

WiFi WIRELESS, INC.
(A Development Stage Enterprise)

March 31, 2013

Accountant's Compilation Report

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

We have compiled the accompanying balance sheet of WiFi Wireless, Inc. (a development stage company) as of March 31, 2013 and December 31, 2012 and the related statements of income, shareholders equity, and cash flows for the quarter ended March 31, 2013 and the period from August 28, 1989 (inception) to March 31, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

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.

I am not independent in regards to these financial statements.



Charles R. Close, CPA
C. R. Close & Associates, P.C.
Humble, Texas
May 16, 2013

WiFi WIRELESS, INC.
(A Development Stage Enterprise)
BALANCE SHEETS
For the Three Months Ended March 31, 2013
and the Year Ended December 31, 2012

ASSETS

	Three Months Ended 3/31/2013	Year Ended December 31, 2012
	<hr/>	<hr/>
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ -
Prepaid Expenses	-	-
Inventory	4,551	4,551
	<hr/>	<hr/>
Total Current Assets	\$ 4,551	\$ 4,551
Fixed Assets:		
Property and Equipment	29,823	29,823
R&D Equipment	54,227	54,227
	<hr/>	<hr/>
	\$ 84,050	\$ 84,050
Less: Accumulated Depreciation	(66,624)	(66,624)
	<hr/>	<hr/>
Net Fixed Assets	\$ 17,426	\$ 19,588
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	1,664,301	1,664,301
Allowance for Realization	(1,664,301)	(1,664,301)
	<hr/>	<hr/>
Total Other Assets	\$ 3,915	\$ 3,915
	<hr/>	<hr/>
Total Assets	<u>\$ 25,892</u>	<u>\$ 28,054</u>

See accompanying notes to the financial statements.

WiFi WIRELESS, INC.
(A Development Stage Enterprise)
BALANCE SHEETS
For the Three Months Ended March, 2013
and the Year Ended December 31, 2012

LIABILITIES AND STOCKHOLDERS' EQUITY

	Three Months Ended 3/31/2013	Year Ended December 31, 2012
	<u> </u>	<u> </u>
Current Liabilities:		
Accounts Payable	\$ 93,782	\$ 89,215
Rent Payable	-	-
Other Current Liabilities	<u>216,429</u>	<u>211,518</u>
Total Current Liabilities	\$ 310,211	\$ 300,733
Long-Term Liabilities:		
Loan from Shareholder	156,474	156,474
Note Payable to Shareholder	<u>200,853</u>	<u>196,853</u>
Total Long Term Liabilities	<u>\$ 357,327</u>	<u>\$ 353,327</u>
Total Liabilities	<u>\$ 667,538</u>	<u>\$ 654,060</u>
Stockholders' Equity:		
Common Stock, par value \$0.005 per share, 100,000,000 shares authorized, 59,350,466 and 57,250,466 shares issued, 59,350,466 and 57,250,466 shares outstanding, respectively	\$ 1,359,922	\$ 1,359,922
Treasury Stock, 390,000 shares	(1,950)	(1,950)
Paid-in-Capital	2,911,023	2,911,023
Accumulated Deficit during Development Stage	<u>(4,910,642)</u>	<u>(4,895,002)</u>
Total Stockholders' Equity	<u>\$ (641,646)</u>	<u>\$ (626,007)</u>
Total Liabilities & Capital	<u><u>\$ 25,892</u></u>	<u><u>\$ 28,054</u></u>

See accompanying notes to the financial statements.

WiFi WIRELESS, INC.
(A Development Stage Enterprise)
STATEMENT OF EXPENSES AND ACCUMULATED DEFICIT
For the Three Months Ended March 31, 2013
and the Period from August 29, 1989 (Inception) to March 31, 2013

	Three Months Ended 3/31/2013	Three Months Ended 3/31/2013	August 29, 1989 (Inception) to 3/31/2013
REVENUE	\$ -	\$ -	\$ -
COST OF SALES	<u>-</u>	<u>-</u>	<u>-</u>
GROSS PROFIT	\$ -	\$ -	\$ -
Research and Development	-	-	253,120
SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES:			
Accounting	5,000	5,000	82,428
Administrative	-	-	6,858
Amortization	-	-	10,874
Automobile expense	85	85	3,508
Bank service charges	242	242	3,816
Consulting	-	-	490,991
Depreciation	2,162	2,162	66,625
Taxes, licenses and fees	-	-	18,748
Insurance	-	-	6,854
Interest expense	4,911	4,911	233,202
Legal	-	-	1,769,365
Marketing	-	-	47,013
Membership Fees	-	-	3,000
Miscellaneous	180	180	8,784
Office supplies and expense	60	60	52,425
Office support and expenses	-	-	442
Other expenses	(350)	(350)	2,777
Outside services and other professional	728	728	33,138
Postage and delivery	-	-	17,224
Rent - facilities	2,622	2,622	123,852
Rent - equipment	-	-	8,562
Repairs and maintenance	-	-	9,923
Salaries and wages	-	-	61,558
Payroll tax expense	-	-	6,186
Telephone	-	-	36,018
Travel and entertainment	-	-	141,480
Utilities	-	-	11,320
Stock-based payments	-	-	1,389,922
Website Dev & Software	<u>-</u>	<u>-</u>	<u>10,628</u>
Total R&D, selling, general and administrative expenses	\$ <u>15,639</u>	\$ <u>15,639</u>	\$ <u>4,910,642</u>
Loss	\$ (15,639)	\$ (15,639)	\$ (4,910,642)
Income tax expense (benefit)	<u>-</u>	<u>-</u>	<u>-</u>
NET LOSS	<u>\$ (15,639)</u>	<u>\$ (15,639)</u>	<u>\$ (4,910,642)</u>

See accompanying notes to the financial statements.

