WWA GROUP INC
Form 10-Q
May 21, 2010

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 **March 31, 2010**.

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.)

2465 W. 12th St. Tempe, 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, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 o No þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.
Large accelerated filer 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. The number of shares outstanding of the issuer’s common stock, $0.001 par value (the only class of voting stock), at May 21, 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.

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WWA GROUP, INC.
Consolidated Balance Sheets

Assets	**Unaudited March 31, 2010**	**Audited December 31, 2009**
Current assets:		
Cash	$ 3,047,708	$ 8,636,411
Receivables, net	1,218,980	4,464,014
Advances to suppliers	1,562,416	1,752,852
Inventories	3,116,826	3,543,485
Prepaid expenses	338,356	570,525
Notes receivable	4,033,852	3,989,855
Other current assets	316,159	339,210
Total current assets	13,634,297	23,296,352
Property and equipment, net	5,249,617	5,037,041
Vessel Aqua Conti – CWIP	1,372,491	1,372,491
Investment in unconsolidated entity	1,496,749	1,491,866
Investment in related party entity	31,250	31,250
Other assets	467,331	534,093
Total assets	$ 22,251,735	$ 31,763,093
Liabilities and Stockholders' Equity		
Current liabilities:		
Auction proceeds payable	$ 1,582,056	$ 8,068,708
Accounts payable	2,481,616	1,915,541
Accrued expenses	523,001	463,581
Line of credit	10,610,198	10,662,448
Short term debt – notes payable	1,499,475	3,669,178
Current maturities of long-term debt	109,815	275,607
Total current liabilities	16,806,161	25,055,063
Long-term debt	724,530	726,788
Total liabilities	17,530,691	25,781,851
Stockholders' equity:		
Common stock, $0.001 par value, 50,000,000 shares authorized; 22,591,922 shares issued and outstanding	22,592	22,592
Additional paid-in capital	4,449,080	4,449,080
Retained earnings	249,372	1,509,570
Total stockholders' equity:	4,721,044	5,981,242
Total liabilities and stockholders’ equity	$ 22,251,735	$ 31,763,093

See accompanying condensed notes to consolidated reviewed financial statements.

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WWA GROUP, INC.
Consolidated Statements of Income

	For the Quarters Ending March	
	2010	**2009**
	Unaudited	**Unaudited**
Revenues from commissions and services	$ 874,629	$ 1,376,198
Revenues from sales of equipment	$ 4,762,451	$ 4,783,129
Revenues from ship charter	165,000	150,000
Total revenues	5,802,080	6,300,327
Direct costs - commissions and services	361,912	488,893
Direct costs - sales of equipment	5,012,431	4,780,948
Gross profit	427,737	1,030,486
Operating expenses:		
General and administrative expenses	623,158	744,575
Salaries and wages	435,206	423,986
Selling expenses	30,577	35,690
Depreciation and amortization expense	216,424	209,489
Total operating expenses	1,305,365	1,413,740
Income (loss) from operations	(877,628)	(383,254)
Other income (expense):		
Interest expense	(392,998)	(160,952)
Income on equity investment	4,884	1,907
Interest income	31,520	31,965
Other income (expense)	(25,976)	3,398
Total other income (expense)	(382,570)	(123,682)
Income (loss) before income taxes	(1,260,198)	(506,937)
Provision for income taxes	$ -	$ -
Net income (loss)	$ (1,260,198)	$ (506,937)
Basic and diluted earnings per common share	$ 0.00	$ 0.00
Weighted average shares - basic	22,591,922	22,591,922
Weighted average shares - diluted	22,591,922	23,268,895

See accompanying condensed notes to consolidated reviewed financial statements.

