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INTERNATIONAL WIRELESS INC
Form 10QSB
June 07, 2004

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

FORM 10-QSB

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

For the Quarterly Period Ended September 30, 2003

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

For the transition period from _____ to _____

Commission File Number: 000-27045

INTERNATIONAL WIRELESS, INC.

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

Maryland

36-4286069

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

25 Mound Park Drive, Springboro, Ohio 45066

(Address of principal executive offices)

(937) 748-4217

(Issuer's telephone number)

Not applicable

(Former name, former address and former fiscal year, if changed since last report.)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

As of June 7, 2004, the Company had 13,523,606 issued, and outstanding shares of its \$.009 par value common stock.

Transitional Small Business Disclosure Format: Yes No

Documents incorporated by reference: None.

INTERNATIONAL WIRELESS, INC.

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ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL WIRELESS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET (UNAUDITED) March 31, 2004

ASSETS

CURRENT ASSETS

Cash	\$ 1,229
Marketable Securities	3,020
Accounts receivable,	1,074,083
Inventory	874,538
Prepaid expenses	1,000

Total Current Assets	1,953,870
EQUIPMENT, net of depreciation	954,584
GOODWILL	586,056

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\$3,494,510
 =====

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Current portion of long-term debt	\$ 29,450
Accounts payable	1,774,655
Notes payable to related party	77,188
Accrued payroll taxes	528,633
Billings in excess of cost	18,908
Accrued payroll	96,892
Notes payable to vendors	208,479
Accrued expenses	207,106

Total Current Liabilities	2,941,311
---------------------------	-----------

LONG-TERM DEBT

941,635

STOCKHOLDERS' EQUITY

Preferred stock \$0.01 par value, 5,000,000 shares authorized, non issued and outstanding	
Common stock \$0.001 par value, 100,000,000 shares authorized, 13,077,758 issued and outstanding at March 31, 2004	13,077
Paid-in-capital	56,304
Retained deficit	(457,817)

Stockholders' deficit	(388,436)

\$3,494,510
 =====

See accompanying notes to consolidated financial statements.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS (UNAUDITED)

	Three Months Ended March 31, 2004 -----
NET SALES	\$ 1,819,991
COSTS AND EXPENSES	
Cost of goods sold	1,363,461
Selling, general and administrative	179,655
Depreciation and amortization	27,918

Total Costs and Expenses	1,571,034

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NET OPERATING INCOME	248,957
OTHER INCOME (EXPENSE)	
Rental income	18,568
Interest expense	(9,009)

Total Other Income	9,559

NET INCOME	\$ 258,516
	=====
NET INCOME PER COMMON SHARE	\$ 0.02
	=====
(Basic and diluted)	
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	13,077,758
	=====

Comparable data for the three months ended March 31, 2003 is not available.

See accompanying notes to consolidated financial statements.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Three Months Ended March 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES	
Net income	\$ 258,516
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation	27,918
Changes in operating assets and liabilities:	
Accounts receivable	46,099
Inventory	(255,346)
Accounts payable	232,357
Accrued payroll taxes	(69,825)
Billings in excess of cost	(137,599)
Accrued payroll	(14,750)
Notes payable to vendors	(131,521)
Accrued expenses	15,750

Net Cash Used in Operating Activities	(28,401)

CASH FLOWS FROM FINANCING ACTIVITIES	
Loan repayments	(20,293)

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Additional capital investments	45,000 -----
Net Cash Provided by Financing Activities	24,707 -----
NET DECREASE IN CASH	(3,694)
CASH AND CASH EQUIVALENTS BEGINNING OF YEAR	4,923 -----
CASH AND CASH EQUIVALENTS END OF YEAR	\$ 1,229 =====

See accompanying notes to consolidated financial statements.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE A - BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary in order to make the financial statements not misleading have been included. Results for the three months ended March 31, 2004 are not necessarily indicative of the results that may be expected for the year ending December 31, 2004. For further information, refer to the financial statements and footnotes thereto included in the International Wireless, Inc. and Subsidiaries' annual report on Form 10-KSB for the year ended December 31, 2003 and its Form 8K-A filed on June 1, 2004 with the Securities and Exchange Commission.

NOTE B - ACQUISITION OF MOUND TECHNOLOGIES

On December 15, 2003, the Company acquired 100% of the issued and outstanding stock of Mound Technologies, Inc. ("Mound") for an aggregate purchase price of 1,256,000 shares of the Company's common stock to be issued to the stockholders of Mound. Mound, a Nevada corporation, is a steel fabricator meeting industrial and architectural standards for commercial buildings. The acquisition is being accounted for as a purchase under SFAS No. 141, Business Combinations. Since the acquisition occurred on December 15, 2003, the results of operations were not included in the December 31, 2003 financial statements since the period of inclusion was not deemed significant. However, effective January 1, 2004, the results of operations for the three months ended March 31, 2004, have been included.

