

WWA GROUP INC
Form 10-Q/A
November 14, 2011

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

FORM 10-Q/A-2

(Mark One)

☐ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **June 30, 2011**.

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

Commission file number: **000-26927**

WWA GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

77-0443643

(I.R.S. Employer
Identification No.)

404 W. Powell Lane, Suite 303-304, Austin, Texas 78753

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(Address of principal executive offices) (Zip Code)

(480) 505-0070

(Registrant's telephone number, including area code)

n/a

(Former name or former address, 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 check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer's common stock, \$0.001 par value (the only class of voting stock), at August 31, 2011, was 22,591,922.

TABLE OF CONTENTS

PART 1- FINANCIAL INFORMATION

Item 1.	<u>Financial Statements:</u>	4
	<u>Consolidated Balance Sheets for</u>	5
	<u>March 31, 2011(unaudited) and December 31, 2010 (audited)</u>	
	<u>Unaudited Consolidated Statements of Income for the</u>	6
	<u>three month periods ended March 31, 2011 and March 31, 2010</u>	
	<u>Unaudited Consolidated Statements of Cash Flows for the</u>	7
	<u>three month periods ended March 31, 2011 and March 31, 2010</u>	
	<u>Notes to Unaudited Consolidated Financial Statements</u>	8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition</u>	16
	<u>and Results of Operations</u>	
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	23
Item 4.	<u>Controls and Procedures</u>	23

PART II-OTHER INFORMATION

Item 1.	<u>Legal Proceedings</u>	24
Item 1A.	<u>Risk Factors</u>	24
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	28
Item 3.	<u>Defaults Upon Senior Securities</u>	28
Item 4.	<u>(Removed and Reserved)</u>	28
Item 5.	<u>Other Information</u>	28
Item 6.	<u>Exhibits</u>	28
	<u>Signatures</u>	29
	<u>Index to Exhibits</u>	30

As used herein the terms WWA Group, we, our, and us refer to WWA Group, Inc., its subsidiaries, and its predecessors, unless context indicates otherwise.

EXPANATORY NOTE

WWA Group's Form 10-Q/A filed on August 31, 2011 (the "Previous Filing") has been amended hereby in its entirety on this Form 10-Q/A-2 (this "Second Amendment") to: (i) add a risk factor pertaining to our going concern and clarify our risk factor pertaining to WWA Group's dialogue with the U.S. Treasury Department's Office of Foreign Assets Control; (ii) add specification to WWA Group's disclosure in the Management's Discussion and Analysis section; (iii) revise our Going Concern subsection; and (iv) restate our financial statements and the notes thereto.

Unless indicated otherwise, the disclosures in this Second Amendment continue to describe conditions as of the date of the Previous Filing, and the disclosures contained herein have not been updated to reflect events, results or developments that have occurred after the Previous Filing, or to modify or update those disclosures affected by subsequent events. Among other things, forward-looking statements made in the Previous Filing have not been revised to reflect events, results or developments that have occurred or facts that have become known to us after the date of the Previous Filing, and such forward-looking statements should be read in their historical context. This Second Amendment should be read in conjunction with WWA Group's filings made with the Securities and Exchange Commission ("Commission") subsequent to the Previous Filing, including any amendments to those filings.

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

In the opinion of management, the accompanying unaudited financial statements included in this Form 10-Q/A-2 reflect all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the results of operations for the periods presented. The results of operations for the periods presented are not necessarily indicative of the results to be expected for the full year.

WWA GROUP, INC.
Consolidated Balance Sheets

As of
June 30, 2011
(Unaudited)

As of
December 31, 2010
(Audited)

Assets

Current assets:

Cash	\$ 1,805	\$ 3,835
Notes receivable	-	2,932,003
Other current assets	264,835	264,835

Total current assets	266,640	3,200,673
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Investment in equity interests	834,369	1,219,219
Notes receivable	1,188,001	-

	\$ 2,289,010	\$ 4,419,892
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Liabilities and Stockholders' Equity

Current liabilities:

Accrued expenses	70,708	92,220
Short Term Debt - Notes Payable	8,169	7,000

Total current liabilities	78,877	99,220
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Long-term debt	-	-
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Total liabilities	78,877	99,220
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Commitments and contingencies	-	-
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Stockholders' equity:

Common stock, \$0.001 par value, 50,000,000 shares
authorized; 22,591,922 shares

issued and outstanding	22,592	22,592
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Additional paid-in capital	4,449,080	4,449,080
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Retained earnings	(2,261,540)	(151,000)
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Total stockholders' equity:	2,210,133	4,320,672
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	\$ 2,289,010	\$ 4,419,892
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See accompanying condensed notes to consolidated reviewed financial statements.

