

WWA GROUP INC  
Form 10-Q  
November 15, 2010

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

**FORM 10-Q**

*(Mark One)*

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **September 30, 2010**.

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

Commission file number: **000-26927**

**WWA GROUP, INC.**

(Exact name of registrant as specified in its charter)

**Nevada**

(State or other jurisdiction of  
incorporation or organization)

**77-0443643**

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

**2465 W. 12<sup>th</sup> St. Suite 2, Tempe, Arizona 85281-6935**

(Address of principal executive offices) (Zip Code)

**(480) 505-0070**

(Registrant's telephone number, including area code)

n/a

(Former name or former address, if changed since last report)

Indicate by check mark whether the registrant: (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days:

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the

registrant was required to submit and post such files). Yes  No .

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares outstanding of the issuer's common stock, \$0.001 par value (the only class of voting stock), at November 15, 2010, was 22,591,922.

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**PART I FINANCIAL INFORMATION**

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

**WWA GROUP, INC.**  
**Consolidated Balance Sheets**

| <u>Assets</u>  | <b>Unaudited<br/>Sept. 30, 2009</b> | <b>Audited<br/>December 31, 2009</b> |
|--|-------------------------------------|--------------------------------------|
| Current assets:  |                                     |                                      |
| Cash   | \$ 2,569,304                        | \$ 8,636,411                         |
| Receivables, net   | 8,742,223                           | 4,464,014                            |
| Advances to suppliers  | 2,195,847                           | 1,752,852                            |
| Inventories  | 3,032,435                           | 3,543,485                            |
| Prepaid expenses   | 569,893                             | 570,525                              |
| Notes receivable   | 4,181,227                           | 3,989,855                            |
| Other current assets   | 548,976                             | 339,210                              |
| Total current assets   | 21,839,905                          | 23,296,352                           |
| Property and equipment, net  | 5,455,081                           | 5,037,041                            |
| Vessel Aqua Conti CWIP   | 1,389,527                           | 1,372,491                            |
| Investment in unconsolidated entity  | 1,219,219                           | 1,491,866                            |
| Investment in related party entity   | 31,250                              | 31,250                               |
| Other assets   | 333,808                             | 534,093                              |
| Total assets   | \$ 30,268,790                       | \$ 31,763,093                        |
| <br><b><u>Liabilities and Stockholders' Equity</u></b>   |                                     |                                      |
| Current liabilities:   |                                     |                                      |
| Auction proceeds payable   | 566,126                             | 8,068,708                            |
| Accounts payable   | 8,607,228                           | 1,915,541                            |
| Accrued expenses   | 410,350                             | 463,581                              |
| Line of credit   | 8,723,649                           | 1,0662,448                           |
| Short term debt notes payable  | 4,317,369                           | 3,669,178                            |
| Current maturities of long-term debt   | 616,909                             | 275,607                              |
| Total current liabilities  | 23,241,631                          | 25,055,063                           |
| Long-term debt   | 2,437,637                           | 726,788                              |
| Total liabilities  | 25,679,268                          | 25,781,851                           |
| Stockholders' equity:  |                                     |                                      |
| Common stock, \$0.001 par value, 50,000,000 shares<br>authorized; 22,591,922 shares issued and outstanding | 22,592                              | 22,592                               |
| Additional paid-in capital   | 4,449,080                           | 4,449,080                            |
| Retained earnings  | 117,850                             | 1,509,570                            |
| Total stockholders' equity:  | 4,589,522                           | 5,981,242                            |

|   |               |               |
|---|---------------|---------------|
| Total liabilities and stockholders equity | \$ 30,268,790 | \$ 31,763,093 |
|---|---------------|---------------|

See accompanying condensed notes to consolidated reviewed financial statements.

**WWA GROUP, INC.**  
**Consolidated Statements of Income**

|  | <b>Three months ended Sept. 30</b> |                       | <b>Nine months ended Sept. 30</b> |                       |
|--|------------------------------------|-----------------------|-----------------------------------|-----------------------|
|  | <b>2010</b>                        |                       | <b>2010</b>                       | <b>2009</b>           |
|  | <b>Unaudited</b>                   | <b>2009 Unaudited</b> | <b>Unaudited</b>                  | <b>Unaudited</b>      |
| Revenues from commissions and services   | \$ 295,727                         | \$ 264,056            | \$ 2,877,683                      | \$ 4,537,260          |
| Revenues from sales of equipment         | 9,868,329                          | 7,715,741             | 23,678,737                        | 18,017,352            |
| Revenues from Ship Charter               | 165,000                            | 165,000               | 495,000                           | 465,000               |
| <b>Total revenues</b>                    | <b>10,329,056</b>                  | <b>8,144,798</b>      | <b>27,051,420</b>                 | <b>23,019,611</b>     |
| Direct costs - commissions and services  | 197,590                            | 565,057               | 1,054,634                         | 1,787,645             |
| Direct costs - sales of equipment        | 8,895,405                          | 8,586,040             | 22,862,646                        | 18,867,298            |
| <b>Gross profit (loss)</b>               | <b>1,236,061</b>                   | <b>(1,006,300)</b>    | <b>3,134,140</b>                  | <b>2,364,669</b>      |
| <b>Operating expenses:</b>               |                                    |                       |                                   |                       |
| General and administrative expenses      | 424,698                            | 916,384               | 1,657,566                         | 2,427,856             |
| Salaries and wages                       | 305,114                            | 375,910               | 1,121,349                         | 1,162,634             |
| Selling expenses                         | 18,931                             | 141,994               | 51,751                            | 212,546               |
| Depreciation and amortization expense    | 226,273                            | 177,893               | 656,671                           | 595,579               |
| <b>Total operating expenses</b>          | <b>975,016</b>                     | <b>1,612,181</b>      | <b>3,487,337</b>                  | <b>4,398,614</b>      |
| <b>Income (loss) from operations</b>     | <b>261,245</b>                     | <b>(2,618,481)</b>    | <b>(353,197)</b>                  | <b>(2,033,945)</b>    |
| <b>Other income (expense):</b>           |                                    |                       |                                   |                       |
| Interest expense                         | (445,680)                          | (329,321)             | (1,172,020)                       | (724,944)             |
| Interest income                          | 24,095                             | 37,957                | 77,118                            | 113,564               |
| Other income (expense)                   | 97,983                             | (36,378)              | 56,379                            | (15,876)              |
| <b>Total other income (expense)</b>      | <b>(323,602)</b>                   | <b>(327,741)</b>      | <b>(1,038,523)</b>                | <b>(627,257)</b>      |
| <b>Income (loss) before income taxes</b> | <b>(62,357)</b>                    | <b>(2,946,223)</b>    | <b>(1,391,720)</b>                | <b>(2,661,202)</b>    |
| Provision for income taxes               | \$ -                               | \$ -                  | \$ -                              | \$ -                  |
| <b>Net income (loss)</b>                 | <b>\$ (62,357)</b>                 | <b>\$ (2,946,223)</b> | <b>\$ (1,391,720)</b>             | <b>\$ (2,661,202)</b> |
| <b>Basic earnings per common share</b>   | <b>\$ 0.00</b>                     | <b>\$ (0.013)</b>     | <b>\$ (0.06)</b>                  | <b>\$ 0.012</b>       |
| <b>Diluted earnings per common share</b> | <b>\$ 0.00</b>                     | <b>\$ (0.013)</b>     | <b>\$ (0.06)</b>                  | <b>\$ 0.012</b>       |
| <b>Weighted average shares - basic</b>   | <b>22,591,922</b>                  | <b>22,591,922</b>     | <b>22,591,922</b>                 | <b>22,591,922</b>     |
| <b>Weighted average shares - diluted</b> | <b>22,591,922</b>                  | <b>23,268,895</b>     | <b>22,591,922</b>                 | <b>23,268,895</b>     |