The allocation of the purchase price was as follows:

Value of 1,256,000 shares of common stock at \$0.01 per share	\$ 12,560 =====
Fair value of net assets allowed as follows:	
Cash	\$ 4,923

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Marketable securities	3,020
Accounts receivable	1,120,182
Inventory	619,192
Equipment	982,502
Deposits	1,000
Liabilities assumed	(3,304,315)
Goodwill	586,056

	\$ 12,560
	=====

NOTE C - STOCKHOLDERS' EQUITY

The principal shareholders of the Company have contributed an additional \$45,000 to fund obligations of the company. The amount has been credited to additional paid-in capital.

NOTE D - LITIGATION

On November 20, 2001, a judgment in the amount of \$10,497 was entered against the Company and Omar A. Rizvi, the former Chairman of the Board of Directors of Origin (a predecessor company of International Wireless, Inc.), by the Labor Commissioner in the State of California for past wages, interest and penalties owed to a former employee of the Company who claimed to have performed paralegal and bookkeeping services in California for Origin. To date, this judgment has not been paid.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS (CONTINUED)

NOTE D - LITIGATION (CONTINUED)

On February 20, 2003, a judgment in the amount of \$28,750 was entered against the Company for unpaid rent on behalf of Graham Paxton, the former President and CEO of the Company as part of his employee benefit plan.

On March 11, 2003, the Company received notice from Omar A. Rizvi, the former Chairman of the Board of Origin, claiming breach of contract for failure to deliver to him 100,000 shares for professional services allegedly performed on behalf of the Company and wrongful cancellation of additional warrants to purchase 200,000 shares of International Wireless for which he claimed damages. No suit has been filed to date and the Company believes that if such a suit is filed, the Company has a good defense and proper grounds for a counter-suit.

On March 20, 2003, a judgment in the amount of \$2,000 was entered against the Company By Beyond Words Communication, Inc. for unpaid marketing services rendered to the company.

On March 31, 2003, a judgment in the amount of \$99,089, including \$50,000 security deposit replenishment, was entered against the company for breach of contract for non-payment of rent on the company's office facility in Woburn, Massachusetts. The company is contingently liable for the balance of this lease in the total amount of \$428,000 through the lease expiration date of July 31, 2005.

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In May 2003, certain former employees filed complaints with the Commonwealth of Massachusetts Attorney General's office for unpaid salaries and accrued vacation pay. The Company's records reflect a liability of approximately \$73,000 for back fees, gross salaries and accrued vacation. Potential severance pay due to these employees in accordance with their employment agreement totals an additional \$186,350 which the Company believes is not due.

In April 2004, a judgment was obtained against Mound Technologies, Inc., a newly acquired subsidiary, in the amount of \$175,000 by a vendor. The Company has recently negotiated a settlement agreement with payment of a reduced amount due by July 12, 2004.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Cautionary Statement Pursuant to Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995:

This Quarterly Report on Form 10-QSB for the quarterly period ended March 31, 2004 contains "forward-looking" statements within the meaning of the Federal securities laws. These forward-looking statements include, among others, statements concerning the Company's expectations regarding sales trends, gross and net operating margin trends, political and economic matters, the availability of equity capital to fund the Company's capital requirements, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Quarterly Report on Form 10-QSB for the quarterly period ended March 31, 2004 are subject to risks and uncertainties that could cause actual results to differ materially from those results expressed in or implied by the statements contained herein.

The interim financial statements have been prepared by International Wireless, Inc. and in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim periods presented, including normal recurring adjustments. Certain information and footnote disclosures made in the most recent annual financial statements included in the Company's Form 10-KSB for the year ended December 31, 2003, have been condensed or omitted for the interim statements. It is the Company's opinion that, when the interim statements are read in conjunction with the December 31, 2003 financial statements, the disclosures are adequate to make the information presented not misleading. The results of operations for the three months ended March 31, 2004 are not necessarily indicative of the operating results for the full fiscal year.

(A) THE COMPANY

The Company was incorporated in the State of Maryland on April 6, 1999 as Origin Investment Group, Inc. ("Origin"). On December 27, 2001, the Company went through a reverse merger with International Wireless, Inc. ("International Wireless"). Thereafter on January 2, 2002, the Company changed its name from Origin to our current name, International Wireless, Inc.

