WWA GROUP INC
Form 10-Q
October 27, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

þ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2014**.

o 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 77-0443643

(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

107 W Bridge St, Portland, MI 48313

(Address of principal executive offices) (Zip Code)

(855) 410-8509

(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 þ No o.

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 þ No o.

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 o Accelerated filer o Non-accelerated filer o Smaller reporting company þ

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

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date. As of September 30, 2014, the issuer has 159,503,664 shares of common stock, $0.001 par value, issued and outstanding.

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PART I FINANCIAL INFORMATION

This Quarterly Report includes forward-looking statements within the meaning of the Securities Exchange Act of 1934, as amended (the Exchange Act). These statements are based on management s beliefs and assumptions, and on information currently available to management. Forward-looking statements include the information concerning our possible or assumed future results of operations set forth under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations. Forward-looking statements also include statements in which words such as expect, anticipate, intend, plan, believe, estimate, consider, or similar expressions are used.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties, and assumptions. Our future results and shareholder values may differ materially from those expressed in these forward-looking statements. Readers are cautioned not to put undue reliance on any forward-looking statements.

ITEM 1. -- FINANCIAL STATEMENTS

As used herein, the terms WWA Group , we, our, and us refer to WWA Group, Inc., a Nevada corporation, unless otherwise indicated. The unaudited condensed consolidated financial statements of registrant for the three and nine months ended September 30, 2014 and 2013 follow. The condensed financial statements reflect all adjustments that are, in the opinion of management, necessary to a fair statement of the results for the interim periods presented. All such adjustments are of a normal and recurring nature.

WWA Group, Inc.
Condensed Balance Sheets
(Unaudited)

	September 30, 2014 (Unaudited)	December 31, 2013
ASSETS		
Current assets:		
Cash	$ 35,925	$ 11,214
Accounts Receivable	27,151	32,311
Prepaid Expenses	-	10,500
Other current assets	3,717	4,533
Total current assets	66,793	58,558
Property and Equipment (net)	161,879	169,432
Total Assets	$ **228,672**	$ **227,990**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payables	104,069	78,102
Accrued expenses	156,362	60,574
Convertible notes payable (net)	90,944	65,000
Current portion of long term debt	3,813	6,316
Total current liabilities	355,188	209,992
Long term debt	-	2,337
Total liabilities	$ **355,188**	$ **212,329**
Stockholders' equity:		
Preferred stock, $0.001 par value, 100,000,000 shares authorized 2,000,000 shares issued and outstanding	2,000	-
Common stock, $0.001 par value, 800,000,000 shares authorized; 134,661,742 and 100,000,000 shares respectively issued and outstanding	134,661	100,000
Additional paid-in capital	181,676	154,253
Retained earnings	(331,205)	(124,944)
Recapitalization persuant to reverse acquisition	(113,648)	(113,648)
Total stockholders' equity:	**(126,516)**	**15,661**
	$ 228,672	$ **227,990**

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY

The accompanying notes are integral part of these financials statements.

WWA Group, Inc.
Condensed Statements of Operations
(Unaudited)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Net revenues:				
Revenue from Cable/Internet sales	$ 136,835	$ 202,147	$ 405,708	$ 494,194
Total net revenues	**136,835**	**202,147**	**405,708**	**494,194**
Cost of Goods Sold	**91,095**	**154,284**	**237,088**	**319,523**
Gross Income	**45,740**	**47,863**	**168,620**	**174,671**
Operating expenses:				
General, selling and administrative expenses	59,524	29,001	187,731	111,824
Salaries and wages	32,524	29,134	189,757	82,087
Depreciation	4,142	3,033	11,613	9,078
Total operating expenses	**96,190**	**61,168**	**389,101**	**202,989**
Income (loss) from operations	**(50,450)**	**(13,305)**	**(220,481)**	**(28,318)**
Other income (expense)				
Interest income (expense)	(20,100)	(299)	(51,539)	(299)
Gain (loss) on derivative liability	17,831	-	45,170	-
Other income (expense)	(179)	4,526	20,588	20,327
Total other income (expense)	**(2,448)**	**4,227**	**14,219**	20,028
Income (loss) before income tax	(52,898)	(9,078)	(206,262)	(8,290)
Provision for income taxes			-	-
Net income (loss)	**$ (52,898)**	**$ (9,078)**	**$ (206,262)**	**$ (8,290)**

Basic income (loss) per share	$	-	$	-	$	-	$	-
Diluted income (loss) per share	$	-	$	-	$	-	$	-
Weighted average shares - Basic		129,498,284		99,619,565		120,663,110		99,208,791
Weighted average shares - Diluted		129,498,284		99,619,565		120,663,110		99,208,791

The accompanying notes are integral part of these financials statements.