See accompanying condensed notes to consolidated reviewed financial statements.



**WWA GROUP, INC.**  
**Consolidated Statements of Cash Flow**

|  | For nine months ended September 30 |                |
|--|------------------------------------|----------------|
|  | 2010 Unaudited                     | 2009 Unaudited |
| <b>Cash flows from operating activities:</b>                                     |                                    |                |
| Net income (loss)  | \$ (1,391,720)                     | \$ (2,661,202) |
| Adjustments to reconcile net income to net cash provided by operating activities |                                    |                |
| Depreciation and amortization  | 656,671                            | 898,627        |
| (Gain) Loss on disposition of assets   | 25,793                             | 55,404         |
| Loss (Gain) on equity investment   | (47,353)                           | 5,665          |
| Changes in operating assets and liabilities:                                     |                                    |                |
| Decrease (Increase) in:  |                                    |                |
| Accounts receivable  | (4,278,209)                        | 11,125,465     |
| Advance to suppliers   | (442,995)                          | (667,376)      |
| Inventories  | 511,050                            | 3,318,347      |
| Prepaid expenses   | 632                                | (212,648)      |
| Other current assets   | (209,766)                          | (42,563)       |
| Increase (Decrease) in:  |                                    |                |
| Auction proceeds payable   | (7,502,582)                        | (17,316,091)   |
| Accounts payable   | 6,691,687                          | (196,94)       |
| Accrued liabilities  | (53,231)                           | 413,032        |
| Net cash provided by (used in) operating activities                              | (6,040,023)                        | 5,280,284      |
| <b>Cash flows from investing activities:</b>                                     |                                    |                |
| Purchase of property and equipment   | (1,078,887)                        | (1,506,657)    |
| (Increase) Decrease in note receivable   | (191,372)                          | (809,185)      |
| Proceeds from sale of investments  | 320,000                            |                |
| Proceeds from sale of fixed assets   | 161,631                            | 203,800        |
| Net cash provided by (used in) investing activities                              | (788,628)                          | (2,112,042)    |
| <b>Cash flows from financing activities:</b>                                     |                                    |                |
| Increase (Decrease) in line of credit  | (1,938,799)                        | 3,397,771      |
| Payments/Proceeds- long-term debt  | 2,052,151                          | (666,310)      |
| Proceeds from short term notes payable   |                                    | 2,868,870      |
| Payment/Proceeds on short-term notes payable                                     | 648,191                            | -              |
| Net cash provided by (used in) financing activities                              | 761,543                            | 5,600,331      |
| Net increase (decrease) in cash and cash equivalents                             | (6,067,108)                        | (1,791,994)    |
| Cash and cash equivalents at beginning of year                                   | 8,636,411                          | 7,476,689      |
| Cash and cash equivalents at end of period                                       | \$ 2,569,304                       | \$ 5,684,694   |

See accompanying condensed notes to consolidated reviewed financial statements.

**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note A Organization**

WWA Group, Inc., ( WWA Group ) operates in Jebel Ali, Dubai, United Arab Emirates (U.A.E) under a trade license from the Jebel Ali Free Zone Authority. WWA Group s operations primarily consist of the auctioning of used and new heavy construction equipment, transportation equipment, and marine equipment, the majority of which is on a consignment basis. WWA Group was incorporated in the state of Nevada in November 1996.

WWA Group includes the accounts of its wholly owned subsidiaries: World Wide Auctioneers, Ltd. ( World Wide Auctioneers ), a company incorporated in the British Virgin Islands on March 20, 2000; Crown Diamond Holdings Ltd, a company incorporated in the British Virgin Islands on January 6, 2004; and its majority owned subsidiary Asset Forum. LLC, a company incorporated in state of Nevada, on January 7, 2010.

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

On August 8, 2003, WWA Group and World Wide Auctioneers, a wholly owned subsidiary of World Wide Auctioneers USA which is a company incorporated in Nevada, executed a stock exchange agreement, whereby WWA Group agreed to acquire 100% of the issued and outstanding shares of World Wide Auctioneers in exchange for 13,887,447 shares of WWA Group s common stock. Because the owners of World Wide Auctioneers became the principal shareholders of WWA Group through the merger, World Wide Auctioneers is considered the acquirer for accounting purposes and this merger is accounted for as a reverse acquisition or recapitalization of World Wide Auctioneers. Subsequent to the merger, WWA Group changed its name from Novamed, Inc. to WWA Group, Inc.

Subsequent to the period ended September 30, 2010, WWA Group sold its shares of World Wide Auctioneers. Please see Note E.

The consolidated financial statements present the financial position, results of operation, changes in stockholder's equity and cash flows of WWA Group and its subsidiaries. All significant inter-company balances and transactions have been eliminated.

