

Edgar Filing: SEAMLESS Corp - Form 10-Q

SEAMLESS Corp  
Form 10-Q  
November 17, 2008

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

FORM 10-Q

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

For the quarterly period ended September 30, 2008

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

Commission File Number: 000-20259

SEAMLESS CORPORATION

-----  
(Exact name of small business issuer as specified in its charter)

Nevada

33-0845463

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(IRS Employer  
Identification No.)

800 N. Rainbow Blvd., Ste. 208, 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)

Check whether the issuer (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 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   
Non-accelerated filer  Smaller reporting company   
(Do not check if a 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

As of October 14, 2008, the number of shares of common stock issued and outstanding was 1,316,821,829

# Edgar Filing: SEAMLESS Corp - Form 10-Q

Transitional Small Business Disclosure Format (check one): Yes [ ] No [X]

## INDEX

	Page Number -----
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements (Unaudited)	
Balance Sheet - September 30, 2008	2
Statements of Operations - For the three months ended September 30, 2008 and 2007	3
Statements of Stockholders' Equity (Deficit) - For the Period July 1, 2006 to September 30, 2008	4
Statements of Cash Flow - For the three months ended September 30, 2008 and 2007	6
Notes to Financial Statements	8
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	17
Item 3. Controls and Procedures	21
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	22
Item 3. Defaults Upon Senior Securities	22
Item 4. Submission of Matters to a Vote of Security Holders	22
Item 5. Other Information	22
Item 6. Exhibits	22
SIGNATURES	23

1

## PART I - FINANCIAL INFORMATION

### ITEM 1. FINANCIAL STATEMENTS

SEAMLESS CORPORATION  
f/k/a/ SEAMLESS WI-FI, INC.  
CONSOLIDATED BALANCE SHEETS

ASSETS

September 30, 2008

Edgar Filing: SEAMLESS Corp - Form 10-Q

	(unaudited)
	-----
Current assets	
Cash	\$ 22,291
Notes receivable-related parties (Net of Allowance \$243,332 at September 30, 2008 and June 30, 2008, respectively)	2,343,000
Inventory	150,000
Accrued interest receivable	639,852
Prepaid license fees	326,664
Other current assets	4,500
	-----
Total current assets	3,486,307
Property and equipment (net of accumulated depreciation of \$43,632 and \$76,169 at September 30, 2008 and June 30, 2008, respectively)	2,378,299
Security deposit	21,561
	-----
TOTAL ASSETS	\$ 5,886,167
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	
Bank overdraft	--
Accounts payable and accrued expenses	1,300,448
Judgments payable	361,054
Other current liabilities	600
Payable to officer	226,028
	-----
Total current liabilities	1,888,130
	-----
Commitments and contingencies (See Note 9)	
Stockholders' equity	
Preferred A stock, par value \$0.001, 4,000,000 shares and 10,000,000 shares authorized at September 30, 2008 and June 30, 2008, 623,812 shares and 692,312 shares issued and outstanding at September 30, 2008 and June 30, 2008	623
Preferred B stock, par value \$0.001, 1,000,000 and 10,000,000 shares authorized at September 30, 2008 and June 30, 2008 0 shares issued and outstanding	--
Preferred C stock, par value \$0.001, 5,000,000 shares authorized at September 30, 2008 and June 30, 2008, 2,600,000 shares and 2,700,000 shares issued and outstanding at September 30, 2008 and June 30, 2008	2,600
Common stock, par value \$0.001, 10,990,000,000 shares and 11,000,000 shares authorized at September 30, 2008 and June 30, 2008, 1,022,890,963 shares and 227,890,963 shares issued and outstanding at September 30, 2008 and June 30, 2008	1,022,891
Additional paid-in capital	25,155,304
Stock subscription receivable	(638,606)
Accumulated deficit	(21,444,775)
	-----
Total stockholders' equity	4,098,037
Less: Treasury stock at cost	(100,000)
	-----
Stockholders' equity	3,998,037
	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 5,886,167
	=====

## Edgar Filing: SEAMLESS Corp - Form 10-Q

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

2

SEAMLESS CORPORATION  
f/k/a/ SEAMLESS WI-FI, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30,  
(unaudited)