WWA Group, Inc.
Condensed Statements of Cash Flows
(Unaudited)

	For the Nine Months Ended	
	September 30, 2014	**September 30, 2013**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (206,262)	$ (8,290)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	11,613	9,077
Ammortization of discount	10,444	-
(Gain) Loss on re-measurement of derivative	(45,170)	-
Changes in operating Assets and Liabilities:		
Decrease (increase) in:		
Accounts receivable	5,160	(1,403)
Prepaid Expenses	10,500	-
Other current assets	816	(62,447)
Increase (decrease) in:		
Accounts Payable	25,967	4,178
Accrued Expenses	144,771	(117,382)
Note Payable	-	32,500
Net Cash Provided (Used) in Operating Activities	**(42,161)**	**(143,767)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(4,060)	(412)
Net Cash Provided (Used) by Investing Activities	**(4,060)**	**(412)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long term debt	-	(1,422)
Increase in long term debt	-	11,028
Preferred stock issued for cash	2,000	-
Proceeds from convertible debt	105,500	-
Net Cash Provided by Financing Activities	**107,500**	**9,606**
Long-term debt reclassified to short-term	(8,653)	-
Effect of recapitalization	-	(14,648)
Forgiveness of debt	-	137,253
Convertible debt discount	(15,000)	-
Common stock redeemed for accounts payable	(18,000)	-
Common stock issued for services		18,000

Common stock issued for debt		5,085		-
NET INCREASE IN CASH		24,711		6,032
CASH AT BEGINNING OF PERIOD		11,214		18,422
CASH AT END OF PERIOD	**$**	**35,925**	$	**24,454**

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

WWA GROUP, INC.

Notes to Condensed Financial Statements

September 30, 2014 and 2013

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows at September 30, 2014, and for all periods presented herein, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2013 audited financial statements. The results of operations for the periods ended September 30, 2014 and 2013 are not necessarily indicative of the operating results for the full years.

NOTE 2 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not yet established an ongoing source of revenues sufficient to cover its operating costs and allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease operations.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES

Accounting Basis

The Company s financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. The Company has elected a December 31 fiscal year end.

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 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 from those estimates.

Recent Accounting Pronouncements

The Company has evaluated recent accounting pronouncements and their adoption has not had or is not expected to have a material impact on the Company s financial position, or statements.

NOTE 4 DERIVATIVE LIABILITY

The Company has adopted ASC Topic No. 815-40, in conjunction with its convertible debt, which defines determining whether an instrument (or embedded feature) is solely indexed to an entity s own stock. These debts are convertible at the holder s option at 51% of the average of the lowest three trading prices during the 30 days prior to conversion. The numbers of shares issuable upon conversion of these debts are limited so that the Holder s total beneficial ownership of our common stock may not exceed 4.99% to 9.99% of the total issued and outstanding shares.

NOTE 4 DERIVATIVE LIABILITY (Continued)

The exercise price of these warrants are subject to reset provisions in the event the Company subsequently issues common stock, stock warrants, stock options or convertible debt with a stock price, exercise price or conversion price lower than conversion price of these notes. If these provisions are triggered, the conversion price of the note will be reduced. As a result, the Company has determined that the conversion feature is not considered to be solely indexed to the Company s own stock and is therefore not afforded equity treatment. In accordance with AC 815, the Company has bifurcated the conversion feature of the note and recorded a derivative liability. The Company records the derivative liability on the date of the first option to convert.

ASC 815 requires Company management to assess the fair market value of certain derivatives at each reporting period and recognize any change in the fair market value as another income or expense item. The Company s only asset or liability measured at fair value on a recurring basis is its derivative liability associated with the Company s convertible debt. At September 30, 2014 the Company the balance of the derivative liability was $4,681.