The Company was originally formed as a non-diversified closed-end management investment company, as those terms are used in the Investment Company Act of 1940 ("1940 Act"). The Company at that time elected to be regulated as a business development company under the 1940 Act. The 1940 Act defines a business development company (a "BDC") as a closed-end management investment company that provides small businesses that qualify as an "eligible portfolio company" with

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investment capital and also significant managerial assistance. A BDC is required under the 1940 Act to invest at least 70% of its total assets in "qualifying assets" consisting of (a) "eligible portfolio companies" as defined in the 1940 Act and (b) certain other assets including cash and cash equivalents.

The Company's original investment strategy had been, since inception, to invest in a diverse portfolio of private companies that in some way build the Internet infrastructure by offering hardware, software and/or services which enhance the use of the Internet. Prior to its reverse merger with International Wireless, the Company identified two eligible portfolio companies within which they entered into agreements to acquire interests within such companies and to further invest capital in these companies to further develop their business. However, on each occasion and prior to each closing, the Company was either

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unable to raise sufficient capital to consummate the transaction or discovered information which modified its understanding of the eligible portfolio company's financial status to such an extent where it was unadvisable for it to continue and consummate the transaction. During the 2002 fiscal year, the Company entered into a definitive share exchange agreement and investment agreement with Vivocom, Inc., a San Jose, California based software company that had developed a proprietary all media switching system which enables all forms of data to be sent over a single IP channel. The Company intended on investing a minimum of three million two hundred and fifty thousand dollars (\$3,250,000) within Vivocom over several months. Due to the Company's inability to raise this money, the share exchange never took place and the agreement terminated.

On December 7, 2001, the Company held a special meeting of its shareholders in accordance with a filed Form DEF 14A with the Securities and Exchange Commission whereby the shareholders voted on withdrawing the Company from being regulated as a business development company and thereby no longer be subject to the Investment Company Act of 1940 and to effect a one-for-nine reverse split of its total issued and outstanding common stock. On December 14, 2001 the Company filed a Form N-54C with the Securities and Exchange Commission formally notifying its withdrawal from being regulated as a business development company. The purpose of the withdrawal of the Company from being regulated as a business development company and the one-for-nine reverse split of its total issued and outstanding common stock was to allow the Company to merge with a potential business in the future. By withdrawing from its status as a business development company, the Company chose to be treated as a publicly traded "C" corporation.

On December 27, 2001, the Company went through a reverse merger whereby it acquired all the outstanding shares of International Wireless. Under the said reverse merger, the former Shareholders of International Wireless ended up owning a 88.61% interest in the Company. Thereafter on January 2, 2002, the Company changed its name from Origin to our current name, International Wireless, Inc.

From December 27, 2001 through June 2003, the Company attempted to develop its bar code technology and bring it to market. To that extent, the Company moved its operations to Woburn, Massachusetts, hired numerous computer programmers, developers and sales people in addition to support staff. Due to the Company's inability to raise sufficient capital, the Company was unable to pay current operating expenses and by June, 2003 shut down its operations entirely.

On August 29, 2003, a change in control of the Company occurred in conjunction with naming Attorney Jerry Gruenbaum of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities by any means

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appropriate, including settling any and all liabilities to the U.S. Internal Revenue Service and the Commonwealth of Massachusetts' Attorney General's office for unpaid wages.

In conjunction with naming Attorney Jerry Gruenbaum of First Union Venture Group, LLC as attorney of record for the purpose of overseeing the proper disposition of the Company and its remaining assets and liabilities, the Company issued First Union Venture Group, LLC, a Nevada Limited Liability Company, Thirty Million (30,000,000) newly issued common shares as consideration for their services. In addition, the Company canceled any and all outstanding options, warrants, and/or debentures not exercised to date. The Company further nullified any and all salaries, bonuses, and benefits including severance pay and accrued salaries to Stanley A. Young and Michael Dewar.

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On November 12, 2003, the Company approved the spin-off of the two subsidiaries of the Company and any and all remaining assets of the Company, including any intellectual property, to enable the Company to pursue a suitable merger candidate. In addition, the Company approved a 30 to 1 reverse split of all existing outstanding common shares of the Company.

On November 15, 2003, a change in control of the Company occurred whereby the Company entered into an Acquisition Agreement to acquire one hundred percent (100%) of PMI Wireless, Inc., a Delaware corporation with corporate headquarters located in Cordova, Tennessee. The acquisition, in the form of a reverse merger, took place on December 1, 2003 for the aggregate consideration of \$50,000 in cash, all of which was paid to the U.S. Internal Revenue Service for the Company's prior obligations, plus assumption of the Company's existing debts, for 9,938,466 newly issued common shares of the Company.