	2008	2007
	-----	-----
Revenues	\$ 498	\$ 7,014
Cost of revenues	5,449	14,404
	-----	-----
Gross Income (Loss)	(4,951)	(7,390)
	-----	-----
Expenses:		
Selling, general and admin.	254,922	238,607
Consulting	10,000	70,066
Interest	21	6,864
Legal	--	93,717
Officer Payroll	75,000	63,000
Provision for doubtful notes and accounts	100,000	--
Depreciation and amortization	12,073	7,970
	-----	-----
Total Expenses	452,016	480,224
	-----	-----
(Loss) from operations	(456,967)	(487,614)
Other income		
Cancellation of indebtedness	12,119	848,483
Interest	86,340	79,427
	-----	-----
Income (Loss) before income taxes	(358,508)	440,296
Income taxes (benefit) (note 8)	--	--
	-----	-----
Net Income (Loss)	\$ (358,508)	\$ 440,296
	-----	-----
Preferred C stock dividends-deemed	(405,400)	--
	-----	-----
Net income (loss) available to common stockholders	\$ (763,908)	\$ 440,296
	=====	=====
Basic and Diluted income (loss) per common shares	\$ 0.00	\$ 0.07
	=====	=====
Weighted average basic and diluted common shares	582,151,833	5,933,387
	=====	=====

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

3

Edgar Filing: SEAMLESS Corp - Form 10-Q

SEAMLESS CORPORATION  
f/k/a SEAMLESS WI-FI, INC.  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)  
FOR THE PERIOD JULY 1, 2006 TO SEPTEMBER 30, 2008  
(UNAUDITED)

	COMMON STOCK		CONVERTIBLE PREFERRED	
	(\$0.001 PAR VALUE) SHARES	AMOUNT	SHARES A PAR \$.001	SHARES C PAR \$.001
Balance June 30, 2006	344,927	\$ 345	945,541	300,000
Common stock issued for Services	36,005	36	--	--
Common stock issued for conversion of Preferred A stock to settle operating expenses	5,000	5	(500)	--
Common stock issued for conversion of preferred A stock	4,461,270	4,461	(446,127)	--
Adjustment to additional paid in capital	--	--	--	--
Income for the fiscal year ended June 30, 2007	--	--	--	--
Balance June 30, 2007	4,847,202	\$ 4,847	498,914	300,000
Common stock issued for services	1,275,000	1,275	--	--
Common stock issued for conversion of preferred A stock	221,273,700	221,274	(407,112)	--
Common stock issued as collateral	500,000	500	--	--
Pref A issued for conversion of common stock	(5,100)	(5)	510	--
Preferred A stock issued for pending lending agreement	--	--	600,000	--
Issuance of preferred C stock	--	--	--	600,000
Preferred C stock issued for services	--	--	--	200,000
Preferred C stock issued for subscription receivable	--	--	--	800,000
Preferred C stock issued as collateral	--	--	--	800,000
Adjustment to additional paid in capital	--	--	--	--
Fractional shares due to reverse				

Edgar Filing: SEAMLESS Corp - Form 10-Q

stock split	161	--	--	--
Option issued for service	--	--	--	--
Loss for the fiscal year ended June 30, 2008	--	--	--	--
BALANCE JUNE 30, 2008	227,890,963	\$ 227,891	692,312	2,700,000
Common stock issued for conversion of preferred A stock	775,000,000	\$ 775,000	(77,500)	--
Common stock issued for service	10,000,000	\$ 10,000	--	--
Common stock & preferred A stock issued for conversion of preferred C stock	10,000,000	\$ 10,000	4,000	(50,000)
Pref A issued for conversion of preferred C stock	--	--	5,000	(50,000)
Adjustment to additional paid in capital	--	--	--	--
MAKR paid for Pref C issued in previous year	--	--	--	--
Alpha Blue & MAKR's loan reclassified as investment	--	--	--	--
Loss for the quarter ended September 30, 2008	--	--	--	--
BALANCE SEPTEMBER 30, 2008	1,022,890,963	1,022,891	623,812	2,600,000

(CONTINUED ON NEXT PAGE)