NOTE 5 CONVERTIBLE DEBT

On August 19, 2013, (Note 1), October 7, 2013, (Note 2), March 11, 2014 (Note 3), April 25, 2014 (Note 4) and May 19, 2014 (Note 5) the Company issued promissory notes in the amounts of $32,500, $32,500, $15,000, $53,000, and $37,500 respectively, to an unrelated party, at an interest rate of 8%, with an option to convert the outstanding balances into shares of the Company s common stock with a discount off the market price at the time of conversion. Notes 1 and 2 and related accrued interest were previously converted into shares of the Company s common stock.

On September 15, 2014, $10,000 of principal associated with Note 3 was converted into 6,250,000 shares of the Company s common stock. We issued the securities in reliance upon the exemption from registration provided pursuant to section 4(2) under the Securities Act.

NOTE 6 - SUBSEQUENT EVENTS

In accordance with ASC 855, Company management reviewed all material events through the date of this filing, and there are no material subsequent events to report other than those reported.

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

The following discussion should be read in conjunction with our financial statements and notes thereto included in this current report. Our fiscal year end is December 31.

Discussion and Analysis

Our plan of operation is to become a multi-system operator that provides cable television, high speed internet and related services to rural communities in the United States. We estimated that we would require a minimum of $500,000 dollars in additional debt or equity funding during this fiscal year to pursue our business plan, the majority of which amount will be focused on expanding Summit Digital s business by acquiring existing operations. We have obtained some convertible debt financing during the fiscal year to supplement our cash flows from operations. At this time, we have no commitment to fund our entire working capital needs and there can be no assurance that such financing will be available to us. Our business development strategy is prone to significant risks and uncertainties that are having an immediate impact on its efforts to realize net cash flow. Should we be unable to generate income or reduce expenses to the point where it can meet operating expenses through debt or equity financing, which can in no way be assured, our ability to continue its business operations will remain in jeopardy.

Summary of Summit Digital Business Activities and Strategy

Summit Digital is focused on acquiring existing underutilized cable systems in rural, semi-rural and gated community markets, aggregating them into a single Multi-System Operator structure and creating growth by upgrading management, improving efficiency, cutting costs, and fully exploiting the opportunities presented by bundling multiple services such as basic TV, premium TV, pay-per-view, broadband Internet, and voice telephony. These bundled service packages have become the industry standard in major urban markets served by major cable providers, but systems in Summit Digital s target market typically lag behind in adopting them, offering a substantial opportunity to increase penetration and per- customer revenue by offering these comprehensive service packages. Summit Digital may at times build new cable systems or wireless infrastructure to serve areas where no infrastructure is in place, but the primary intent is to acquire underutilized existing systems. Summit Digital intends to support and extend these packages by offering wireless data and voice service within its system footprint. Summit Digital believes that other value-added services delivered through cable infrastructure, such as pay-per-view events, digital video and digital video recording, high-definition TV and interstitial advertising also represent significant potential revenue streams that have not been effectively exploited by its acquisition targets. Compatible services such as provision of wireless internet provide additional potential revenue streams. See also, Business Opportunities below.

Summit Digital intends to take decisive steps to streamline management, improve efficiency, and reduce costs in systems it acquires using the following areas of emphasis:

· Any debt that is attached to these systems by the prior ownership will be restructured.

· Billing, collection, call center and scheduling services will be centralized, significantly reducing

costs for each system.

· Head end technicians located at corporate headquarters will direct employees and monitor their performance, standardizing and service practices and quality control.

· Theft by potential subscribers who attempt to steal services can have a significant impact on the viability of rural cable systems. Measures to prevent theft will be installed, including regular audits conducted by our own installers as well as independent contractors.

· Equipment purchasing will be combined to achieve economies of scale and reduce costs.

· Structured management systems stressing continuous documentation, performance evaluation, and action to address weaknesses will be installed, addressing a common management deficiency in small single-system operators.

Many small to medium sized single-system operators of the type common in rural and semi-rural America have not been developed to their full capacity, for two primary reasons.

· Many of these systems were overburdened with debt that was incurred on the initial construction of their cable systems. Overly optimistic projections and unrealistic performance expectations not backed up by appropriate technology and management expertise, combined with lack of an established basis for prediction in many markets led system owners to take on excessive debt, which enabled their entry to the business but also left them unable to sustain their business profitably.

· The technology that supports the upgraded services that Summit intends to provide has only recently become cost-effective for smaller rural systems. Even with today s superior and less expensive technology, small individual cable systems rarely have the economies of scale or the financing necessary to effectively exploit these technologies. Summit Digital s knowledgeable technical team and ability to combine equipment purchases will provide the knowledge and the leverage with suppliers that are needed to effectively introduce these technologies.