**Note B Summary of Significant Accounting Policies**

This summary of significant accounting policies of WWA Group and its subsidiaries is presented to assist in understanding WWA Group's financial statements. The financial statements and notes are representations of WWA Group's management who are responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note B Summary of Significant Accounting Policies - continued**

***Basis of Presentation***

The consolidated financial statements present the financial position, results of operation, changes in stockholder's equity and cash flows of WWA Group and its subsidiaries. All significant inter-company balances and transactions have been eliminated. Investments in entities in which WWA Group can exercise significant influence, but does not own a majority equity interest or otherwise control, are accounted for using the equity method and are included as investments in equity interests on the consolidated balance sheets. Effective July 1, 2009, WWA Group adopted the Accounting Standards Codification (the Codification), as issued by the FASB. The Codification became the single source of authoritative generally accepted accounting principles (GAAP) in the U.S.

***Cash and Cash Equivalents***

WWA Group considers all highly liquid investments purchased with maturity of three months or less to be cash equivalents.

***Accounts Receivable and Allowance for Doubtful Accounts***

WWA Group grants credit terms in the normal course of business to its customers. Accounts receivables are stated at the amount management expects to collect from outstanding balances after discounts and bad debts, taking into account credit worthiness of customers and history of collection.

An allowance for doubtful accounts is based on specifically identified amounts that management believes to be uncollectible. If actual collections experience changes, revisions to the allowance may be required. No allowance for doubtful accounts has been identified by WWA Group.

***Inventory***

Inventories consist of equipment to be sold in auctions and otherwise, stated at the lower of cost or market. The cost is determined by specific identification method. Cost includes purchase price, freight, insurance, duties and other incidental expenses incurred in bringing inventories to their present location and condition. WWA Group records a reserve if the fair value of inventory is determined to be less than the cost.

***Property and Equipment***

Property and equipment are stated at cost less depreciation and provision for impairment where appropriate. Depreciation expense is computed using the straight-line method over estimated useful lives of three to five years except for the vessel in which case the estimated useful life is twenty years. All repair and maintenance costs are expensed as incurred.

**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note B Summary of Significant Accounting Policies (Contd.)**

***Dry Docking Costs***

WWA Group's vessel must be periodically dry-docked and pass certain inspections to maintain their operating classification, as mandated by certain maritime regulations. Costs incurred to dry-dock the vessel are deferred and amortized on a straight line basis over the period to the next dry-docking, generally 36 months. As of Sept 30, 2010, other assets include the unamortized dry-docking costs of approximately \$333,808.

***Investment in Unconsolidated Entities***

In July 2010, WWA Group sold 4 million shares of its investment in an unconsolidated entity, Infrastructure, at a total value of \$320,000. As a result, the total equity investment in Infrastructure of approximately 21.08% was reduced to approximately 17.75% under the equity method of accounting. As of September 30, 2010, WWA Group has recorded \$47,353 as profit on its equity investment.

***Investment in Related Party Entity***

WWA Group's investment in a related party represents its equity investment in an entity in which one of WWA Group's directors served as a director until he resigned from that position in March 2010. WWA Group accounts for its equity investment in a foreign affiliate under the cost method of accounting. WWA Group reviews its investments annually for impairment and records permanent impairments as a loss on the income statement.

***Revenue Recognition***

Revenues from commissions and services consist of revenues earned in WWA Group's capacity as agent for consignors of equipment, incidental interest income, internet and proxy purchase fees, and handling fees on the sale of certain lots. All commission revenue is recognized when the auction sale is complete and WWA Group has

determined that the auction proceeds are collectible. Revenues from sales of equipment originate from the auctioned sale of equipment inventory owned by WWA Group. WWA Group recognizes the revenue from such sales when the auction has been completed, the equipment has been delivered to the purchaser, and collectability is reasonably assured. All costs of goods sold are accounted for under direct costs.

Revenues from ship charter are recognized at a fixed daily amount in accordance with the terms of the chartering agreement, similar to a lease, for the use of the cargo vessel by the chartering group.

Revenues from sales of equipment originate from the auctioned and private sale of equipment inventory owned by WWA Group. WWA Group recognizes the revenue from such sales when the sale has been invoiced, and collectability is reasonably assured. All costs of goods sold are accounted for under direct costs.



**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note B Summary of Significant Accounting Policies (Contd.)**

***Income Taxes***

Deferred income taxes are determined based on the differences between the financial reporting and tax bases of assets and liabilities and are measured using the currently enacted tax rates and laws. WWA Group records a valuation allowance against particular deferred income tax assets if it is more likely than not that those assets will not be realized. The provision for income taxes comprises WWA Group's current tax liability and change in deferred income tax assets and liabilities.

Significant judgment is required in evaluating WWA Group's uncertain tax positions and determining its provision for income taxes. WWA Group establishes reserves for tax-related uncertainties based on estimates of whether, and the extent to which, additional taxes will be due. These reserves are established when WWA Group believes that certain positions might be challenged despite its belief that its tax return positions are in accordance with applicable tax laws. WWA Group adjusts these reserves in light of changing facts and circumstances, such as the closing of a tax audit, new tax legislation, or the change of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made. The provision for income taxes includes the effect of reserve provisions and changes to reserves that are considered appropriate, as well as the related net interest and penalties.

World Wide Auctioneers operates in the Jebel Ali Free Zone of Dubai, which is an income tax free zone. Therefore, the profits of World Wide Auctioneers are not taxable in Dubai. During the fourth quarter of 2004, WWA Group determined that undistributed earnings from Dubai will be reinvested in the business indefinitely and that such earnings will not be distributed to WWA Group. Therefore, in accordance with FASB Accounting Standard Codification, ASC 740-30, *Accounting for Income Taxes - Special Areas*, no U.S. income tax provision has been recorded for the undistributed earnings.

***Share-Based Compensation***

For stock-based awards granted on or after January 1, 2006, WWA Group records stock-based compensation expense based on the grant date fair value, estimated in accordance with the provisions of ASC 718 and ASC 505-50.

WWA Group granted no compensatory options to its employees during the quarter ended September 30, 2010.

***Use of Estimates***

The preparation of the financial statements in conformity with generally accepted accounting principles in United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note B Summary of Significant Accounting Policies (Contd.)**

***Risks Related to Business and Stock***

Due to the proximity of Iran, Sudan and Syria to World Wide Auctioneer's Dubai auction site, sales records and statistics on regional spending on used construction equipment, there is reason to believe that some percentage of the equipment sold at the auctions ultimately ended up in Iran, Sudan or Syria. The U.S. State Department or OFAC could impose fines upon WWA Group or cause it to restrict certain of its sales based on this possibility. Any such action could have a negative impact on WWA Group's reputation which might decrease shareholder value.