4

SEAMLESS CORPORATION  
f/k/a SEAMLESS WI-FI, INC.  
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) (CONTINUED)  
FOR THE PERIOD JULY 1, 2006 TO SEPTEMBER 30, 2008  
(UNAUDITED)

	DEFERRED COMPENSATION	STOCK SUBSCRIPTION RECEIVABLE	ACCUMULATED (DEFICIT)	TREASURY STOCK
	-----	-----	-----	-----
Balance June 30, 2006	--	--	\$ (21,897,197)	\$100,000
Common stock issued for Services	--	--	--	--
Common stock issued for conversion of Preferred A stock to settle operating expenses	--	--	--	--

Edgar Filing: SEAMLESS Corp - Form 10-Q

Common stock issued for conversion of preferred A stock	--	--	--	--
Adjustment to additional paid in capital	--	--	--	--
Income for the fiscal year ended June 30, 2007	--	--	3,209,669	--
Balance June 30, 2007	\$ --	\$ --	\$ (18,687,528)	\$100,000
Common stock issued for services	--	--	--	--
Common stock issued for conversion of preferred A stock	--	--	--	--
Common stock issued as collateral	--	(10,750)	--	--
Pref A issued for conversion of common stock	--	--	--	--
Preferred A stock issued for pending lending agreement	--	--	--	--
Issuance of preferred C stock	--	--	--	--
Preferred C stock issued for services	--	--	--	--
Preferred C stock issued for subscription receivable	--	(530,000)	--	--
Preferred C stock issued as collateral	--	(800,000)	--	--
Adjustment to additional paid in capital	--	--	--	--
Fractional shares due to reverse stock split	--	--	--	--
Option issued for service	--	--	--	--
Loss for the fiscal year ended June 30, 2008	--	--	(1,993,336)	--
BALANCE JUNE 30, 2008	\$ --	\$ (1,340,750)	\$ (20,680,864)	\$100,000
Common stock issued for conversion of preferred A stock	--	--	--	--
Common stock issued for service	--	--	--	--
Common stock & preferred A stock issued for conversion of preferred C stock	--	--	--	--
Pref A issued for conversion of preferred C stock	--	--	--	--
Adjustment to additional paid in capital	--	--	--	--

Edgar Filing: SEAMLESS Corp - Form 10-Q

MAKR paid for Pref C issued in previous year	--	\$ 702,144	--	--
Alpha Blue & MAKR's loan reclassified as investment	--	--	--	--
Loss for the quarter ended September 30, 2008	--	--	(763,908)	--
	-----	-----	-----	-----
BALANCE SEPTEMBER 30, 2008	--	(638,606)	(21,444,775)	100,000
	=====	=====	=====	=====

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

5

SEAMLESS CORPORATION  
f/k/a/ SEAMLESS WI-FI INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30,  
(unaudited)

	2008	2007
	-----	-----
Cash flows used in operating activities		
Net income (loss)	\$ (358,508)	\$ 440,296
Adjustments to reconcile net loss to used by operating activities:		
Depreciation and amortization	12,073	7,970
Cancellation of indebtedness	(12,119)	(846,983)
Issuance of common stock for services	10,000	--
Interest expense	--	6,864
Provision for doubtful notes and accounts	100,000	--
Changes in operating assets and liabilities		
Accounts receivable	--	12,944
Accrued interest receivable	(86,340)	(79,427)
Other current assets	2,300	--
Security deposits	--	(6,430)
Accounts payable	(63,641)	(1,255)
Payroll taxes payable	--	(15,000)
Other current liabilities	(54,858)	20,268
Payable to officer	51,154	23,739
Restricted cash - Escrow	--	75,000
	-----	-----
Net cash used by operating activities	(399,939)	(362,014)
	-----	-----
Cash flows used in investing activities:		
Technology	--	(145,619)
Investments	--	(2,750)
Advances to related party	--	(174,331)
	-----	-----
Net cash used in investing activities	--	(322,700)
	-----	-----
Cash flows from financing activities		
Proceeds from sale of common stock	28,416	670,000
Proceeds from sale of preferred A stock	100,000	--



