.

## NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Company leases certain business facilities on a month-to-month basis. The Company also rents various equipment on an "as-needed" basis. Current year lease expense for both facilities and equipment are as follows:

| Current Year to Date | Amount |
|---|---|
| Facilities | $ -0- |
| Equipment | -0- |
| TOTAL LEASE EXP | $ -0- |

## NOTE 6 – CHANGE IN SECURITIES

During the period from April 1, 2014 to June 30, 2014 the Company issued 8,065,000 shares of common stock. The Company did not retire any shares of common stock during this period.

As of June 30, 2014, there were 68,365,466 shares of common stock issued and outstanding, of which 16,390,568 shares are restricted and 51,974,898 shares are non-restricted. Total shares authorized are 100,000,000.

## NOTE 7– SUBSEQUENT EVENTS

In the fourth quarter of 2014 the Company purchased a cargo container tracking system by entering into an Asset Purchase Agreement for consideration of 5,000,000 shares of the Company's common stock.

In the fourth quarter of 2014 the Company purchased a VoIP system by entering into an Asset Purchase Agreement for the consideration of 5,000,000 shares of the Company's common stock.

In the fourth quarter of 2014 the Company entered into a Consulting Agreement with a media marketing firm to monetize its ranking on the World Wide Web in the wireless industry.

**INFORMATION AND DISCLOSURE STATEMENT**

**June 30, 2014**

**Certification**

I, Eugene L. Curcio, Chairman of WiFi Wireless, Inc., hereby certify that the unaudited financial statements filed herewith and related footnotes thereto, fairly present, in all material respects, the financial position, results of operations and cash flows for the Quarterly Report ending June 30, 2014, to the best of my knowledge, information and belief, in conformity with accounting principles generally accepted in the United States of America.

S/EUGENE L. CURCIO

Eugene L. Curcio

JANUARY 15, 2015

Date