Summit Digital believes, based on extensive interviews and contacts with management at local systems, that the managers and owners of many of these systems are interested in acquisition on favorable terms by an MSO built around the principle of maximizing the potential of these systems. Based on interviews with small system managers, Summit Digital believes that many of these systems can be acquired in exchange for a combination of cash and stock.

Once systems have been acquired, Summit Digital will upgrade them to support broadband Internet and voice telephony and aggressively market these combined services both to existing subscribers and non- subscribers within the system footprint. Existing cash flows, cash flows from acquired systems, and acquisition terms will allow Summit to pay for system upgrades as systems are built out. Summit Digital does not intend to incur debt or sell shares to finance system upgrades.

Summit Digital will add an additional revenue stream to its acquired cable systems through its capacity to insert local advertising, known as interstitials, to cable TV content. Summit Digital has the right to insert local advertising into programming from major networks such as CNN, ESPN, Fox News and many others. This ad insertion is accomplished through an interface between the network and Summit Digital s system, with the network providing cue tones that open time slots for Summit Digital s advertisers. Again, this is a revenue opportunity not currently exploited by the cable systems Summit Digital seeks to acquire, and upgrading systems to accommodate this form of advertising presents a significant opportunity to generate additional revenue from existing infrastructure.

Summit Digital s business strategy is to acquire systems meeting viability criteria, aggregate them in a multiple system operator format, improve management, reduce costs, and add revenue by aggressively promoting high-value services such as high speed broadband internet and pay-per-view TV and by adding advertising income and wireless services to the system revenue mix. Summit Digital will not surrender controlling interest in systems it acquires and will not incur long-term debt to acquire systems or upgrade acquired systems. Summit Digital believes that it can substantially increase both our subscriber base and our revenue per subscriber by following this strategy.

Innovation

Summit Digital actively pursues innovative ways of using existing technology and infrastructure to provide services and build customer and community relationships outside the traditional residential service model. Two initiatives during 2012 illustrate this commitment and the results it can bring.

· Summit Digital installed a sophisticated CCTV monitoring system for the community of McBain, Michigan, allowing continuous surveillance of key commercial and road areas. A web-based backbone permits data storage by Summit Digital as well as monitoring by the State Police. The system is designed to facilitate rapid response in emergencies and to provide vital evidence and understanding in criminal and other incidents. Summit Digital is compensated by an installation fee and will receive a long term monthly fee for managing the system. Similar systems will be offered to other municipalities within Summit Digital's service footprint.

· Summit Digital installed a web-based system for a major dairy farm, allowing the farm operators to continuously monitor operations and provide remote control for their robotic milkers. Agricultural operations in the rural American Midwest are becoming increasingly sophisticated and there is enormous scope for leveraging Summit Digital s existing technology and infrastructure to increase efficiency and create opportunity for Summit Digital and for its clients.

Summit Digital will continue to explore innovative ways to supply needed services to individual, business, industrial and local government customers, using the full scope of opportunities provided by available technology.

Wireless Internet

Use of wireless internet services is exploding in the US, driven by rapidly expanding sales of smartphones, tablets, and other mobile devices. Cisco Systems estimates that mobile traffic will expand from 0.6 exabytes/month in 2011 to 1.2 exabytes/month in 2012 and will reach 6.3 exabytes/month in 2015. Cable operators across the US have recognized that the cable business and the WiFi business have close synergies and that WiFi represents a considerable opportunity for cable companies. The synergy is based on a number of elements:

· As the amount of data transferred over wireless networks expands, the critical need for backhaul services – the link between wireless broadcast points and the internet backbone – becomes increasingly critical. Cable infrastructure is ideally suited to providing these services, enabling cable companies that also manage wireless sites to support their own backhaul needs instead of paying for them, as non-cable operators must.

· The ability of cable companies to use existing infrastructure for backhaul also drastically reduces the expense of acquiring rights of way: Dan Rice, vice president of access network technology for CableLabs, estimates that as much of 70% of the expense of establishing an outdoor WiFi infrastructure can be in civil costs such as real estate and permitting, expenses that are substantially lower for companies that already have infrastructure in place. These cost advantages make it possible for cable companies to compete aggressively on wireless service pricing while retaining high margins.