## Edgar Filing: SEAMLESS Corp - Form 10-Q

Proceeds from sale of preferred C stock	296,744	
Bank overdraft	(2,930)	--
	-----	-----
Net cash provided by financing activities	422,230	670,000
	-----	-----
Increase (decrease) in cash	22,291	(14,714)
Cash at beginning of period	--	15,181
	-----	-----
Cash at end of period	\$ 22,291	\$ 467
	=====	=====

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

6

SEAMLESS CORPORATION  
f/k/a/ SEAMLESS WI-FI, INC.  
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30,  
(unaudited)

	2008	2007
	-----	-----
Cash paid for:		
Interest	\$ 21	\$ --
Taxes	\$ --	\$ --
Noncash investing, and financing activities		
Deemed dividends recorded for Preferred C stock	\$ 405,400	\$ --
Common stock issued for services	\$ --	\$ 64,590
Preferred A stock issued for conversion of preferred C stock	\$ 50,000	\$ --
Common stock and preferred A stock issued for conversion of preferred C stock	\$ 50,000	\$ --
Common stock issued for conversion of preferred A stock	\$ 1,206,500	\$ 1,108,490

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

7

SEAMLESS CORPORATION  
F/K/A SEAMLESS WI-FI INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

NOTE 1: ORGANIZATION AND OPERATIONS

Prior to December 31, 1997, Seamless Corporation ("The Company") formerly known as Seamless Wi-Fi, 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.

## Edgar Filing: SEAMLESS Corp - Form 10-Q

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 wireless operation through its 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. As of June 30, 2008, Skyy-Fi closed the internet service and tech support for these 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 subsidiary from Skyy-Fi, Inc. to Seamless Skyy-Fi, Inc.

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

In July 2008, the Company changed the name of its subsidiary, Seamless Skyy-Fi, Inc. to Seamless Tek Labs, Inc. The Company's subsidiary, Seamless Peer 2 Peer Inc. became a subsidiary of Seamless Tek Labs, Inc. Both Tek Labs and Peer 2 Peer will concentrate on software development.

8

In July 2008, the Company started a marketing company, Seamless Sales, LLC for all of the products the Company and its subsidiaries produce.

In July 2008, the Company changed its name from Seamless Wi-Fi, Inc. to Seamless Corporation which was approved by the Board of Directors. The Company will concentrate on production of the S-Gen a Pocket Personal Computer, the SNBK-1 a Mini Note Book, and MP3-4 players.

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.

## Edgar Filing: SEAMLESS Corp - Form 10-Q

### UNAUDITED FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements of Seamless Corporation, 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 three-month period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ended June 30, 2009. 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, 2008.

### RECLASSIFICATIONS

Certain reclassifications have been made in the 2008 financial statements to conform to the 2007 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 loans receivable. Actual results could differ from those estimates.

9

### 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

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

### 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 cost and are written down as they become

## Edgar Filing: SEAMLESS Corp - Form 10-Q

uncollectible. See note 6.

### INVENTORY

Inventory is valued at lower of cost (first-in, first out method) or market.

### 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 the quarter ended September 30, 2008 and September 30, 2007, 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 \$66,157 and \$31,027 for the years ended September 30, 2008 and 2007, respectively.

10

### 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.

### 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% of more owned U.S. subsidiaries file a consolidated federal income tax return.

The Company adopted the provision of FASB Interpretation ("FIN") No. 48, Accounting for Uncertainty in Income Taxes, on January 1, 2008.

## Edgar Filing: SEAMLESS Corp - Form 10-Q

### 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 September 30, 2008, Series A Preferred shares are convertible to 6,238,120,000 common shares and Series C Preferred shares are convertible to 2,600,000,000 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 had adopted 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 employee stock options granted during the quarters ended September 30, 2008 and September 30, 2007.

11

### RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

On July 1, 2008, we adopted Financial Accounting Standards Board ("FASB") Statement No. 157, Fair Value Measurements ("SFAS No. 157") for all financial assets and liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. This statement does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information.

Statement of Financial Accounting Standard ("SFAS") No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115, became effective for us on July 1, 2008. SFAS No. 159 gives us the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis with the difference between the carrying value before election of the fair value option and the fair value recorded upon election as an adjustment to beginning retained earnings. We chose not to elect the fair value option.

### NOTE 3: OPERATIONS AND LIQUIDITY

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 September 30, 2008 the Company had an accumulated deficit of \$21,444,775.

