

WWA GROUP INC  
Form 10QSB  
August 18, 2006

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

**FORM 10-QSB**

*(Mark One)*

Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended **June 30, 2006**.

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

Commission file number: **000-26927**

**WWA GROUP INC.**

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

**NEVADA**

**77-0443643**

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

**2465 West 12th Street, Suite 2 Temple, Arizona 85281**

(Address of Principal Executive Office) (Zip Code)

**(480) 505-0070**

(Issuer's telephone number)

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

Yes  No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes \_\_\_\_\_ No  X

The number of outstanding shares of the registrant's common stock, \$0.001 par value (the only class of voting stock), as of August 10, 2006 was 16,670,803.

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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-QSB 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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Assets	June 30, 2006 (Unaudited)	Consolidated
Current assets:		
Cash	\$ 5,307,316	
Marketable securities	73,000	
Receivables, net	7,278,459	
Inventories	1,278,558	
Prepaid expenses	206,043	
Deposit on software	-	
Notes receivable	5,069,476	
Other current assets	314,526	
	-----	-----
Total current assets	19,527,379	
Property and equipment, net	1,457,583	
Investment in unconsolidated entity	250,000	
	-----	-----
	-----	-----
Total Assets	\$ 21,234,962	
	=====	=====
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Auction proceeds payable	\$ 13,966,501	
Accounts payable	766,436	
Accrued expenses	135,453	
Line of credit	2,181,823	
Current maturities of long-term debt	172,301	
	-----	-----
Total current liabilities	17,222,514	
Long-term debt	111,357	
	-----	-----
Total liabilities	17,333,871	
Commitments and contingencies	-	
Stockholders' equity:		
Common stock, \$0.001 par value, 50,000,000		

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shares authorized; 16,670,803 and 15,970,803		
shares issued and outstanding, respectively	16,671	
Additional paid-in capital	1,509,460	
Retained earnings	2,374,959	
	-----	-----
Total stockholders' equity:	3,901,090	
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 21,234,962	\$
	=====	=====

See accompanying condensed notes to consolidated financial statements.

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	Three months ended June 30,		Consol
	Unaudited 2006	Unaudited 2005	Six Unaudited
	-----	-----	-----
Revenues from commissions and services	\$ 2,740,780	\$ 2,550,191	\$ 3,
Revenues from sales of equipment	1,604,946	952,625	4,
	-----	-----	-----
Total revenues	4,345,727	3,502,816	8,
Direct costs - commissions and services	938,217	999,014	1,
Direct costs - sales of equipment	1,518,132	938,169	4,
	-----	-----	-----
Gross profit	1,889,378	1,565,633	2,
Operating expenses:			
General, selling and administrative expenses	752,608	472,714	1,
Salaries and wages	294,130	335,248	
Selling expenses	73,545	34,434	
Depreciation and amortization expense	117,837	107,376	
	-----	-----	-----
Total operating expenses	1,238,120	949,771	2,
	-----	-----	-----
Income from operations	651,258	615,862	
Other income (expense):			
Interest expense	(52,294)	(82,042)	(1
Interest income	210,483	151,800	

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Other income	28,423	27,756	
Total other income	186,612	97,514	
Income before income taxes	837,870	713,376	
Provision for income taxes	-	-	
Net income	\$ 837,870	\$ 713,376	\$ 8
Basic and diluted earnings per common share	\$ 0.05	\$ 0.04	\$
Weighted average shares - basic and diluted	16,132,341	15,970,803	15,

See accompanying condensed notes to consolidated financial statements.

	Consolidated
	Six months 2006 unaudited
Cash flows from operating activities:	
Net income	\$ 868,081
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation and amortization	240,409
Loss on disposition of assets	82,759
Loss on securities	-
Value of options granted	146,637
Changes in operating Assets and Liabilities:	
Decrease (increase) in:	
Accounts receivable	(3,492,619)
Inventories	(694,172)
Prepaid expenses	(138,538)
Other current assets	(170,757)

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Other assets	232,105
Increase (decrease) in:	
Auction proceeds payable	4,058,680
Accounts payable	(522,133)
Accrued liabilities	(18,128)
	-----
Net cash provided by (used in) operating activities	592,324
	-----
Cash flows from investing activities:	
Purchase of property and equipment	(492,285)
(Increase) in note receivable	(1,518,574)
	-----
	-----
Net cash (used in) investing activities	(2,010,859)
	-----
Cash flows from financing activities:	
Increase (Decrease) in line of credit	(2,086,829)
Payments on short-term notes	-
Payments of long-term debt	(77,280)
Proceeds from issuance of common stock	350,000
	-----
	-----
Net cash (used in) financing activities	(1,814,108)
	-----
Net (decrease) in cash and cash equivalents	(3,232,642)
Cash and cash equivalents at beginning of year	8,539,958
	-----
Cash and cash equivalents at end of period	\$ 5,307,316
	=====

See accompanying condensed notes to consolidated financial statements.