***Recent accounting pronouncements***

In April 2010, the Financial Accounting Standards Board ( FASB ) issued Accounting Standards Update ( ASU ) No. 2010-13, Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades ( ASU 2010-13 ). ASU 2010-13 addresses the classification of a share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. FASB Accounting Standards Codification ( ASC ) Topic 718 was amended to clarify that a share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity's equity securities trade shall not be considered to contain a market, performance or service condition. Therefore, such an award is not to be classified as a liability if it otherwise qualifies for equity classification. The amendments in ASU 2010-13 are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010, with early application permitted. We do not anticipate that the adoption of this guidance will have a material impact on our financial position and results of operations.

In February 2010, the FASB issued ASU No. 2010-09, Amendments to Certain Recognition and Disclosure Requirements ( ASU 2010-09 ), which amends ASC Topic 855, Subsequent Events. The amendments to ASC Topic 855 do not change existing requirements to evaluate subsequent events, but: (i) defines a SEC Filer, which we are; (ii) removes the definition of a Public Entity; and (iii) for SEC Filers, reverses the requirement to disclose the date through which subsequent events have been evaluated. ASU 2010-09 was effective for us upon issuance. This

guidance did not have a material impact on our financial position and results of operations.

In January 2010, the FASB issued ASU No. 2010-06, Improving Disclosures about Fair Value Measurements ( ASU 2010-06 ). ASU 2010-06 requires new disclosures for (i) transfers of assets and liabilities in and out of levels one and two fair value measurements, including a description of the reasons for such transfers and (ii) additional information in the reconciliation for fair value measurements using significant unobservable inputs (level three). This guidance also clarifies existing disclosure requirements including (i) the level of disaggregation used when providing fair value measurement disclosures for each class of assets and liabilities and (ii) the requirement to provide disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements for level two and three assets and liabilities. ASU 2010-06 is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about activity in the roll forward for level three fair value measurements, which is effective for fiscal years beginning after December 15, 2010. The adoption of this guidance has not had a material impact on our financial position and results of operations.

**WWA GROUP, INC**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**September 30, 2010**

**Note B- Summary of Significant Accounting Policies (Contd.)**

***Recent accounting pronouncements (Contd.)***

Management believes the impact of other recently issued standards and updates, which are not yet effective, will not have a material impact on WWA Group's consolidated financial position, results of operations or cash flows upon adoption.

**Note C Notes Receivable**

***Notes Receivable to related party***

Notes receivable include \$2,443,003 of advances provided to Infrastructure, WWA Group's minority owned unconsolidated subsidiary, Infrastructure Developments Corp., a project management company focused on specialized projects and subcontracts throughout the Middle East, Africa and Asia, which operates an earthmoving project in the UAE, and performs design build projects in Southeast Asia for the US Military. The notes bear no interest and are payable on demand.

***Other note receivables***

As of September 30, 2010, advances to WWA Group's auction associates in Australia, Lebanon and Philippines amount to \$1,244,223 and to Intraglobal Shipping, a shipping charter associate, of \$495,000. The notes bear no interest and are payable on demand.

**Note D Line of Credit**

WWA Group borrows from banks under credit facility by drawing short term cash advances with maturity not exceeding 120 days against shipping documents of good consigned. This borrowing facility is secured by the bank deposits, the vessel owned by WWA Group and by the personal guarantee of its president and CEO. The borrowings bear interest at between 6.5% and 11.5% per annum. WWA Group owed \$8,723,649 on these working capital funding lines at September 30, 2010.

**Note E Subsequent Events**

Effective October 31, 2010, WWA Group concluded a Share Purchase Agreement (the Agreement ) to sell World Wide Auctioneers to Seven International Holdings, Ltd. ( Seven ), a Hong Kong based investment company. There is no material relationship between WWA Group and Seven.

Pursuant to the Agreement, WWA Group sold 50,000 shares of World Wide Auctioneers, which is 100% of the issued and outstanding ownership, for ten dollars and other good and valuable consideration. The Agreement involves an assumption by Seven of all the assets and liabilities of World Wide Auctioneers, resulting in a net gain to WWA Group. The sale does not affect WWA Group's equity position and other assets related to Infrastructure, WWA Group's stake in Asset Forum LLC, and WWA Group's on-line auction software that was developed in house. WWA Group will assist in the management of World Wide Auctioneers during a transitional period that will extend until April 30, 2011.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

This *Management's Discussion and Analysis of Financial Condition and Results of Operations* and other parts of this quarterly report contain forward-looking statements that involve risks and uncertainties. Forward-looking statements can be identified by words such as anticipates, expects, believes, plans, predicts, and similar terms. Forward-looking statements are not guarantees of future performance and our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include but are not limited to those discussed in the subsection entitled *Forward-Looking Statements and Factors That May Affect Future Results and Financial Condition* below. The following discussion should be read in conjunction with our financial statements and notes hereto included in this report. All information presented herein is based on the three and nine month periods ended September 30, 2010. Our fiscal year end is December 31.

**Discussion and Analysis**

WWA Group's business strategy is to (i) develop Asset Forum LLC ( Asset Forum ), (ii) assist in the growth of Infrastructure Developments Corp. ( Infrastructure ), and (iii) acquire synergetic businesses.

Effective October 31, 2010, WWA Group concluded a Share Purchase Agreement (the Agreement ) to sell World Wide Auctioneers Ltd. to Seven International Holdings, Ltd. ( Seven ), a Hong Kong based investment company. WWA Group will assist in the management of World Wide Auctioneers during a transitional period that will extend until April 30, 2011. WWA Group will (i) train new management, (ii) help World Wide Auctioneers increase cash flow through increased operating efficiencies at the primary auction location in Dubai, UAE, (iii) consult as to the use of lower cost venues including on-line auctions and smaller equipment auctions.

The sale of World Wide Auctioneers does not affect WWA Group's equity position and other assets related to (i) Infrastructure, (ii) its on-line auction software, and (iii) WWA Group's interest in Asset Forum.

Infrastructure is Washington DC-area based project management business focused on specialized projects in the Middle East, Africa and Asia. Recent projects have included management of the construction of training facilities in Thailand and Cambodia for the U.S. Navy. We anticipate a return of on our investment in Infrastructure as that company expands operations. WWA Group sold 4 million shares of Infrastructure shares for \$320,000 in July 2010 and currently retains a 17.75% interest.