The Company is actively pursuing additional equity financing through discussions 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

## Edgar Filing: SEAMLESS Corp - Form 10-Q

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: INVENTORY

Inventory consists of parts and materials held by a manufacturer in China.

12

### NOTE 5: PROPERTY AND EQUIPMENT, AT COST

Property and equipment consists of the following:

	September 30, 2008	June 30, 2008
	-----	-----
Machinery and Equipment	\$ 53,390	\$ 98,001
Technology	2,240,040	2,076,704
Tooling	128,500	128,500
	-----	-----
	2,421,930	2,303,205
Less: Accumulated Depreciation	43,632	76,169
	-----	-----
	2,378,298	2,227,036

Estimated useful life for machinery and equipment is 5 years. The production for tooling and technology is not completed and the estimated useful life is not determined yet.

Depreciation expense for the years ended September 30, 2008 and 2007 was \$12,073 and \$7,970 respectively.

No amortization has been taken on tooling and technology as the production of inventory has not commenced as of September 30, 2008.

\$44,611 of fixed assets was written off as idle equipment during the quarter ended September 30, 2008.

### NOTE 6: RELATED PARTY TRANSACTIONS

The Company had the following loans and advances to related parties:

September 30, 2008

		Loan/Advance Balance	Allowance for uncollectible loans/advances	Balance Net
		-----	-----	-----
Carbon Jungle, Inc.	(A)	243,332	243,332	0
DLR Funding	(B)	900,153	--	900,153
1st Global Financial Service	(C, D)	1,442,847	--	1,442,847

## Edgar Filing: SEAMLESS Corp - Form 10-Q

	-----	-----	-----	-----
Total	\$	2,586,332	\$	243,332
	=====		=====	=====
			\$	2,343,000

The net balance at September 30, 2008 is \$2,343,000 and it matures in the quarter ending March 31, 2009.

13

The Company has recorded interest income on the above for the quarter ended September 30, 2008 and 2007 in the amount of \$86,340 and \$79,427. The above interest at annual rate is 12% for the quarter ended September 30, 2008.

During the quarter ended September 30, 2008, the Company wrote off \$100,000 against DLR Funding's loan as uncollectible.

- A. The President of the Company was a Director of this company; the Secretary of the Company was an officer of this company.
- B. The President of the Company was a stockholder and director of this company. The Secretary of the Company was an officer and stockholder of this company.
- C. The President of the Company was a stockholder and director of this company. The Secretary of the Company was an officer and stockholder of this company. A director of 1st Global was paid \$10,000 per month by the Company, which was recorded as a loan receivable by the Company.
- D. The President of the Company was an officer of this company.

### NOTE 7: STOCKHOLDER'S EQUITY

During the quarter ended September 30, 2008, the following securities were issued.

77,500 shares of Series A Preferred Stock were converted to 775,000,000 shares of common stock.

50,000 shares of Series C Preferred Stock were converted into 10,000,000 shares of common stock and 4000 shares of Series A Preferred Stock.

50,000 shares of Series C Preferred Stock were converted into 5,000 shares of Series A Preferred Stock.

MAKR's stock subscription receivable was \$800,000 at June 30, 2008 and \$296,744 was received in the quarter ended September 30, 2008. At September 30, 2008 the remaining \$97,856 was receivable and \$405,400 was recorded as deemed dividend during the quarter ended September 30, 2008.

During the quarter ended September 30, 2008, Antigua LLC paid \$100,000 for the pending lending agreement for which 500,000 shares of Series A Preferred Stock were issued in the year ended June 30, 2008.

### NOTE 8: 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, 2008 and

## Edgar Filing: SEAMLESS Corp - Form 10-Q

2007. 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, 2008 to September 30, 2008.

14

The Company adopted the provision 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 9: COMMITMENTS AND CONTINGENCIES

#### LEASE

The Company entered into lease agreements for an office space which expires on August 31, 2010 and a server co-location facility which expires on November 2, 2010. The Company rents additional office space in Nevada, on a month to month basis. Rent expense under these leases for the quarters ended September 30, 2008 and 2007 were \$43,351 and \$13,375, respectively. The annual minimum future lease payments required under the Company's operating leases are as follows.