**Note 1 Organization and Basis of Presentation**

WWA Group, Inc., (the Company), through a subsidiary, operates in Jebel Ali, Dubai, United Arab Emirates 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.

WWA Group, Inc., includes the accounts of WWA Group, Inc. and its wholly owned subsidiaries World Wide Auctioneers, Ltd. ( WWA ), a company incorporated in the territory of the British Virgin Islands on March 20, 2000, which operates in Dubai, U.A.E., and Novamed Medical Products Manufacturing, Inc., a Minnesota corporation.

On August 8, 2003, the Company and WWA executed a stock exchange agreement, whereby the Company agreed to acquire 100% of the issued and outstanding shares of WWA, in exchange for 13,887,447 shares of the Company's common stock. Because the owners of WWA became the principal shareholders of the Company through the merger, WWA is considered the acquirer for accounting purposes and this merger is accounted for as a reverse acquisition or recapitalization of WWA. Subsequent to the merger, the Company changed its name to WWA Group, Inc.

The accompanying unaudited financial statements have been prepared by management in accordance with the instructions in Form 10-QSB and Regulation S-B as promulgated by the Securities and Exchange Commission ( SEC ) and, therefore, do not include all information and footnotes required by generally accepted accounting principles and should, therefore, be read in conjunction with the Company's Form 10-KSB for the year ended December 31, 2005. These statements do include all normal recurring adjustments which the Company believes necessary for a fair presentation of the statements. The interim operations are not necessarily indicative of the results to be expected for the full year ended December 31, 2006.

**Note 2 Summary of Significant Accounting Policies**

*Net Earnings Per Common Share* The computation of basic earnings per common share is based on the weighted average number of shares outstanding during each period. The computation of diluted earnings per common share is based on the weighted average number of shares outstanding during the period, plus the common stock equivalents that would arise from the exercise of stock options and warrants outstanding, using the treasury stock method and the average market price per share during the period. There are no common stock equivalents at June 30, 2006.

*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 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 collectibility is reasonably assured. All costs of goods sold are accounted for under direct costs.

June 30, 2006

**Note 2 Summary of Significant Accounting Policies (continued)**

Stock Based Compensation The Company has traditionally accounted for stock-based compensation under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. Accordingly, no compensation cost was recognized in the 2005 financial statements, when options granted under those plans have an exercise price equal to or greater than the market value of the underlying common stock on the date of grant.

Use of Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts. Accordingly, actual results could differ from those estimates.

Newly Issued Accounting Pronouncements In February 2006, the FASB issued Statement No. 155, Accounting for Certain Hybrid Financial Instruments, an amendment of FASB Statement No. 133, Accounting for Derivative Instruments and Hedging Activities and FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. This Statement permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation; clarifies which interest-only strips and principal-only strips are not subject to the requirements of Statement No. 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and amends Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This Statement is effective for accounting changes and corrections of errors made in fiscal periods that begin after September 15, 2006. Management does not anticipate this Statement will impact the Company's consolidated financial position or consolidated results of operations and cash flows.

In March 2006, the FASB issued Statement No. 156, Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities. This Statement amends Statement No. 140 with respect to the accounting for separately recognized servicing assets and servicing liabilities. This Statement is effective for accounting changes and corrections of errors made in fiscal periods that begin after September 15, 2006. Management does not anticipate this Statement will impact the Company's consolidated financial position or consolidated results of operations and cash flows.