WiFi WIRELESS, INC.
(A Development Stage Enterprise)
STATEMENT OF CASH FLOWS
For the Three Months Ended March 31, 2013
and the Period from August 29, 1989 (Inception) to March 31, 2013

	Three Months Ended 3/31/2013	Three Months Ended 3/31/2013	August 29, 1989 (Inception) to 3/31/2013
CASH FLOW FROM OPERATION ACTIVITIES			
Net Loss	\$ (15,639)	\$ (15,639)	\$ (4,910,642)
ADJUSTMENT TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FLOWS USED FOR OPERATING ACTIVITIES			
Depreciation expense	2,162	2,162	66,624
Amortization	-	-	10,874
Allowance for deferred tax benefit	-	-	-
Decrease (Increase) in Inventory	-	-	(4,551)
Decrease (Increase) in prepaid expenses	-	-	1
Increase (Decrease) in accounts payable	4,567	4,567	93,782
Rent payable	-	-	-
Increase (Decrease) in other current liabilities	4,911	4,911	216,429
NET CASH USED IN OPERATING ACTIVITIES	\$ (4,000)	\$ (4,000)	\$ (4,527,482)
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	4,000	4,000	200,853
Stock issued in acquisitions	-	-	-
Stock-based payments	-	-	1,389,922
Allowance for deferred tax benefit	-	-	-
Proceeds from issuance of stock	-	-	2,879,072
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ 4,000	\$ 4,000	\$ 4,626,321
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, Beginning of period	-	-	-
CASH AND CASH EQUIVALENTS, End of Period	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

WiFi WIRELESS, INC.
(A Development Stage Enterprise)
STATEMENTS OF STOCKHOLDERS' EQUITY
December 31, 2012

Balance at 12/31/2010	36,708,466	\$	1,246,712	\$	1,358,620	\$	(1,950)	\$	(3,530,024)	\$	(926,642)
Issuance of shares (from xfer agent)	-		-		-		-		-		-
Net Loss	-		-		-		-		(20,776)		(20,776)
Balance at 3/31/2011	36,708,466	\$	1,246,712	\$	1,358,620	\$	(1,950)	\$	(3,550,800)	\$	(947,418)
Issuance of shares (from xfer agent)	-		-		-		-		-		-
Net Loss	-		-		-		-		(20,446)		(20,446)
Balance at 6/30/2011	36,708,466	\$	1,246,712	\$	1,358,620	\$	(1,950)	\$	(3,571,246)	\$	(967,865)
Issuance of shares (from xfer agent)	-		-		-		-		-		-
Net Loss	-		-		-		-		(36,740)		(36,740)
Balance at 9/30/2011	36,708,466	\$	1,246,712	\$	1,358,620	\$	(1,950)	\$	(3,607,986)	\$	(1,004,605)
Issuance of shares (from xfer agent)	20,542,000		102,710		825,388		-		-		928,098
Net Loss	-		-		-		-		(1,127,503)		(1,127,503)
Balance at 12/31/2011	57,250,466	\$	1,349,422	\$	2,184,008	\$	(1,950)	\$	(4,735,489)	\$	(1,204,010)
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	\$	(1,950)	\$	(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)

See accompanying notes to the financial statements.

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

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NOTES TO THE FINANCIAL STATEMENTS

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.

WiFi WIRELESS, INC.
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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

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NOTES TO THE FINANCIAL STATEMENTS

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 March 31, 2013 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

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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 \$4,910,642 of which \$1,982,799 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 March 31, 2013, the amount of shareholder loans payable was \$357,327.

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 March 31, 2013.

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

WiFi WIRELESS, INC.
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entities as of March 31, 2013, 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:

	<u>December 31, 2012</u>
CURRENT	\$ -0-
DEFERRED	\$ 1,664,301
Allowance for realization	<u>\$ 1,664,301</u>
Total Deferred Income Tax Benefit	<u><u>\$ -0-</u></u>

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

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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, 2012, the Company's net operating loss carry forwards for income tax purposes were approximately \$4,895,002. 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	\$ 2,622
Equipment	<u>-0-</u>
TOTAL LEASE EXP	<u>\$ 10,874</u>

The Company is utilizing, through what is currently a month-to-month rental agreement, a 38-foot tour bus which will be used to market and promote new products and services as they are brought to market. Monthly rental payments have been disbursed thru July 2012. The Company is contemplating a purchase or long term lease of this vehicle, however at this time that transaction has not occurred.

NOTE 6 – CHANGE IN SECURITIES

During the period from January 1, 2013 to March 31, 2013 the Company did not issue any shares of common stock. The Company did not retire any shares of common stock during this period.

As of March 31, 2013, there were 59,350,466 shares of common stock issued and outstanding, of which 13,940,568 shares are restricted and 45,409,898 shares are non-restricted. Total shares authorized are 100,000,000.

INFORMATION AND DISCLOSURE STATEMENT

MARCH 31, 2012

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 Annual Report ending December 31, 2012, 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

May 17, 2013
Date