September 30, 2009	\$	168,840
September 30, 2010	\$	164,645
September 30, 2011	\$	9,875
		-----
Total	\$	343,360
		=====

#### LEGAL PROCEEDINGS

The Company is a party to the following legal proceedings:

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

-----

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 in the second quarter with the appellate court by the Company seeking confirmation of the settlement agreement. This liability has been recorded in the accompanying financial statements.

#### EMPLOYMENT CONTRACT

The Company has an employment contract with their Chief Executive Officer, Albert Reda that calls for a base salary of \$300,000 for the year ended June 30, 2008 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 10: 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



## Edgar Filing: SEAMLESS Corp - Form 10-Q

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.

15

The Company is currently a start up business. The Company was providing "Wireless Internet" access at business locations and a developer and provider of a patent pending software, but in the year ended June 30, 2008 the Company closed the internet service and tech support. The Company will concentrate on production of the S-Gen a Pocket Personal Computer, the SNBK-1 a Mini Note Book, and MP3-4 players. The Company did not start commercial production in the first quarter of this fiscal year yet.

Information on reportable segments is as follows

	For the three months ended September 30,	
	2008	2007
	-----	-----
Wi-Fi ISP net sales	\$ 498	\$ 7,014
Cost of Wi-Fi sales	(5,449)	(14,404)
Cost and expenses	(452,016)	(480,224)
Other income	98,459	927,910
	-----	-----
Net income (loss)	\$ (358,508)	\$ 440,296
	=====	=====

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 above. The Company received \$498 in the quarter ended September 30, 2008 from the internet service that was discontinued. And there is no sales yet for the new line of business.

#### NOTE 11: SUBSEQUENT EVENTS

The Company had a settlement agreement with Kelly's Inc. in the quarter ending December 31, 2008. The Company purchased service of designing and manufacturing SXGEN products from Kelly's. Due to the delay of the payment by Seamless, Kelly's decided to terminate this service agreement. In the settlement the Company agreed to pay Kelly's US one hundred fifty thousand dollars. In addition the Company waived all right and claims to the inventory worth \$150,000 and Tooling worth \$128,500.

16

#### 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 of our

## Edgar Filing: SEAMLESS Corp - Form 10-Q

management. 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 CORPORATION is the parent company operating through its subsidiary companies Seamless TEK LABS Incorporated, Seamless TEK WARE Incorporated and Seamless Sales LLC that develop and sell cutting edge technologies: Seamless TEK LABS, Inc., develops secure networking, data communication and transfer solutions, with a focus on Internet Based Communication and Network Security. Seamless new S-SIB(TM) product enables you to seamlessly, securely, and simply surf the Internet at any secured or unsecured Wi-Fi Hot Spot in the world. Seamless Phenom software assures secure wireless connectivity with its Phenom Virtual Internet Extranet software and Secure Private Network (SPN) technology and its integration into unique and secure P2P services and its implementation into other Seamless offerings.

Seamless TEK WARE, Inc.: has developed and is bringing to market the S-Gen(TM) Mobile Computing and Communications Device, the newest contender in the rapidly expanding Ultra Mobile Personal Computer (UMPC) class of minicomputers. The S-Gen takes connectivity to the next level with integrated Cellular, Wi-Fi and Bluetooth connectivity. Seamless has also developed a 10" Mini-Notebook computer possessing a 120 GB Hard Drive and 1GB of ram, high portability combined with true desk top functionality makes the S-NBK1 a powerful tool for the mobile workforce.

Seamless Sales, LLC: will be establishing distributors, wholesalers, store fronts, channel partners and retailers to sell Seamless products to businesses and consumers.