**Note 3 Notes Receivable**

Notes receivable amounting to \$ 5,069,476 as at June 30, 2006 remain due to the Company from its trading partners. \$3,000,000 is in the form of a secured loan receivable from a shipping company which bears interest of 1.8% per month and was due to be repaid on or before June 30, 2006. In July 2006, the Company exercised the option to acquire 100% of the shipping Company's outstanding shares. As of June 30, 2006, the Company had received all interest income as it relates to the loan receivable. Other amounts in this category are receivables from one of the Company's regular consignors, from its Australia auction partner and from a Dubai based rock crushing company.



**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2006**

**Note 4 Income Taxes**

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 APB Opinion No. 23, Accounting for Income Taxes - Special Areas, no income tax provision has been recorded for the undistributed earnings.

**Note 5 Stock Options**

In December 2005, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123R, although this statement had no effect on the Company's 2005 financial statements.

In December 2005, the Company created a stock option plan (The 2005 Stock Option Plan) whereby it is authorized to issue up to 500,000 shares of its common stock to its employees and contractors during the 12 months ended December 11, 2006. No shares have been granted or issued under The 2005 Stock Option Plan.

The Company issued no compensatory options to its employees during the six months ended June 30, 2006.

In April 2006 the Company adopted The 2006 Benefit Plan of WWA Group, Inc. (the Plan), considered by the board of directors in December 2005, which approved the registration of 2,500,000 shares of the common stock to be available for issuance under the Plan. The Company granted 700,000 options to purchase shares of common stock registered under the Plan at \$0.50 a share for a term of twelve months to an independent consultant for services rendered. The options were exercised during the three months ended June 30, 2006. The Company recorded an expense of \$146,637 for the value of the options granted upon applying the Black-Scholes option valuation model. The Company received \$350,000 from the exercise of the options on June 6, 2006. There are no unexercised options outstanding at June 30, 2006.

The Company used the Black-Scholes option price calculation to value its options granted during the period ended June 30, 2006, using the following assumptions: risk free rate of 4%, volatility of 67% and a 1 year term.

**Note 6 Risks Related to Our Business and Stock**

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

**WWA GROUP, INC.**

**CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2006**

**Note 7 Subsequent Events**

In July 2006, the Company acquired all of the shares of Crown Diamond Holding Company (CDHC) by exercising the option to convert its secured loan in to equity amounting to \$ 3,000,000. Accordingly, CDHC has become a wholly owned subsidiary of the Company to be consolidated in its future financial statements. The primary asset of CDHC was a shipping vessel. The Company will record the shipping vessel on its books at its cost of approximately \$3,000,000. The Company assumed no significant liabilities in the transaction. In connection with the transaction the Company also paid a commission of \$250,000 to an individual for arranging the long term charter of the shipping vessel through December 31, 2009.

In July 2006, the Company acquired certain port loading equipment and operations in the United Arab Emirates from an individual for \$ 350,000.

In July 2006, the Company s board of directors allocated 1,500,000 of the stock options under The 2006 Benefit Plan to be granted to up to 10 of its employees exercisable at \$0.59 during a one year period, with the amounts to each employee to be determined by the Company s CEO.

In July 2006, the Company s board of directors authorized the issuance of up to 5,000,000 shares of its unregistered common stock to accredited investors in a private placement. The Company s CEO is authorized to negotiate the best possible terms of the private placement.

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**ITEM 2.**

**MANAGEMENT S DISCUSSION AND ANALYSIS**

The following discussion and analysis of our financial condition and results of operation should be read in conjunction with the financial statements and accompanying notes and the other financial information appearing elsewhere in this report. WWA Group s fiscal year end is December 31.

**General**

WWA Group s business strategy is to continue to grow the number and size of auctions held during the year, to increase the cash flow generated from such auctions, and to expand operations to new auction sites. WWA Group intends to focus on formalizing new joint venture relationships, management arrangements, new wholly owned facilities, and expanded auctions as a means by which to increase net cash flow. During the current three month period WWA Group held two successful construction equipment auctions in Dubai and one auction in Qatar. Subsequent to

June 30, 2006, WWA Group held one online equipment auction.

Implementation of WWA Group's growth model will include (i) expanding our lower cost auction methods, such as on-line auctions and video auctions, and (ii) diversifying into lower cost transportation equipment only auctions, which can be held on a more frequent basis than the larger equipment auctions. While smaller in size, these auctions will not interfere with or detract from our major equipment auctions, and the economics of scale at the Dubai facility are efficient for this purpose.