· Wireless technology also provides an option that can supersede wiring to reach hard-to-wire areas or as an option to homes in which the installed coaxial cable falls short. These are significant features in Summit Digital’s target market.

· Wireless services can bring in subscribers solely interested in wireless access. More important, it can drive a “quadruple play” option in which Summit Digital can offer a single-bill package combining TV, home broadband, voice communications, and wireless access.

· Summit Digital intends to pursue opportunities in this promising sector as an integral part of its

expansion plan.

Subscriber Base

As of September 30, 2014, Summit Digital serves 713 subscribers in the States of Oklahoma and Michigan, with an average monthly billing of approximately $60.

Proposed Expansion for 2014

Summit Digital is aggressively pursuing expansion opportunities:

· Summit Digital has entered into an agreement with the village of Marion Michigan. The community has allowed us to begin to offer wireless high speed internet services by using their local water tower and will soon be under contract to use the Fire Departments tower to reach further out in the city.

· Summit Digital is under negotiations to acquire two substantial wireless internet providers located in the Midwest.

· Summit Digital has now opened a new office located in Portland Michigan. This facility is the home for our new call center and corporate offices. We have been approached by the city leaders to provide wireless internet services to the businesses and residents of this community. We anticipate to begin building the infra structure to offer these services in the month of September.

· Summit Digital is under negotiations with Cox cable of Tulsa Oklahoma. Upon the completion of these negotiations we will be able to offer higher internet speeds combined with more cost effective bandwidth pricing. This will be of substantial value as we continue to grow our Oklahoma operations.

Acquisition Criteria

Summit Digital s acquisition strategy relies on careful assessment of acquisition candidates by a management team with extensive experience in the cable industry.

· Many of the systems available for acquisition carry significant debt burdens. Summit Digital will

only go through with acquisitions if owners and/or creditors are willing to restructure debt.

Typically this involves an exchange of debt and equity, with owners/creditors exchanging debt

for stock. Since these individuals are in the business, they understand the inherent viability and

potential of Summit Digital’s business model, and these offers have so far met a generally

positive reception.

· Summit Digital focuses on areas that offer potential for aggregating multiple systems in physically adjacent territory, maximizing the potential of existing infrastructure.

· Summit Digital targets area with existing unserved demand for broadband Internet. Typically this means acquiring systems that do not offer broadband Internet at the time of acquisition, offering potential for immediate increase in subscribers and per-subscriber billing by adding broadband Internet to the service package and aggressively promoting it.

· Economic viability of acquisition candidates is evaluated by Summit Digital's management team, which has extensive experience in the cable business. In some cases the team may prefer to negotiate directly with creditors or a bankruptcy court; in others the system is deemed non-viable and the acquisition is abandoned.

· Markets must be assessed for growth potential. Some rural markets are economically stagnant with a decreasing population that will not support growth in our industry. Acquisitions in these areas will not be pursued.

Business Opportunities

We see medical marijuana as a rapidly expanding field of business: That potential is generating intense interest at all levels of commerce and among cable and internet providers throughout the country. In response to this demand, we are developing an Internet streaming video channel dedicated solely to Medical Marijuana business opportunities and legal, technical, and lifestyle issues.

On May 28, 2014 the Company entered into a license agreement with Brad Lane (Lane) for the exclusive rights to Cannabis Planet Productions, Cannabis Planet TV and intellectual property related there to. Subject to Lane meeting certain conditions precedent, the Company has agreed to issue Lane 1,000,000 shares of its Series A Preferred Stock and shares of common stock equivalent in ownership percentage to that owned by the Company s current officers, Messrs. Tom Nix and Stephen Spencer. The agreement may be unwound by either party with cause upon a thirty day written notice.

As of this date we have been unable to raise sufficient funds to proceed with our plans to develop and produce the Cannabis Planet TV programming. We continue to look for funding in this regard, but are uncertain about the future of this venture.

Results of Operations

During the three and nine month periods ended September 30, 2014, WWA Group operated as a multi system operator in Michigan and Oklahoma through Summit Digital, Inc.