World Wide Auctioneer's proprietary on line auction system software is an interactive proprietary software system developed by WWA Group that can be utilized to hold on-line only auctions. We expect to expand the application of the on line auction software to other asset segments.

Asset Forum is an Arizona based company that provides an international listing service that matches sellers with buyers for heavy equipment and real estate. We have supplemented Asset Forum's distinctive listing service with World Wide Auctioneer's on line auction software to perform the actual bidding and selling function of items for on line auction on Asset Forum. The Asset Forum business model is based on advertising assets for sale in a free listing by owner format that provides listing services for owners over a broad range of asset categories. The platform includes a unique forum function that enables the viewer to post comments on the items displayed and permits buyers to deal directly with sellers. Asset Forum's combination of open forum, owner direct and customized auctions in one marketplace for buyers and sellers attracted over one thousand asset listings in 2010. WWA Group holds a 51% interest in Asset Forum.

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Our financial condition and results of operations will depend primarily on income generated from any return on our investments in equity interests and related party entities. Meanwhile, our financial condition is tied to our ability to realize debt or equity financing. We can provide no assurance that income will provide sufficient cash flows in the near term to sustain our operations. Further, we have no commitments for additional debt or equity financing at this time.

WWA Group's business development strategy is prone to significant risks and uncertainties which can have an immediate impact on efforts to realize net cash flow and may deter prospects for company growth. We have a limited history of generating income from our investments in equity interests and related party entities. Should we be unable to generate sufficient income or reduce expenses to the point where we realize net cash flow, WWA Group's ability to continue its business operations may be in jeopardy.

### **Results of Operations**

During the nine months ended September 30, 2010, WWA Group (i) conducted three major un-reserved auctions for industrial equipment, three one-day car auction, and one night Ramadan auction from the World Wide Auctioneers auction site located in the Jebel Ali Free Trade Zone, Dubai, UAE, (ii) chartered its shipping vessel known as the M/V Iron Butterfly, (iii) bought and sold equipment for its own account, (iv) and acquired a majority interest in Asset Forum.

#### ***Net Loss***

The loss for the three months ended September 30, 2010 decreased to \$62,357 from \$2,946,223 for the three months period ended September 30, 2009, a decrease of 98%. Net loss for the nine months ended September 30, 2010, decreased to \$1,391,720 from \$2,661,202 for the nine months period ended September 30, 2009, a decrease of 48%. The decrease in net loss over the comparative periods is primarily due to an increase in revenues from the sales of equipment and a decrease in direct costs related to commissions and services. Despite net losses throughout the current periods, WWA Group does expect to realize net income in 2010 as a direct result of the sale of World Wide Auctioneers subsequent to period end.

#### ***Revenue***

Revenue for the three months ended September 30, 2010 increased to \$10,329,056 from \$8,144,798 for the three months ended September 30, 2009, an increase of 27%. Revenue for the nine months ended September 30, 2010 increased to \$27,051,420 from \$23,019,611 for the nine months ended September 30, 2009, an increase of 18%. The increase in revenues over the comparative three and nine months can be primarily attributed to an increase in the sale

of owned equipment. Due to the sale of World Wide Auctioneers, effective October 31, 2010, WWA Group expects revenue to decrease in the near term.

***Gross Profit (Loss)***

Gross profit for the three months ended September 30, 2010 was \$1,236,061 as compared to gross loss of \$1,006,300 for the three months ended September 30, 2009. Gross profit for the nine months ended September 30, 2010 increased to \$3,134,140 from \$2,364,669 for the nine months ended September 30, 2009, an increase of 33%. The transition to a gross profit over the comparative three month periods and the increase in gross profit over the comparative nine month periods can primarily be attributed to an increase in revenues and a decrease in direct costs related to commissions and services.

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## *Operating Expenses*

Operating expenses for the three months ended September 30, 2010, decreased to \$975,016 from \$1,612,181 for the three months ended September 30, 2009, a decrease of 40%. Operating expenses for the nine months ended September 30, 2010 decreased to \$3,487,337 from \$4,398,614 for the nine months ended September 30, 2009, a decrease of 21%. The decrease in expenses over the comparative three and nine month periods can be primarily attributed to a decrease in general and administrative expenses and selling expenses. The major components of general and administrative expenses are professional fees, rent expense, travel and entertainment, representation expense, insurance, bank charges, and maintenance expenses. WWA Group anticipates that general and administrative expenses and selling expenses will continue to decrease with the sale of World Wide Auctioneers.

Depreciation and amortization expenses for the three months ended September 30, 2010 increased to \$226,273 from \$177,893 for the three months ended September 30, 2009. Depreciation and amortization expenses for the nine months ended September 30, 2010 increased to \$656,671 from \$595,579 for nine months ended September 30, 2009. Depreciation and amortization expenses are expected to decrease with the sale of World Wide Auctioneers.

#### ***Other Income (Expense)***

Other expenses for the three months ended September 30, 2010 decreased to \$323,602 from \$327,741 for the three months ended September 30, 2009. Other expenses for the nine months ended September 30, 2010 increased to \$1,038,523 from \$627,257 for the nine months ended September 30, 2009.

### ***Income Tax Expense (Benefit)***

The Jebel Ali Free Zone is an income tax free zone. Therefore, any profits of World Wide Auctioneers are not taxable in Dubai. WWA Group determined that undistributed earnings from Dubai were to be reinvested in the business and that such earnings were not to be distributed to the U.S. parent. Therefore, in accordance with APB Opinion No. 23, *Accounting for Income Taxes - Special Areas*, no income tax provision has been recorded for the undistributed earnings.

#### ***Impact of Inflation***

WWA Group has been subject to a substantial increase in yard and staff housing expenses over the last two years due to the demand for housing and land within the Jebel Ali Free Zone. However, WWA Group does not expect inflation to be a factor in the near future due to the sale of World Wide Auctioneers.



*Liquidity and Capital Resources*

We had a working capital deficit of \$1,401,726 as of September 30, 2010 as compared to \$1,758,710 as of December 31, 2009. At September 30, 2010, our current assets were \$21,839,905, which consisted of \$2,569,304 in cash, \$8,742,223 in receivables, \$2,195,847 in advances to suppliers, \$3,032,435 in inventories, \$569,893 in prepaid expenses, \$4,181,227 in notes receivable, and \$548,976 in other current assets. Our total assets were \$30,268,790, which included current assets as well as property and equipment, our new building and auction arena, our Aqua Conti desalination barge, and investments. Our current liabilities totaled \$23,241,631, which included \$8,607,228 in accounts payable and \$8,723,649 on our line of credit. Our total liabilities were \$25,679,268. Our total stockholders equity at September 30, 2010 was \$4,589,522.