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WWA GROUP, INC.
Consolidated Statements of Cash Flow

	For the Quarters Ending March	
	2010 Unaudited	**2009 Unaudited**
Cash flows from operating activities:		
Net income (loss)	$ (1,260,198)	$ (506,937)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	216,424	310,505
(Gain) Loss on disposition of assets	32,473	14,769
Loss (Gain) on equity investment	(4,884)	(1,907)
Changes in operating assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	3,245,034	8,503,953
Advance to suppliers	190,434	-
Inventories	426,659	1,545,281
Prepaid expenses	232,169	3,212
Other current assets	23,051	(48,080)
Other assets	-	-
Increase (Decrease) in:		
Auction proceeds payable	(6,486,652)	(12,200,520)
Accounts payable	566,075	(805,233)
Accrued liabilities	59,420	(122,790)
Net cash provided by (used in) operating activities	(2,759,993)	(3,307,748)
Cash flows from investing activities:		
Purchase of property and equipment	(474,212)	(1,264,364)
(Increase) Decrease in note receivable	(43,997)	(1,799)
Proceeds from sale of fixed assets	79,500	64,300
Payments received on notes receivable	-	-
Net cash provided by (used in) investing activities	(438,709)	(1,201,863)
Cash flows from financing activities:		
Increase (Decrease) in line of credit	(52,250)	86,259
Proceeds from short-term notes payable	-	-
Payments on short term notes	(2,169,703)	-
Payments/Proceeds- long-term debt	(168,051)	(193,843)
Proceeds from issuance of common stock	-	-
Net cash provided by (used in) financing activities	(2,390,003)	(107,584)
Net increase (decrease) in cash and cash equivalents	(5,588,705)	(4,617,195)
Cash and cash equivalents at beginning of year	8,636,411	7,476,689
Cash and cash equivalents at end of period	$ 3,047,708	$ 2,859,494

See accompanying condensed notes to consolidated reviewed financial statements.

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WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

Note A – Organization

WWA Group, Inc., ("WWA Group" or "Company") operates in Jebel Ali, Dubai, United Arab Emirates (U.A.E) under a trade license from the Jebel Ali Free Zone Authority. The Company'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. The Company was incorporated in the state of Nevada in November 1996.

The Company includes the accounts of WWA Group, 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 August 8, 2003, the Company 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 the Company agreed to acquire 100% of the issued and outstanding shares of World Wide Auctioneers in exchange for 13,887,447 shares of the Company's common stock. Because the owners of World Wide Auctioneers became the principal shareholders of the Company 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, the Company changed its name from "Novamed, Inc." to "WWA Group, Inc."

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 the Company's financial statements. The financial statements and notes are representations of the Company's management who is 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.

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 the Company 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, the Company 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.

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WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

NOTE B - Summary of Significant Accounting Policies – continued

Cash and Cash Equivalents

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

Accounts Receivable and Allowance for Doubtful Accounts

The Company 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.

The 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 is provided as the Company is collecting amounts without default.

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. The Company 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.

Dry Docking Costs

The Company's vessels 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 March 31, 2010, other assets include the unamortized dry-docking costs of approximately $467,331.

Investment in Unconsolidated Entities

The Company accounts for its approximate 30% equity investment in an unconsolidated subsidiary under the equity method of accounting whereby the Company records its proportionate share of the net income or loss of the equity interest. For the quarter ended March 31, 2010 the gain on equity investment amounted to $4,884.

WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

NOTE B - Summary of Significant Accounting Policies – continued

Investment in Related Party Entity

Investment in related party represents the Company's equity investment in an entity in which one of the Company's directors serves as a director. The Company accounts for its equity investment in a foreign affiliate using the fair value measurement principles. The Company 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 the Company'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 the Company has determined that the auction proceeds are collectible. Revenues from sales of equipment originate from the auctioned sale of equipment inventory owned by the Company. The Company 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 the company. The Company 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.

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. The Company 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 the Company's current tax liability and change in deferred income tax assets and liabilities.
Significant judgment is required in evaluating the Company's uncertain tax positions and determining its provision for income taxes. The Company 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 the Company believes that certain positions might be challenged despite its belief that its tax return positions are in accordance with applicable tax laws. The Company 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.

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WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

NOTE B - Summary of Significant Accounting Policies – continued

Income Taxes - continued

WWA operates in the Jebel Ali Free Zone of Dubai, which is an income tax free zone. Therefore, the profits of WWA are not taxable in Dubai. During the fourth quarter of 2004, the Company determined that undistributed earnings from Dubai will be reinvested in the business indefinitely and that such earnings will not be distributed to the Company. 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, the Company 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.

The Company granted no compensatory options to its employees during the quarter ended March 31, 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.

Risks Related to Business and Stock

Due to the proximity of Iran, Sudan and Syria to Company's 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 Company's auctions ultimately ended up in Iran, Sudan or Syria. The U.S. State Department or OFAC could impose fines upon the Company or cause it to restrict certain of its sales based on this possibility. Any such action could have a negative impact on the Company's reputation which might decrease shareholder value.

WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

NOTE B - Summary of Significant Accounting Policies – (continued)

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.

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

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WWA GROUP, INC
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March31, 2010

Note C – Notes Receivable

Notes Receivable to related party

Notes receivable include $2,372,150 of advances provided to Intelspec International, Inc., the Company's minority owned unconsolidated subsidiary, which is a project management company focused on specialized projects and subcontracts throughout the Middle East, Africa and Asia and which operates a rock crushing and stone quarry in U.A.E. The notes bear no interest and are payable on demand.

Other note receivables

As of March 31, 2010, advances to the Company's auction associates in Australia, Lebanon and Philippines amount to $1,166,702 and to Intraglobal Shipping, a shipping associate, of $495,000. The notes bear no interest and are payable on demand.

Note D – Line of Credit

The Company 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 the Company and by the personal guarantee of its president and CEO. The borrowings bear interest at between 6.5% and 11.5% per annum. The Company owed $10,610,198 on these secured purchasing and working capital funding lines at March 31, 2010.

Note E – Subsequent Events

On April 14, 2010, Intelspec International, Inc. ("Intelspec"), formerly 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. The Company acquired an approximately 22% interest in Infrastructure as a result of the transaction.

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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 our period ended March 31, 2010. Our fiscal year end is December 31.

Discussion and Analysis

WWA Group's business strategy is to (i) increase cash flow through increased operating efficiencies from our primary auction site, (ii) continue to utilize lower cost venues including on-line auctions and smaller equipment auctions at smaller sites, (iii) further develop its non-auctioneering operations, and (iv) acquire synergetic businesses.

Our growth model will continue to employ lower cost auction methods, such as on-line auctions, video auctions, and transportation equipment only auctions, all of which can be held on a more frequent basis than the major equipment auctions. While smaller in size, these auctions will not interfere with or detract from our major equipment auctions.

We will also continue to expand internationally. The addition of auction yards in the U.S. as well as managing sites in Lebanon and Philippines not only gives WWA Group more exposure to a wider customer base in these locales, it also provides physical support for equipment that can be sold on-line. We will also develop our relationship with Trident International, a U.S. military contractor, and other military contractors in order to manage more disposal auctions like those we managed this year in Doha, Qatar.

A major segment of our expansion plans will rely on the success of Intelspec International, Inc. ("Intelspec"), the continuation of our shipping charter, desalination operations, and the development or acquisition of other related businesses. Intelspec, our minority-owned, unconsolidated subsidiary, is a project management company focused on specialized projects and subcontracts in the $1 million to $10 million range throughout the Middle East, Africa and Asia. Recent projects include managing the construction of training facilities in Thailand and Cambodia for the U.S. Navy and a limestone removal project in Ras Al Khaimah, U.A.E. On April 14, 2010 Intelspec concluded an agreement with Infrastructure Developments Corp. ("Infrastructure"), a publicly traded company, pursuant to which Intelspec became a subsidiary of Infrastructure. We acquired an approximately 22% interest in Infrastructure as a result of the transaction. The exchange of our interest in Intelspec for that in Infrastructure is anticipated to return realizable value on our investment.

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WWA Group's business development strategy is prone to significant risks and uncertainties, some of which can have an immediate impact on our efforts to generate positive net cash flow and deter future prospects for the expansion of our business. Our financial condition and results of operations depend primarily on the volume of industrial equipment auctioned, the prices we obtain at auction for such equipment, and the commission rates we can attract from the consignor. Industrial equipment prices are historically volatile and are currently depressed while commission rates remain competitive. Price volatility combined with pressure on commission rates can immediately affect our available cash flow which can in turn impact the availability of cash flow for our expansion plans. Our long-term success will depend on our ability to increase the size of our auctions and to optimize commissions and prices realized at auction. Should we be unable to increase gross auction sales and obtain competitive pricing at auction then we can expect a reduction in revenue that will affect our results of operations.