WWA GROUP, INC.
Unaudited Consolidated Statements of Income

	Three months ended June 30		Six months ended June 30	
	2011	2010	2011	2010
		(Restated)		(Restated)
Continuing Operations				
Revenues from commissions and services	\$ -	\$ -	\$ -	\$ 37,762
Revenues from sales of equipment	\$ -	\$ 38,800	\$ -	\$ 39,600
Revenues from Ship Charter	-	-	-	-
Total revenues	-	38,800	-	77,362
Direct costs - commissions and services	-	6,861	-	9,646
Direct costs - sales of equipment	-	35,200	-	36,571
Gross profit	-	(3,261)	-	31,145
Operating expenses:				
General, selling and administrative expenses	8,853	43,803	14,685	87,393
Salaries and wages	-	16,926	-	35,812
Selling expenses	-	265	-	2,702
Depreciation and amortization expense	-	987	-	1,975
Total operating expenses	8,853	61,981	14,685	127,882
(Loss) income from operations	(8,853)	(65,242)	(14,685)	(96,736)
Other income (expense):				
Interest expense	-	(90,608)	-	(165,601)
Impairment of Notes receivables	-	0	(1,711,003)	-
Loss on Equity investment	(384,850)	(48,330)	(384,850)	(43,447)
Interest income	-	0	-	0
Other income (expense)	-	6,500	(2)	(31,263)
Total other income (expense)	(384,850)	(132,438)	(2,095,854)	(240,311)
(Loss) income before income taxes	(393,702)	(197,681)	(2,110,539)	(337,048)
Provision for income taxes	\$ -	\$ -	\$ -	\$ -
Net (Loss) income from continued operations	\$ (393,702)	\$ (197,681)	\$ (2,110,539)	\$ (337,048)
Discontinued operations				
Loss for the period from discontinued operations net of tax	\$ -	\$ 128,717	\$ -	\$ (992,116)
Loss for the period	\$ (393,702)	\$ (68,964)	\$ (2,110,539)	\$ (1,329,164)
Basic earnings per common share				

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Continued Operations	\$	(0.02)	\$	(0.01)	\$	(0.09)	\$	(0.01)
Discontinued Operations	\$	-	\$	0.01	\$	-	\$	(0.04)
Diluted earnings per common share								
Continued Operations	\$	(0.02)	\$	(0.01)	\$	(0.09)	\$	(0.01)
Discontinued Operations	\$	-	\$	0.01	\$	-	\$	(0.04)
Diluted earnings per common share								
Weighted average shares - Basic		22,591,922		22,591,922		22,591,922		22,591,922
Weighted average shares - Diluted		22,591,922		22,591,922		22,591,922		22,591,922

See accompanying condensed notes to consolidated reviewed financial statements.

WWA GROUP, INC.
Unaudited Consolidated Statements of Cash Flow

	For six months ended June 30, 2011	2010 (Restated)
Cash flows from operating activities:		
Net income (loss)	\$ (2,110,539)	\$ (337,048)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	-	1,975
(Gain) loss on equity investment	384,850	43,447
Changes in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	-	11,213
Inventories	-	4,371
Other current assets	-	10,306
Impairment of notes receivable	1,711,003	-
Increase (decrease) in:		
Auction proceeds payable	-	(13,949)
Accounts payable	-	(12,000)
Accrued liabilities	(21,512)	(8,094)
Cash flows from operating activities from discontinued operations	-	(1,470,600)
Net cash provided by (used in) operating activities	(36,199)	(1,770,379)
Cash flows from investing activities:		
(Increase) decrease in note receivable	33,000	(1)
Cash flows from investing activities from discontinued operations	-	(1,005,653)
Net cash provided by (used in) investing activities	33,000	(1,005,654)
Cash flows from financing activities:		
Proceeds from short-term notes payable	1,169	355,238
Proceeds from issuance of common stock	-	(96,400)
Cash flows from financing activities from discontinued operations	-	(1,535,383)
Net cash provided by (used in) financing activities	1,169	(1,276,545)
Net increase (decrease) in cash and cash equivalents	(2,030)	(4,052,578)
Cash and cash equivalents at beginning of year	3,835	8,636,411
Cash and cash equivalents at end of period	\$ 1,805	\$ 4,583,835

See accompanying condensed notes to consolidated reviewed financial statements.

Note A Organization

WWA Group, Inc., ("WWA Group") is a Nevada corporation with operations primarily consisting of developing its subsidiary and assisting in the growth of its investment entity.

Prior to October 31, 2010, WWA Group operated in Jebel Ali, Dubai, United Arab Emirates (U.A.E) under a trade license from the Jebel Ali Free Zone Authority. Operations consisted of auctioning used and new heavy construction equipment, transportation equipment and marine equipment, the majority of which on a consignment basis. On October 31, 2010, WWA Group sold its 100% interest in its wholly owned subsidiaries, World Wide Auctioneers, Ltd, and Crown Investments, Ltd., to Seven International Holdings, Ltd. ("Seven"), a Hong Kong based investment company, for an assumption by Seven of all the assets and liabilities of the World Wide subject to certain exceptions. The disposition did not affect WWA Group's interest in Asset Forum, LLC, its ownership of proprietary on-line auction software, or its equity interest or debt position in Infrastructure Developments Corp. ("Infrastructure") in which it currently holds an unconsolidated 17.75% equity position.

On April 14, 2010, Intelspec International, Inc. ("Intelspec"), our minority owned unconsolidated subsidiary, concluded an share exchange agreement with Infrastructure, a publicly traded company, pursuant to which Intelspec became a subsidiary of Infrastructure. WWA Group acquired an approximately 22% interest in Infrastructure as a result of the transaction. In July 2010, WWA Group sold 4 million shares of Infrastructure at a value of \$320,000 reducing WWA Group's investment to 17.75%.

NOTE B Going Concern

The accompanying consolidated financial statements have been prepared on a going conce