Results of Operations for the Three-Months ended September 30, 2014 compared to September 30, 2013

		For the Three-Months Ended September 30,		
		2014		**2013**
Revenues (net)	$	136,835	$	202,147
Operating expenses				
Cost of Goods Sold		91,095		154,284
General, selling and administrative expenses		59,524		29,001
Salaries and Wages		32,524		29,134
Depreciation		4,142		3,033
Total operating expenses		96,190		61,168
Loss from operations		(50,450)		(13,305)
Other income (expense):				
Interest income (expense)		(20,100)		(299)
Gain (loss) on derivative liability		17,831		-
Other income (expense)		(179)		4,526
Total other income (expense)		(2,448)		4,227
Net loss	$	(52,898)	$	(9,078)

Net Income/Loss

Net loss for the three-month period ended September 30, 2014 was $(52,898), compared to a net loss of ($9,078) for the three month period ended September 30, 2013. Our net loss for the current period is primarily due to expenses at the corporate level incurred since the reverse merger, along with the variances that arise from a period-over-period increase in cost of goods sold, partially offset by a gain on derivative liability.

Revenue

Our revenue for the three month period ended September 30, 2014 was $133,835 as compared to $202,147 for the comparable period for 2013. The decrease in our revenues is a result of discontinued cable service in Oklahoma due to lack of profitability.

Gross Income

Gross income for the three month period ended September 30, 2014 was $45,740 as compared to $47,863 for the three month period ended September 30, 2013. As a percentage of sales, gross income went from 24% of sales to 34%. The increase in gross income as a percent of sales over the comparative period can be attributed to the customer base moving from the higher cost of goods sold of cable to the lower cost of goods sold of internet service.

Operating Expenses

Our operating expenses for the three month period ended September 30, 2014 were $96,190 compared to $61,168 for the comparable 2013 period. Operating expenses have increased during the current period due primarily to the legal and accounting costs associated with meeting the Company s public company financial reporting obligations.

Other Income/Expenses

Other expense for the three-month period ended September 30, 2014 was $2,448, as compared to other income of $4,227 for the three-month comparable period ending September 30, 2013. Other income or expense represents non-operating income or expense from sources other than our subscriber base. Other expense in the current period includes $20,100 of interest expense related primarily to the calculation of the derivative liability on convertible notes offset partially by the $17,831gain from revaluation of the derivative.

Income Tax Expense (Benefit)

We have a prospective income tax benefit resulting from a net operating loss carry-forward and start-up costs that will offset any future operating profit.

Results of Operations for the Nine-Months ended September 30, 2014 compared to September 30, 2013

		For the Nine-Months Ended September 30,		
		2014		**2013**
Revenues (net)	$	405,708	$	494,194
Operating expenses				
Cost of Goods Sold		237,088		319,523
General, selling and administrative expenses		187,731		111,824
Salaries and Wages		189,757		82,087
Depreciation		11,613		9,078
Total operating expenses		389,101		202,989
Loss from operations		(220,481)		(28,318)
Other income (expense):				
Interest income (expense)		(51,539)		(299)
Gain (loss) on derivative liability		45,170		-
Other income (expense)		20,588		20,327
Total other income (expense)		14,219		20,028
Net loss	$	(206,262)	$	(8,290)

Net Loss

Net loss for the nine-month period ended September 30, 2014 was $206,262, compared to a net loss of $8,290 for the nine-month period ended September 30, 2013. Our net loss for the current period is primarily due to expenses at the corporate level incurred since the reverse merger, and an accrued expense of $100,000 for wages, for corporate officers.

Revenue

Our revenue for the nine-month period ended September 30, 2014 was $405,708 as compared to $494,194 for the comparable period for 2013. The decrease in our revenues is a result of discontinued cable service in Oklahoma due to lack of profitability.

Gross Income

Gross income for the nine-month period ended September 30, 2014 was $168,620 as compared to $174,671 for the nine month period ended September 30, 2013. The decrease in gross income over the comparative period represents a 3% change, while gross income as a percentage of revenues increased from 35% to 41%. and can be attributed primarily to decreasing revenues offset slightly by higher margins from internet customers.

Operating Expenses

Our operating expenses for the nine-month period ended September 30, 2014 was $389,101 compared to $202,989 for the comparable 2013 period. The increase in our operating costs for the current period is primarily a result of $50,000 in compensation granted to each of our officers, for a total of $100,000, on January 2, 2014. The compensation was accrued on the financial books of the Company until such as time as we are able to make the payments. Additionally, operating expenses have increased during the current period due to the legal and accountant costs associated with meeting the Company s public company financial reporting obligations.