Cash flows used in operating activities for the nine months ended September 30, 2010, were \$6,040,023 as compared to cash flows provided by operating activities of \$5,280,284 for the nine months ended September 30, 2009. The transition to cash flow used in operating activities in the nine month ended September 30, 2010 can be attributed to the increase in accounts receivable. We do not expect to generate net cash from operations in 2010.

Cash flows used in investing activities for the nine months ended September 30, 2010 were \$788,628 as compared to \$2,112,042 for the nine months ended September 30, 2009. Cash flow used in investing activities in the nine months ended September 30, 2010 can be attributed to costs associated with the construction of an auction facility in Dubai and an increase in a note receivable.

Cash flows provided by financing activities were \$761,543 for the nine months ended September 30, 2010 as compared to \$5,600,331 for the nine months ended September 30, 2009. The cash flows provided by financing activities in the current period relates to an increase in bank term loan of \$2,052,151, and repayment on a short term note \$648,191 and a decrease in a bank line of credit of \$1,938,799.

The board of directors, at its own discretion, may issue stock or grant options under the 2006 Benefit Plan to employees and other individuals, including consultants or advisors, who render services to WWA Group or its subsidiaries, provided that the services rendered are not in connection with the offer or sale of securities in a capital-raising transaction. No options remain outstanding under the benefit plan at September 30, 2010.

As of September 30, 2010, WWA Group does not believe that it had sufficient current assets to meet its current liabilities due to negative working capital of \$1,401,726. Although we have historically funded our cash needs from a combination of operations, increases in payables, sales of our common stock, and debt transactions, we can provide no assurance that we will be able to obtain sufficient financing in the future. Sources for other prospective financings may consist of loans from shareholders or loans from other sources. Should we be unable to increase our cash flows from operating activities or obtain sufficient financing from debt or equity placements, we may not be able to continue operations.

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

WWA Group had no commitments for future capital expenditures that were material at September 30, 2010, except a \$750,000 commitment for the ongoing construction of a 45,000 square foot office/arena/shop building at the Jebel Ali auction site in Dubai, United Arab Emirates. The commitment passes with the sale of World Wide Auctioneers effective October 31, 2010.

WWA Group has no defined benefit plan or contractual commitment with any of its officers or directors.

WWA Group has no current plans for the purchase or sale of any plant or equipment other than is described in relation to the sale of World Wide Auctioneers.

WWA Group has no current plans to make any changes in the number of employees other than is described in relation to the sale of World Wide Auctioneers.

### ***Off Balance Sheet Arrangements***

As of September 30, 2010, WWA Group had 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.

### ***Critical Accounting Policies***

In Note B to the audited consolidated financial statements for the year ended December 31, 2009 and 2008 filed on Form 10-K with the Securities and Exchange Commission, we discuss those accounting policies that are considered to be significant in determining the results of operations and its financial position. We believe that the accounting principles utilized by it 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, WWA Group evaluates its estimates, including those related to bad debts, inventories, intangible assets, warranty obligations, product liability, revenue, and income taxes. WWA Group bases its 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, WWA Group applies the following critical accounting policies in the preparation of its financial statements

## **Revenue Recognition**

*Auction Revenues* earned in WWA Group's capacity as agent for consignors of equipment are comprised mainly of auction commissions in the form of flat selling fees or fixed or sliding percentages of the gross auction sale price of any consigned equipment. The majority of auction commissions are earned as a fixed rate of the gross selling price. Auction revenues also include any preparation, shipping, clearing, transport and handling charges and fees applicable to certain items of consigned equipment; incidental interest income; buyers' commission applicable on certain sales of items. All revenue is recognized when the auction sale is complete and we have determined that the auction proceeds are collectible.

*Trading revenues* are defined as gross proceeds on sales of WWA Group owned or underwritten inventory sold at auction or privately. All costs of goods sold are accounted for under direct costs. Trading revenue can be earned and direct costs can be incurred when WWA Group guarantees a certain net level of proceeds to a consignor. This type of revenue includes a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than

the guaranteed amount, WWA Group can incur a net loss on the sale. Therefore, sales of equipment on a guarantee contracts are to be treated the same as inventory for accounting purposes. Our exposure from these guarantee contracts can vary over each guarantee contract. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is held.

*Ship chartering revenues* are contractual in nature and similar to a lease. WWA Group charters its cargo vessel to a freight forwarding company on a flat monthly fee until the end of 2014. The shipping company is responsible for all of the fuel, repairs, maintenance, salaries and all administrative costs and cargo related costs, and the risks of receipt and delivery of the cargo. WWA Group recognizes its ship charter revenues ratably over the term of the charter contract.

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

The statements contained in the section titled *Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in this current report, are forward looking statements. 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 business and the acceptance of our products and services;
- our ability to achieve and maintain an adequate customer base to generate sufficient revenues to maintain and expand operations;
- 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 as required by law.

***Recent Accounting Pronouncements***

Please see Note B to our consolidated financial statements included herein for recent accounting pronouncements.

*Stock-Based Compensation*



We have adopted Accounting Standards Codification Topic ( ASC ) 718, formerly SFAS No. 123 (revised 2004) (SFAS No. 123R), 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**

Not required.

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#### **ITEM 4. CONTROLS AND PROCEDURES**

##### *Evaluation of Disclosure Controls and Procedures*

In connection with the preparation of this report on Form 10-Q, an evaluation was carried out by WWA Group's management, with the participation of the chief executive officer and the chief financial officer, of the effectiveness of WWA Group's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ( Exchange Act )). Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms and that such information is accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, WWA Group's management concluded, as of the end of the period covered by this report, that WWA Group's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms, and that such information was accumulated and communicated to management, including the chief executive officer and the chief financial officer, to allow timely decisions regarding required disclosures.

##### *Changes in Internal Control over Financial Reporting*

There have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the period ended September 30, 2010, that materially affected, or are reasonably likely to materially affect, WWA Group's internal control over financial reporting.