On December 10, 2003, the Company entered into an Acquisition Agreement to acquire one hundred percent (100%) of Mound Technologies, Inc. ("Mound"), a Nevada corporation with its corporate headquarters located in Springboro, Ohio. The acquisition was a stock for stock exchange in which the Company acquired all of the issued and outstanding common stock of Mound in exchange for 1,256,000 newly issued shares of its common stock. As a result of this transaction, Mound became a wholly owned subsidiary of the Company.

(B) BUSINESS OF THE ISSUER

The Company is in the early stages of business formation and operation. In its present form, the Company's mission is to become a leading diversified company with business interests in well established service organizations and capital goods manufacturing companies. The Company plans to successfully grow by acquiring companies with historically profitable results, strong balance sheets, high profit margins, and solid management teams in place. By providing access to financial markets, expanded marketing opportunities and operating expense efficiencies, the Company expects to become the facilitator for future growth and higher long-term profits. In the process, the Company expects to develop new synergies among the acquired companies, which should allow for greater cost effectiveness and efficiencies, and thus further enhancing each individual company's strengths. To date, the Company has completed company acquisitions in the wireless technology, steel fabrication and heavy machinery industries.

(1) PMI WIRELESS, INC.

PMI Wireless, Inc. is an emerging technology company, incorporated in September 2003, which plans to deliver Customer Premise Equipment (CPE) for Broadband Wireless Access Systems in the ISM, WLL, MMDS and UNII frequency bands. PMI expects to provide a reduction of build-out costs for Broadband

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Wireless Access Systems while accelerating the speed of deployment. PMI also expects to deliver next-generation wireless services that support expanded coverage, seamless global roaming, higher voice quality, high-speed data and a full range of broadband multimedia services, including full motion video, video conferencing, and high-speed Internet access. Additional services are expected to include on-demand medical imaging, real-time road maps, and anytime, anywhere video conferencing.

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PMI is also a licensed reseller for Turbowave, Inc. Turbowave develops, manufactures, and markets certain hardware, software, and related materials for use with certain personal computers, wireline and wireless devices. PMI expects to utilize the Turbowave manufactured products in developing and marketing its products and services.

To date, PMI has not produced or sold any products or services.

(2) MOUND TECHNOLOGIES, INC.

Mound was incorporated in the state of Nevada in November of 2002, with its corporate offices located in Springboro, Ohio. Mound is actively involved in the fabricated metals industry as well as property management. This business includes two divisions and Freedom Products of Ohio ("Freedom"), a wholly owned subsidiary.

The Steel Fabrication Division is located in Springboro, Ohio. This division is a full service structural and miscellaneous steel fabricator. It also manufactures steel stairs and railings, both industrial and architectural quality. The present capacity of the facility is 6000 tons per year of structural and miscellaneous steel. This division had been previously known as Mound Steel Corporation which was started at the same location in 1964.

The Property Management Division is also located in Springboro, Ohio. This division presently owns two properties and manages three other properties, all in Ohio, which includes 37,000 square feet of light and heavy manufacturing buildings on approximately 6 acres. An additional 33 acres of industrial property is managed but not owned, all in Ohio.

Freedom is a wholly owned subsidiary of Mound. Freedom manufactures products for the heavy machinery industry and has the ability to do complete assembly and testing if required. This includes machine bases, breeching, pollution control abatement fabrications and material handling fabrications. Freedom has the capacity to fabricate weldments and assemblies up to 50 tons total weight. Freedom is located in Middletown, Ohio.

(3) STEEL FABRICATION DIVISION:

The Steel Fabrication Division is focused on the fabrication of metal products. This Division produces structural steel, miscellaneous metals, steel stairs, railings, bar joists, metal decks and the erection thereof. This Division produced net sales of \$4.4 million in 2003.

The State of Ohio is the second largest producing state for fabricated metal products in the country. The fabricated metal component of the Ohio Gross State Product was \$8.995 million for 2001. Over the past three years, from the first quarter of 2001 to the first quarter of 2003, the economic downturn has hit this manufacturing segment hard. A substantial number of factory jobs have been lost in this Division's operating region. During this time, nearly 60% of the durable goods manufacturers were concentrated in these two struggling industries - fabricated metal and machinery manufacturing. Along with the

economic manufacturing downturn, intense competition from China also contributed to the challenging economic climate of this industry. With the economy emerging out of its doldrums in late 2003, coupled with steel tariffs being ended, business prospects for the metal fabrication industry have improved. For the first quarter of 2004, this Division has approximately \$3,300,000 in order backlog.