17

### RESULTS OF OPERATIONS

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

	Three Months Ended September 30, 2008 (Unaudited)	Three Months Ended September 30, 2007 (Unaudited)
	-----	-----
Revenues	\$ 498	\$ 7,014
Cost of Revenues	5,449	14,404
	-----	-----
(Gross Loss)	(4,951)	(7,390)
Expenses	452,016	480,224
(Net Loss from Operations)	(456,967)	(487,614)
Other Income	98,459	927,910
Net Income (Loss)	\$ (358,508)	\$ 440,296
(Net Loss)	\$ (358,508)	\$ 440,296

## Edgar Filing: SEAMLESS Corp - Form 10-Q

Preferred C stock dividends—deemed	\$	(405,400)		--
Net Income (Net Loss)	\$	(763,908)	\$	440,296
(Net Loss) Per Share	\$	0.00	\$	(.07)
Weighted Average Common Shares Outstanding		582,151,833		5,933,387

THREE MONTHS ENDED SEPTEMBER 30, 2008 (UNAUDITED) COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2007 (UNAUDITED)

### REVENUES

Revenues for the three months ended September 30, 2008 were \$498 compared to \$7,014 for the same period in 2007, a decrease of 93%. This decrease in revenue was the result of eliminating all the Wi-Fi locations and the revenue for 2008 is from software sales of our S-SIB product.

### COST OF REVENUES

The cost of revenues for the three months ended September 30, 2008 was \$5,449 compared to \$14,404 for the three months ended September 30, 2007, a decrease of 62%. The decrease in cost of revenue was the result of eliminating all Wi-Fi locations thereby decreasing our Cost of Revenue.

### OPERATING EXPENSES

Operating expenses decreased by approximately 6% from \$452,016 for the three months ended September 30, 2008 compared to \$480,224 for the three months ended September 30, 2007. This decrease in operating expenses was a result of decreased consulting and marketing costs related to our new products and software programs that occurred during this corresponding period.

18

### OTHER INCOME

Other income for the three months ended September 30, 2008 decreased to \$98,459 as compared to the other income of \$927,910 for the same period in 2007. Other income consists primarily of debt forgiveness from prior operations due to the fact that certain debts were not paid within the prescribed time as required by law and we now have to report that debt as income and interest due the Company.

### 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 carry forwards of approximately \$21,444,775 to offset future taxable income. Such carry forwards begin to expire in the year 2023.

### NET INCOME/LOSS

We experienced an increase in the net loss of \$(763,908) for the three months ended September 30, 2008 as compared to a net income of \$440,296 for the three months ended September 30, 2007. The increased net loss is primarily from reduced other income. Our Net loss from operations of \$(456,967) for September 30, 2008 is less than the net loss of \$(487,614) for the same period ended September 30, 2007. 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.

### LIQUIDITY AND CAPITAL RESOURCES

## Edgar Filing: SEAMLESS Corp - Form 10-Q

Cash and cash equivalents totaled \$3,486,307 and \$3,643,312 for September 30, 2008 and 2007, respectively. Net cash used by operations was \$(399,939) for the period ended September 30, 2008 compared to net cash used by operations of \$(362,014) for the comparable period ended September 30, 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 \$1,654,291 as of September 30, 2008 compared to a working capital surplus of \$1,461,040 as of September 30, 2007. This is an increase in the working capital surplus and as compared to the working capital surplus from the previous year and we expect this trend to continue to decrease as product development costs continue to increase and income increases by the sales of our products.

As shown in the accompanying financial statements, we have incurred an accumulated deficit of \$(21,444,775) and a working capital surplus of approximately \$1,654,291 as of September 30, 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.

19

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 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.

### 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

## Edgar Filing: SEAMLESS Corp - Form 10-Q

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.

20

### 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 \$(21,444,775) to offset future taxable income. Such carry forwards expire in the years beginning 2023.

The deferred tax asset we recorded as a result of these tax loss carry forwards is approximately \$(21,444,775) as of September 30, 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 \$(20,660,864) as of June 30, 2008 to September 30, 2008 of (\$21,444,775) is an increase in the Net Operating Loss Carry Forward of (\$763,908).

### 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.

### 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 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.

21

## Edgar Filing: SEAMLESS Corp - Form 10-Q

### 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 in the second quarter with the appellate court by the Company seeking confirmation of the settlement agreement. This liability has been recorded in the accompanying financial statements.

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

None.

### ITEM 6. EXHIBITS

The following Exhibits are filed herein:

No.	Title
----	-----
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

22

### SIGNATURES

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

DATED: November 17, 2008

SEAMLESS CORPORTION

/s/ Albert Reda

Edgar Filing: SEAMLESS Corp - Form 10-Q

By: Albert Reda

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