## **PART II OTHER INFORMATION**

#### **ITEM 1. LEGAL PROCEEDINGS**

On August 5, 2009 WWA Group, Inc. received a Pre-Penalty Notice ( Notice ) from the Office of Foreign Assets Control ( OFAC ). The Notice was issued based on OFAC's belief that WWA Group has engaged in certain transactions prohibited by Executive Order(s) and or Regulations promulgated pursuant to the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.* in connection with the facilitation of auction related services to Iran and Sudan.

The perceived violations have caused OFAC to propose a civil monetary penalty of \$4,665,600 be imposed on WWA Group subject to adjustment based on evidence presented in response to the Notice. The Notice process permits us to contact OFAC by telephone to initiate settlement discussions or otherwise provide a written response to the perceived violations within the permitted 30 day notice period prior to the issuance of a Penalty Notice. WWA Group has provided a written response to OFAC that presents evidence to negate the perception that it has operated in contravention of the laws of the U.S. and is now awaiting OFAC's response.

**ITEM 1A. RISK FACTORS**

WWA Group's operations and securities are subject to a number of risks. Below we have identified and discussed the material risks that we are likely to face. Should any of the following risks occur, they will adversely affect our operations, business, financial condition and/or operating results as well as the future trading price and/or the value of our securities.

### Risks Related to WWA Group's Business

***Sales of equipment from our auctions may have ultimately ended up in Iran, Sudan or Syria.***

Due to the proximity of Iran, Sudan and Syria to our auction site, sales records, and statistics on regional spending for used construction equipment, there is reason to believe that some percentage of the equipment sold at our auctions prior to May 2007 may have ultimately ended up in Iran, Sudan or Syria. Although we have never sold equipment to Iran, Sudan or Syria, countries which the U.S. State Department and OFAC have identified as state sponsors of terrorism, and we have never made any effort to attract consignors or bidders from any country recognized as a state sponsor of terrorism, it is possible that some equipment purchased at our auctions was sold to persons or entities that re-exported such equipment to these countries, particularly to Iran. Our records indicate as follows:

***Sales between March 2001 and May 2007 to persons or entities with addresses in countries deemed State Sponsors of Terrorism by the U.S. State Department and OFAC***

| <i>Address of registered bidder</i> | <i>Sales</i>     | <i>Percentage of total sales*</i> |
|-------------------------------------|------------------|-----------------------------------|
| Iran                                | \$7,300,000      | 1.40%                             |
| Sudan                               | \$1,847,950      | 0.37%                             |
| Syria                               | <u>\$202,300</u> | <u>0.03%</u>                      |
| TOTAL                               | \$9,350,250      | 1.8%                              |

\* Total gross auction sales and private sales by WWA Group were approximately

\$519,600,000 between 2001 and May of 2007

Our records indicate that approximately 1.8% of our total gross auction sales and private sales were to persons or entities with address in Iran, Sudan or Syria between March 2001 and May 2007. We do not believe that this percentage of sales had any impact on our operations, reputation or on shareholder value. However, despite the fact that WWA Group has no knowledge of delivery of equipment purchased at its auctions to Iran, Sudan or Syria, OFAC has proposed that a fine of \$4,665,600 be imposed on WWA Group. Although WWA group is in the process of negating the basis for the proposed fine the imposition of such a penalty could diminish WWA Group's ability to continue as a going concern.

***A significant percentage of corporate control lies in the hands of one shareholder.***

Asia8, Inc. owns and controls voting power over nearly 32% of WWA Group's issued and outstanding stock. The concentration of such a large percentage of our stock in the hands of one shareholder may have a disproportionate

effect on the voting power of minority shareholders on any and all matters presented to WWA Group's shareholders.

*Our chief executive officer does not offer his undivided attention to WWA Group due to his dual responsibilities.*

Our chief executive officer does not offer his undivided attention to our business as he also serves as the chief executive officer of Asia8, Inc. His responsibilities cause him to divide his time between the two entities. The division of time however does not necessarily indicate a division of interests since Asia8, Inc., owns approximately 32% of the outstanding shares of WWA Group. Nonetheless, his dual responsibilities may compromise WWA Group's ability to successfully conduct its business operations.

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***WWA Group is dependent upon key personnel.***

WWA Group's performance and operating results are substantially dependent on the continued service and performance of our officers and directors. We intend to hire additional technical, sales, managerial and other personnel as we move forward with our business model. Competition for such personnel is intense, and there can be no assurance that we can retain our key employees, or that we will be able to attract or retain highly qualified personnel in the future. The loss of the services of any of our key employees or the inability to attract and retain the necessary personnel could have a material adverse effect upon our business, financial condition, operating results, and cash flows.

***Our business is subject to governmental regulations.***

International, national and local standards set by governmental regulatory authorities set the regulations by which products are certified across respective territories. Further, climate change legislation and greenhouse gas regulation is becoming increasingly ubiquitous. The products that we intend to distribute are subject to such regulation in addition to national, state and local taxation. Although we believe that we can successfully distribute our products within current governmental regulations it is possible that regulatory changes could negatively impact our operations and cause us to diminish or cease operations.

***Climate change legislation or regulations restricting emissions of greenhouse gases could result in increased operating costs related to reducing the emission of the green house gases.***

On December 15, 2009, the U.S. Environmental Protection Agency (EPA) officially published its findings that emissions of carbon dioxide, methane and other greenhouse gases present an endangerment to human health and the environment because emissions of such gases are contributing to warming of the Earth's atmosphere and other climatic changes. These findings by the EPA allow the agency to proceed with the adoption and implementation of regulations that would restrict emissions of greenhouse gases under existing provisions of the federal Clean Air Act. In late September 2009, the EPA had proposed two sets of regulations in anticipation of finalizing its findings that would require a reduction in emissions of greenhouse gases from motor vehicles and that could also lead to the imposition of greenhouse gas emission limitations in Clean Air Act permits for certain stationary sources. In addition, on September 22, 2009, the EPA issued a final rule requiring the reporting of greenhouse gas emissions from specified large greenhouse gas emission sources in the United States beginning in 2011 for emissions occurring in 2010. The adoption and implementation of any regulations over greenhouse gases could require us to incur costs to reduce emissions of greenhouse gases that may be associated with our operations.

**Risks Related to WWA Group's Stock**

*The market for our stock is limited and our stock price may be volatile.*

The market for our common stock has been limited due to low trading volume and the small number of brokerage firms acting as market makers. Because of the limitations of our market and volatility of the market price of our stock, investors may face difficulties in selling shares at attractive prices when they want to. The average daily trading volume for our stock has varied significantly from week to week and from month to month, and the trading volume often varies widely from day to day.