Results of Operations

During the period from January 1, 2010, through March 31, 2010, WWA Group (i) conducted one major un-reserved auction for industrial equipment and two one-day car auctions from its auction site located in the Jebel Ali Free Trade Zone, Dubai, U.A.E., (ii) bought and sold equipment for its own account (iii) chartered its shipping vessel known as the M/V Iron Butterfly, (vi) provided desalinized water to the port of Ras Al Khaimah, U.A.E. from our Aqua Conti desalinization barge, and (v) formed a majority interest in Asset Forum, LLC, an Arizona based company that provides an international listing service that matches sellers with buyers for a broad range of assets.

Net Income (Loss)

Net loss for the three months ended March 31, 2010, increased to $1,260,198 from $506,937 for the three months ended March 31, 2009, an increase of 149%. The increase in net loss over the comparative periods can be primarily attributed to gross losses from owned equipment sales in the current period and an increase in interest expense. WWA Group expects that it will return to net income over the next twelve months based on our expectations of:

- Increasing gross sales volume at our physical auction sales and on-line auctions;
- Increasing commissions and service revenue as a percentage of gross auction sales;
- Increasing gross profit margins on owned equipment sales;
- Decreasing interest expense; and
- Addition of other income from our investment in Intelspec.

Some of the above expectations are beginning to be experienced in 2010 and are controllable by management. Other expectations are more speculative and subject to market conditions. We can offer no assurance that the Company will be successful in achieving profits in 2010.

Revenue

Revenue for the three months ended March 31, 2010, decreased to $5,802,080 from $6,300,327 for the three months ended March 31, 2009, a decrease of 8%. The decrease in revenues over the comparative periods can be primarily attributed to decrease in revenue from commission and services to $874,629 from $1,376,198. Revenue from owned equipment sales remained fairly steady. Ship charter revenue increased to $165,000 from $150,000. Gross revenue from ship charter should remain consistent through 2013 due to new charter agreement signed in beginning of 2009 that requires the charter party to pay all expenses associated with the vessel operations and maintenance, in addition to the charter fee.

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We expect continued growth in the marketplace and increased gross auction revenue in 2010 over 2009. The last two auctions in December 2009 and first three auctions of 2010 are indicative of an ongoing trend towards larger auctions. We have also been able to increase our lines of credit and other facilities needed to increase the volume of equipment sales for our own account. The market prices for equipment have now stabilized at lower levels and we can now expect better gross margins on increased volume of sales activity.

Gross Profit

Gross profit for the three months ended March 31, 2010, decreased to $427,737 from $1,030,486 for the three months ended March 31, 2009, a decrease of 58%. The decrease in gross profit over the comparative periods can be primarily attributed to a gross loss of almost 5% on our sales of equipment in the current period as compared to a negligible gross profit in the previous period. The gross profit on commissions and services also decreased slightly to 59% in the current period from 64% in the previous period.

WWA Group expects gross profit margins sales of equipment to rise to around 15% to 20% in the future, but this percentage figure will decline with any significant increase in owned equipment trading volume. We do not seek to be a significant seller in the auctions we conduct, and we do not expect the percentage of owned equipment for sale at our auctions to exceed 10% of the gross auction volume. However, we expect to continue to increase total auction sale volumes as well as increase sales of owned equipment in on-line auctions and in private sales. We will also purchase equipment in the form of guaranteed net proceeds to assist customers and increase auction volume.

The gross profit percentage may vary greatly from period to period depending on the equipment WWA Group determines to purchase. We will continue to seek to purchase equipment that we believe will sell for a gross profit, without compromising the integrity of the consignment auction business.

Operating Expenses

Operating expenses for the three months ended March 31, 2010, decreased to $1,305,365 from $1,413,740 for the three months ended March 31, 2009, a decrease of 8%. The decrease in expenses over the comparative period can be attributed to decrease in general and administrative expenses to $623,158 from $744,575. The major components of general and administrative expenses are professional fees, rent expense, travel and entertainment, representation expense, insurance, banks charges, and maintenance expenses.

Salaries and wages for the three months ended March 31, 2010 and 2009 were $435,206 and $423,986 respectively. We expect to keep salaries and wages at present levels for the next 12 months.

Selling expenses for the three months ended March 31, 2010 and 2009 were $30,577 and $35,690 respectively.

The depreciation and amortization expenses increased to $216,424 from $209,489 over the comparable periods. Depreciation and amortization expenses are expected to continue to increase as WWA Group acquires additional assets including the construction of new offices and the assembly of a permanent auction yard at our Jebel Ali facility.