Other Income/Expenses

Other income for the nine-month period ended September 30, 2014 was $14,219, as compared to other income of $20,028 for the nine month comparable 2013 period. Other income/expense represents non-operating income/expense from sources other than our subscriber base.

Income Tax Expense (Benefit)

We have a prospective income tax benefit resulting from a net operating loss carry-forward and start-up costs that will offset any future operating profit.

Liquidity and Capital Resources

		September 30, 2014		**December 31, 2013**		**Change**
Cash	$	35,925	$	11,214	$	24,178
Total Current Assets		66,793		58,558		8,235
Total Assets		228,672		227,990		682

Total Current Liabilities		355,188		209,992		145,196
Total Liabilities	$	355,188	$	212,329	$	142,859

We had a working capital deficit (current assets minus current liabilities) of $288,395 as of September 30, 2014. At September 30, 2014, our current assets were $66,793, which consisted of $35,925 in cash, $27,151in accounts receivable and $3,717in other current assets. Our current liabilities were $355,188, which consisted of $104,069 of accounts payable, $156,362 of accrued expenses, convertible notes payable (net) of $90,944 and $3,813 of current portion of long-term debt. The accrued expenses include $50,000 in compensation granted to each of our officers, for a total of $100,000, on January 2, 2014.

Net cash used by operating activities for the nine-month period ended September 30, 2014 was $42,161 as compared to net cash used of $142,128 for the nine month period ended September 30, 2013. The change in cash used in operating activities was not material after eliminating the effects of accrued compensation, $100,000, and $27,339, related to convertible notes.

Net Cash provided by financing activities was $107,500 for the period ended September 30, 2014. Cash flow provided by financing operations in the current period is attributed primarily to proceeds from convertible debt of $105,500. We intend to continue to generate cash flows from financing activities through debt and, or equity financing as needed to fulfill our business plan.

At September 30, 2014, we had convertible debt financing from an unrelated third party in the aggregate net amount of $90,944. These funds are used in the short term to pay the expenses of being a public company and conducting business in that regard. As indicated above, the Company will need to secure additional short term funding to continue to conduct business until a significant funding of debt or equity financing, estimated to be $500,000, can be obtained. This significant funding will allow us to make cable, and or internet system acquisitions, as per our business plan, which would provide a cash flow from operations, enabling us to support our corporate activities, and develop an Internet streaming video channel dedicated solely to medical marijuana business opportunities and legal, technical, and lifestyle issues. Our inability to obtain sufficient funding will have a material adverse effect on our ability to generate revenue and our ability to continue operations.

WWA Group does not intend to pay cash dividends in the foreseeable future.

WWA Group had no lines of credit or other bank financing arrangements as of September 30, 2014.

WWA Group has no current plans for the purchase or sale of any plant or equipment.

WWA Group has no current plans to make any changes in the number of employees.

Off Balance Sheet Arrangements

As of September 30, 2014, WWA Group has no significant 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, results of operations, liquidity, capital expenditures, or capital resources that is material to stockholders.

Future Financings

We anticipate continuing to rely on debt or equity sales of our shares of common stock in order to continue to fund our business operations. There is no assurance that we will achieve any additional sales of our equity securities or arrange for debt or other financing to fund our plan of operations.

Critical Accounting Policies

In Note 1 to the audited condensed financial statements for the period ended December 31, 2013 and 2012 included in WWA Group s Form 10-K, we discuss those accounting policies that are considered to be significant in determining the results of operations and our financial position. We believe that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

The preparation of financial statements requires management to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. By their nature, these judgments are subject to an inherent degree of uncertainty. On an on-going basis, we evaluate our estimates, including those related to bad debts, inventories, intangible assets, warranty obligations, product liability, revenue, and income taxes. We base our estimates on historical experience and other facts and circumstances that are believed to be reasonable, and the results form the basis for making judgments about the carrying value of assets and liabilities. The actual results may differ from these estimates under different assumptions or conditions. With respect to revenue recognition, we apply the following critical accounting policies in the preparation of its financial statements

Forward Looking Statements and Factors That May Affect Future Results and Financial Condition

The statements contained in the section titled *Results of Operations* and *Description of Business*, with the exception of historical facts, are forward looking statements. A safe-harbor provision may not be applicable to the forward-looking statements made in this current report. Forward-looking statements reflect our current expectations and beliefs regarding our future results of operations, performance, and achievements. These statements are subject to risks and uncertainties and are based upon assumptions and beliefs that may or may not materialize. These statements include, but are not limited to, statements concerning:

- our anticipated financial performance;
- the sufficiency of existing capital resources;
- our ability to fund cash requirements for future operations;
- uncertainties related to the growth of our subsidiaries' businesses and the acceptance of their

  products and services;
- the volatility of the stock market; and
- general economic conditions.