***We incur significant expenses as a result of the Sarbanes-Oxley Act of 2002, which expenses may continue to negatively impact our financial performance.***

We incur significant legal, accounting and other expenses as a result of the Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Commission, which control the corporate governance practices of public companies. Compliance with these laws, rules and regulations, including compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as discussed in the following risk factor, has substantially increased our expenses, including legal and accounting costs, and made some activities more time-consuming and costly.

***Our internal controls over financial reporting may not be considered effective in the future, which could result in a loss of investor confidence in our financial reports and in turn have an adverse effect on our stock price.***

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 we are required to furnish a report by our management on our internal controls over financial reporting. Such report must contain, among other matters, an assessment of the effectiveness of our internal controls over financial reporting as of the end of the year, including a statement as to whether or not our internal controls over financial reporting are effective. This assessment must include disclosure of any material weaknesses in our internal controls over financial reporting identified by management. If we are unable to continue to assert that our internal controls are effective, our investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

***WWA Group does not pay dividends.***

WWA Group does not pay dividends. We have not paid any dividends since inception and have no intention of paying any dividends in the foreseeable future. Any future dividends would be at the discretion of our board of directors and would depend on, among other things, future earnings, our operating and financial condition, our capital requirements, and general business conditions. Therefore, shareholders should not expect any type of cash flow from their investment.

***WWA Group will require additional capital funding.***

WWA Group will require additional funds in the form of additional equity offerings or debt placements, to maintain operations. Such additional capital may result in dilution to our current shareholders. Further, our ability to meet short-term and long-term financial commitments will depend on future cash. There can be no assurance that future income will generate sufficient funds to enable us to meet our financial commitments.



*If the market price of our common stock declines as the selling security holders sell their stock, selling security holders or others may be encouraged to engage in short selling, depressing the market price.*

The significant downward pressure on the price of the common stock as the selling security holders sell material amounts of common stock could encourage short sales by the selling security holders or others. Short selling is the selling of a security that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller. Short sellers assume that they will be able to buy the stock at a lower amount than the price at which they sold it short. Significant short selling of a company's stock creates an incentive for market participants to reduce the value of that company's common stock. If a significant market for short selling our common stock develops, the market price of our common stock could be significantly depressed.

*WWA Group's common stock is currently deemed to be penny stock, which makes it more difficult for investors to sell their shares.*

WWA Group's common stock is and will be subject to the penny stock rules adopted under section 15(g) of the Exchange Act. The penny stock rules apply to companies whose common stock is not listed on the NASDAQ Stock Market or other national securities exchange and trades at less than \$5.00 per share or that have tangible net worth of less than \$5,000,000 (\$2,000,000 if the company has been operating for three or more years). These rules require, among other things, that brokers who trade penny stock to persons other than established customers complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances. Many brokers have decided not to trade penny stocks because of the requirements of the penny stock rules and, as a result, the number of broker-dealers willing to act as market makers in such securities is limited. If WWA Group remains subject to the penny stock rules for any significant period, it could have an adverse effect on the market, if any, for WWA Group's securities. If WWA Group's securities are subject to the penny stock rules, investors will find it more difficult to dispose of WWA Group's securities.

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

None.

**ITEM 3. DEFAULTS ON SENIOR SECURITIES**

None.

**ITEM 4. (REMOVED AND RESERVED)**

Removed and reserved.

**ITEM 5. OTHER INFORMATION**

None.

Stock-Based Compensation

**ITEM 6. EXHIBITS**

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 25 of this Form 10 Q, and are incorporated herein by this reference.

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**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/ Eric Montandon

November 15, 2010

By: Eric Montandon

Its: Chief Executive Officer

/s/ Digamber Naswa

November 15, 2010

By: Digamber Naswa

Its: Chief Financial Officer and Principal Accounting Officer

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**EXHIBITS**

***Exhibit***            ***Description***

3(i)(a)\*            Articles of Incorporation of WWA Group (Conceptual Technologies, Inc.) filed with the Nevada Secretary of State on November 26, 1996 (incorporated herein by reference from the Form SB-2 filed with the Commission on December 26, 2007).

3(i)(b)\*            Certificate of Amendment of the Articles of Incorporation of WWA Group (Conceptual Technologies, Inc.) filed with the Nevada Secretary of State on August 29, 1997 (incorporated herein by reference from the Form SB-2 filed with the Commission on December 26, 2007).

3(i)(c)\*            Certificate of Amendment of the Articles of Incorporation of WWA Group (NovaMed Inc.) filed with the Nevada Secretary of State on May 8, 1998 (incorporated herein by reference from the Form SB-2 filed with the Commission on December 26, 2007).

3(i)(d)\*            Certificate of Amendment to the Articles of Incorporation of WWA Group filed with the Nevada Secretary of State on September 25, 2003 (incorporated herein by reference from the Form SB-2 filed with the Commission on December 26, 2007).

3(ii)\*                Bylaws of WWA Group adopted on November 12, 1996 (incorporated herein by reference from the Form SB-2 filed with the Commission on December 26, 2007).

10(i)\*                Stock Exchange Agreement between WWA Group and World Wide Auctioneers, Inc. dated August 5, 2003 (incorporated herein by reference from the Form 8-K filed with the Commission on August 25, 2003).

10(ii)\*                Purchase Agreement between World Wide Auctioneers, Ltd., Geoffrey Greenless and Crown Diamond Holdings, Inc. dated June 30, 2006 (incorporated herein by reference from the Form 8-K filed with the Commission on July 19, 2006).

10(iii)\*              Share Purchase Agreement between World Wide Auctioneers, Ltd. and Steven Edward Rogers dated December 20, 2006 (incorporated herein by reference from the Form 8-K filed with the Commission on February 15, 2007).

10(iv)\* Share Purchase Agreement by and between WWA Group and Seven International Holdings, Ltd., dated effective October 31, 2010 (incorporated herein by reference from the Form 8-K filed with the Commission on November 12, 2010).

14\* Code of Ethics adopted March 28, 2004 (incorporated herein by reference from the Form 10-KSB filed with the Commission on March 30, 2005).

21\* Subsidiaries of WWA Group (incorporated herein by reference from the Form 10-K filed with the Commission on April 10, 2008).

31(a) 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(b) 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(a) 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(b) 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.

\* Incorporated by reference from previous filings of WWA Group.