WWA Group anticipates that general and administrative expenses will remain relatively constant during 2010, although there can be no assurance that our general and administrative and other operating expenses will not increase in future periods.

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Other Income (Expense)

Interest expenses for the three months ended March 31, 2010, increased to $392,998 from $160,952 for the three months ended March 31, 2009. The gain on our equity investment increased to $4,884 from $1,907 and interest income decreased to $31,520 from $31,965 over the comparative periods. We transitioned to other expense of $25,975 from other income of $3,398 over the comparative periods.

Income Tax Expense (Benefit)

The Jebel Ali Free Zone is an income tax free zone. Therefore, the profits of World Wide Auctioneers, Ltd. are not taxable in Dubai. WWA Group has determined that undistributed earnings from Dubai will be reinvested in the business indefinitely and that such earnings will not 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. If, in the future, Worldwide Auctioneers, Ltd., distributes such earnings to the U.S. parent, the earnings will be taxable at the applicable U.S. tax rates.

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. The general market costs have now settled down, and we have agreements in place to stabilize our rental costs in the future. However, operating cost in the U.A.E. have not declined relative to other international market, our fixed land rental rate is now above market as the result of decrease in demand for land in the Jebel Free Zone, and other local governmental fees have seen recent increase due to budget concerns. We do not believe that we can offset above market operating costs in the near term by increasing revenue and improving operating efficiencies in the U.A.E. while equipment prices, commission and service revenue, are on the decline.

Liquidity and Capital Resources

We had a working capital deficit of $3,171,864 as of March 31, 2010. Our current assets were $13,634,297, which included of $3,047,708 in cash, $1,218,980 in receivables, $1,562,416 in advances to suppliers, $3,116,826 in inventories, and $4,033,852 in notes receivable. Our total assets were $22,251,735, which included property and equipment, our Aqua Conti desalination barge, and investments. Our current liabilities totaled $16,806,161, which included $10,610,198 on our line of credit. Our total liabilities were $17,530,691. Our total stockholders' equity at March 31, 2010, was $4,721,043.

Cash flows used in operating activities for the three months ended March 31, 2010, were $2,759,993 as compared to $3,307,748 for three months ended March 31, 2009. Less cash was used in operating activities within the current period as compared to the previous period primarily due to the decrease in auction proceeds payable and the increase in accounts payable in the current period. However, we did not transition to cash flows provided by operating activities in the current due to an increase in net losses and a decrease in accounts receivable. We expect to generate cash from operations in 2010 with a transition to net income as well as a decrease in inventories and notes receivable.

Cash flows used in investing activities for the three months ended March 31, 2010, were $438,709 as compared to $1,201,863 for the three months ended March 31, 2009. Cash flow used in investing activities in the three months ended March 31, 2010, can be attributed to the construction of auction facility in our U.A.E. yard and to a lesser extent an increase in notes receivable. During the period WWA Group disposed of assets totaling $280,638.

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Cash flows used in financing activities were $2,390,003 for the three months ended March 31, 2010, as compared to $107,584 for the three months ended March 31, 2009. The cash flow used in financing activities relates to a decrease in bank lines of credit of $52,250 and repayments on both short-term notes of $2,169,703 and long-term debt of $168,051.

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 our 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 March 31, 2010.

We do not believe that WWA Group has sufficient current assets to meet its current liabilities due to negative working capital of $3,171,864 as of March 31, 2010. Historically, WWA Group has funded its cash needs from a combination of operations, increases in payables, sales of its common stock, and debt transactions. Since we are currently unable to consistently realize net cash flows from operating activities, we may need to seek financing to avoid delays in the payment of accounts payable or auction proceeds payable, which delays could negatively impact our ability to attract and retain consignors for future auctions. Prospective sources of funding could include shareholder loans, equity sales or loans from other sources though no assurance can be given that such sources would be available or that any commitment of support has been forthcoming.

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 March 31, 2010, except a $2 million 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.

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.

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

Off Balance Sheet Arrangements

As of March 31, 2010, 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.