We wish to caution readers that our operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated, including the factors set forth in the section entitled *Risk Factors* included elsewhere in this report. We also wish to advise readers not to place any undue reliance on the forward looking statements contained in this report, which reflect our beliefs and expectations only as of the date of this report. We assume no obligation to update or revise these forward looking statements to reflect new events or circumstances or any changes in our beliefs or expectations, other than is required by law.

Going Concern

WWA Group s auditors have expressed an opinion as to its ability to continue as a going concern as a result of recurring losses from operations. WWA Group s ability to continue as a going concern is subject to its ability to realize a profit from operations and /or obtain funding from outside sources. Management s plan to address WWA Group s ability to continue as a going concern includes obtaining funding from the private placement of debt or equity and realizing revenues from additional business opportunities. Management believes that it will be able to obtain funding to enable WWA Group to continue as a going concern through the methods discussed above, though there can be no assurances that such methods will prove successful.

Recent Accounting Pronouncements

Please see Note 1 to our consolidated financial statements for recent accounting pronouncements.

Stock-Based Compensation

We have adopted Accounting Standards Codification Topic (ASC) 718, Share-Based Payment, which addresses the accounting for stock-based payment transactions in which an enterprise receives employee services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise s equity instruments or that may be settled by the issuance of such equity instruments.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with ASC 505. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services.

ITEM 3. - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. - CONTROLS AND PROCEDURES

The term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act (15 U.S.C. 78a, et seq.) is recorded, processed, summarized and reported, within the time periods specified in the Commission s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The term internal control over financial reporting is defined as a process designed by, or under the supervision of, the issuer s principal executive and principal financial officers, or persons performing similar functions, and effected by the issuer s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

· Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;

· Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and

· Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer s assets that could have a material effect on the financial statements.

Our management, including our chief executive officer and chief financial officer, does not expect that our disclosure controls and procedures or our internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of inherent limitations in all control systems, internal control over financial reporting may not prevent or detect misstatements, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the registrant have been detected. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

<u>Evaluation of Disclosure and Controls and Procedures.</u>

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. We carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures are currently effective.

<u>Changes in Internal Controls over Financial Reporting</u>.

There were no changes in the internal controls over our financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

This report does not include an attestation report of the registrant s registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to attestation by the registrant s registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the registrant to provide only management s report in this report.

PART II OTHER INFORMATION

ITEM 1. - LEGAL PROCEEDINGS

None.

ITEM 1A. - RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

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

On September 15, 2014, $10,000 of principal associated with a previously issued convertible note was converted into 6,250,000 shares of our common stock. On October 13, 2014 the remaining $5,000 of the previously issued note and $600 of related accrued interest was converted into 6,432,782 shares of our common stock.

ITEM 3.

DEFAULTS ON SENIOR SECURITIES

None.

ITEM 4. - MINE SAFETY DISCLOSURES

The Company is not engaged in the business of mining; hence the mine safety disclosures are not applicable.

ITEM 5. - OTHER INFORMATION

None.

ITEM 6. -EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits for this Form 10-Q, and are incorporated herein by this reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this

report to be signed on its behalf by the undersigned, thereunto duly authorized.

WWA Group, Inc.

Date

/s/ Tom Nix

October 24, 2014

By: Tom Nix

Its: Chief Executive Officer

/s/ Stephen Spencer

October 24, 2014

By: Stephen Spencer

Its: Chief Financial Officer and Principal Accounting Officer

Index to Exhibit

Description

31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Securities and Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101. INS XBRL Instance Document

101. PRE XBRL Taxonomy Extension Presentation Linkbase

101. LAB XBRL Taxonomy Extension Label Linkbase

101. DEF XBRL Taxonomy Extension Label Linkbase

101. CAL XBRL Taxonomy Extension Label Linkbase

101. SCH XBRL Taxonomy Extension Schema

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Incorporated by reference from previous filings of the Company.

Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed furnished and not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, or deemed furnished and not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.