This Division's customers are typically U.S. based companies that require large structural steel fabrication, with needs such as building additions, new non-residential construction, etc. Customers are typically located within a one-day drive from the Company's facilities. The Company is able to reach 70% of the U.S. population, yielding a significant potential customer base. Marketing of our products is done by advertising in industry directories, word-of-mouth from existing customers, and by the dedicated efforts of in-house sales staff monitoring business developments opportunities within the Company's region. Large clients typically work with the Company on a continual basis for all their fabricated metal needs.

Competition overall in the U.S. steel fabrication industry has been reduced by approximately 50% over the last few years due to economic conditions leading to the lack of sustained work. The number of regional competitors has gone from ten down to three over the past five years. Larger substantial work projects have declined dramatically with the downturn in the economy. Given the geographical operating territory of the Company, foreign competition is not a major factor. In addition to competition, steel pricing represents another significant challenge. The cost of steel, our highest input cost, has seen significant increases in recent years. The Company will manage this challenge by stockpiling the most common steel component products and incorporating price increases in job pricing as deemed appropriate.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On November 20, 2001 a judgment in the amount of \$10,497 was entered against the Company, and Omar A. Rizvi, the former Chairman of the Board of Directors of Origin, by the Labor Commissioner in the State of California for past wages, interest and penalties owed to a former employee of the Company who alleged to have performed paralegal and bookkeeping services in California for Origin. To date the judgment has not been paid.

In December, 2002 the Company was sued by Greg Laborde in U.S. District Court for the District of New Jersey for Breach of Employment Contract and Defamation seeking monetary damages including additional stocks and warrants. The Company has settled the dispute in May 2004 for 170,000 newly issued shares of the Company.

On February 20, 2003 a judgment in the amount of \$28,750 was entered against the Company for unpaid rent on behalf of Graham Paxton, the former President and CEO of the Company as part of his employee benefit plan. To date the judgment has not been paid.

On March 20, 2003 a judgment in the amount of \$2,000 was entered against the Company by Beyond Words Communication, Inc. for prior unpaid marketing services rendered to the Company. To date the judgment has not been paid.

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On March 31, 2003 a judgment in the amount of \$99,090 was entered against the Company for breach of contract for non payment of rent on the Company's former office facility in Woburn, Massachusetts. To date the judgment has not been paid. The company is contingently liable for the balance of this lease in the total amount of \$428,000 through the lease expiration date of July 31, 2005.

In May, 2003 certain former employees filed complaints with the Commonwealth of Massachusetts Attorney General's office for unpaid salaries and accrued vacation pay. In accordance with Company's records, the Company owes a total of approximately \$73,000 for back fees, gross salaries and accrued vacation. From its records, which the employees dispute, the Company owes the following to individuals who filed a complaint with the Attorney General's Office:

Thomas C. Antognini	\$12,273.03
John Poupolo	\$14,344.44
James K. Levinger	\$11,454.31
Tom Gosselin	\$ 5,332.40

Total	\$41,404.18
	=====

In April 2004, a judgment was obtained against Mound Technologies, Inc., a newly acquired subsidiary, in the amount of \$175,000 by a vendor. The Company has recently negotiated a settlement agreement with payment of a reduced amount due by July 12, 2004.

Other than the matters above, there is no other past, pending or, to the Company's knowledge, threatened litigation or administrative action which has or is expected by the Company's management to have a material effect upon our Company's business, financial condition or operations, including any litigation or action involving our Company's officers, directors, or other key personnel.

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

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ITEM 5. OTHER INFORMATION

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None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

(b) Reports on Form 8-K:

Three Months Ended March 31, 2004

The Company filed a Form 8-K on January 8, 2004 appointing Dr. Kenneth Farris to the Board of Directors.

SIGNATURES

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

INTERNIONAL WIRELESS, INC.
(Registrant)

Date: June 7, 2004

By: /s/ TRENT SOMMERVILLE

Trent Sommerville
Chief Executive Officer, and
Chairman of the Board

Date: June 7, 2004

By: /s/ JEFFREY BRANDEIS

Jeffrey Brandeis
President

Date: June 7, 2004

By: /s/ CRAIG A.PIETRUSZEWSKI

Craig A. Pietruszewski
Chief Financial Officer

Date: June 7, 2004

By: /s/ JERRY GRUENBAUM

Jerry Gruenbaum
Secretary