Critical Accounting Policies

In Note B to the audited consolidated financial statements for the years 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 our financial position. We believe that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

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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

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 our owned or underwritten inventory sold at auction or privately. All costs of goods sold are accounted for under direct costs. Trading Revenues can be earned and direct costs can be incurred when we guarantee 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, we can incur a net loss on the sale. Therefore, sales of equipment on guaranteed contracts are to be treated the same as inventory for accounting purposes. Our exposure from these guaranteed contracts can vary over each guarantee contract. Losses, if any, resulting from guaranteed 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 our cargo vessel to a freight forwarding company on a flat monthly fee until the end of 2013. The shipping company is responsible for all operating costs, fuel costs and cargo related costs, and the risks of receipt and delivery of the cargo. We recognize our 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 *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 business and the acceptance of our products and services;

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- 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 is 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.

ITEM 4T. 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.

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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 March 31, 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:

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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

Address of registered bidder	*Sales*	*Percentage of total sales**
Iran	$7,300,000	1.40%
Sudan	$1,847,950	0.37%
Syria	$202,300	0.03%
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 would have a negative on WWA Group's reputation and 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 approximately 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.

WWA Group competes with a much larger and better-financed corporation.

We compete with numerous auction companies throughout the world, but the Gulf region is our primary market. The used equipment auction market in the Gulf region has only two significant participants, WWA Group and Ritchie Brothers Auctioneers, Inc. ("RBA"). RBA, the world's largest un-reserved equipment auctioneer, holds a dominant position in certain geographic locations. While RBA is still much larger and much better-financed than us, we have gradually increased our market share in Dubai and have effectively outperformed RBA in terms of market share since 2004.

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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 sales employees, or that we will be able to attract or retain highly qualified sales and managerial 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.

WWA Group depends on the growth of its customer base and increased business from its current customers.

WWA Group's success is substantially dependent on the continued growth of its customer base. Should we fail to increase our customer base, our business and operating results will be negatively affected. Our ability to attract new customers will depend on a variety of factors, including the reliability, security, scalability and cost-effectiveness of our services, as well as our ability to effectively market our services. Further, if we fail to generate repeat business from current customers, our operating results will suffer.

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.

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On June 26, 2009, the U.S. House of Representatives passed the “American Clean Energy and Security Act of 2009,” or “ACESA,” which would establish an economy-wide cap-and-trade program to reduce U.S. emissions of greenhouse gases including carbon dioxide and methane. ACESA would require a 17% reduction in greenhouse gas emissions from 2005 levels by 2020 and just over an 80% reduction of such emissions by 2050. Under this legislation, the EPA would issue a capped and steadily declining number of tradable emissions allowances to certain major sources of greenhouse gas emissions so that such sources could continue to emit greenhouse gases into the atmosphere. These allowances would be expected to escalate significantly in cost over time. The net effect of ACESA will be to impose increasing costs on the combustion of carbon-based fuels such as oil, refined petroleum products, and natural gas. The U.S. Senate has begun work on its own legislation for restricting domestic greenhouse gas emissions and the President Obama Administration has indicated its support of legislation to reduce greenhouse gas emissions through an emission allowance system. Although it is not possible at this time to predict when the Senate may act on climate change legislation or how any bill passed by the Senate would be reconciled with ACESA, any future federal laws or implementing regulations that may be adopted to address greenhouse gas emissions 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. Further, expenses related to our compliance may increase in the future, as legislation affecting smaller reporting companies comes into effect that may negatively impact our financial performance to the point of having a material adverse effect on our results of operations and financial condition.

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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 may require additional capital funding.

There can be no guarantee that we will not require additional funds, either through additional equity offerings or debt placements, in order to expand our 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.

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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.

ITEM 6. EXHIBITS

Exhibits required to be attached by Item 601 of Regulation S-K are listed in the Index to Exhibits on page 27 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 May 21, 2010
By: Eric Montandon
Its: Chief Executive Officer

/s/ Digamber Naswa May 21, 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)* Loan Agreement with SPM Line Lift Machinery Exports, Ltd. (incorporated herein by reference from the Form 8-K filed with the Commission on January 20, 2009).

10(v)* Notice of Conversion of Debt due to SPM Line Lift Machinery Exports, Ltd. (incorporated herein by reference from the Form 8-K filed with the Commission on January 20, 2009).

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 1, 2009).

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 (attached).

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 (attached).

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 (attached).

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 (attached).

* Incorporated by reference from previous filings of WWA Group.

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