WWA Group is also now offering higher margin buyer and seller services, such as transport and logistics. WWA Group's control over a large volume of equipment being moved around the world by our regular consignors provides vertical integration opportunities that could combine auction services with the ability to meet transportation needs.

Subsequent to June 30, 2006, WWA Group acquired Crown Diamond Holdings Ltd. by exercising an option to convert our \$3,000,000 loan into 100% ownership. Crown Diamond Holdings Ltd. owns the RO vessel MV Iron Butterfly which is engaged under an existing carriage charter for the next twelve months. In connection with the transaction WWA Group also paid a commission of \$250,000 to an individual for arranging the long term charter of the shipping vessel through December 31, 2009.

Subsequent to June 30, 2006, WWA Group entered into an agreement with Stuart Copeland to acquire his port offloading equipment, rental business and existing rental contract in Al Hamra Port, Ras Al Khaimah, United Arab Emirates for \$350,000.

WWA Group's business development strategy is prone to significant risks and uncertainties certain of which can have an immediate impact on our efforts to increase positive net cash flow and deter future prospects for the expansion of our business. WWA Group's financial condition and results of operation depend primarily upon the volume of industrial equipment auctioned, the prices we obtain at auction for such equipment, and the commission rates we can attract from consignors. Industrial equipment prices historically have been volatile and are likely to continue to be volatile, and the commission rates in WWA Group's primary market are becoming more competitive. This price volatility and commission rate pressure can immediately affect WWA Group's available cash flow that can in turn impact the availability of net cash flow for future capital expenditures. Our future success will depend on our ability to increase the size of our auctions and to optimize commissions and prices realized at auction.

Should WWA Group be unable to increase gross auction sales and obtain competitive pricing at auction, we can expect a reduction in revenue that may in turn affect the profitability of our business.

## **Results of Operations**

During the period from January 1, 2006 through June 30, 2006, WWA Group was engaged in conducting un-reserved auctions for industrial equipment through our subsidiary, World Wide Auctioneers, Ltd., from our auction site located in the Jebel Ali Free Trade Zone, Dubai, United Arab Emirates. WWA Group expects that over the next twelve months we will continue to hold industrial equipment auctions at established sites and anticipates the opening of new jointly managed auction locations. To date, we have acted as a consultant to strategic partners in the auctions outside of Dubai but have not received any fees from such auctions.

For the three months ended June 30, 2006, WWA Group realized a reduced net income as compared to the three months ended June 30, 2005 as a result of granting a stock option of 700,000 shares at \$0.50 to a consultant in the Philippines. The options were valued using the Black-Scholes formula which created a non cash expense whereby

profit was reduced by \$ 146,637. After subtracting this extraordinary expense the net income increased due to increased trading revenue and the reduction in direct costs and operating expenses. Three on-site equipment auctions were completed in 2006 as compared to two in the second quarter 2005. WWA Group believes that the immediate key to our ability to operate profitably is to increase the number and the size of our auctions. WWA Group believes if we are able to increase the number and size of our auctions we will be able to increase our profit in future periods.

**Three and six months periods ended June 30, 2006 and 2005**

***Revenue***

Revenue for the three months ended June 30, 2006 increased to \$4,345,727 from \$3,502,816 for three months period ended June 30, 2005, an increase of 24%. Revenue for the six months ended June 30, 2006 increased to \$8,609,688 from \$7,774,142 for the six months period ended June 30, 2005, an increase of 11%. The increase in revenues over the six months period is mainly due to an increase in trading revenue in 2006 and the addition of a one day auction in Qatar. The two major auctions recognized in the second quarter of 2006 in Dubai were almost the same in terms of gross auction sales and revenue as those auctions held in the second quarter of 2005. WWA Group anticipates that these auction events will result in continued growth and expansion in the auction marketplace, and keep WWA Group on track to increase gross revenues for all of 2006 as compared to 2005. The growth in revenue reflects efforts towards expansion in the auction marketplace in 2006.

***Gross Profit***

Gross margin percentage from auction commission revenue during the three months ended June 30, 2006 was approximately 44% whereas the gross margin percentage on the sales of equipment was approximately 6%. Due to the decrease in the direct auction expenses and the increase in trading revenue, overall gross profit increased from \$1,565,633 in the three months ended June 30, 2005 to \$1,889,378 in the three months ended June 30, 2006. Gross margin from the sale of equipment historically has ranged from approximately 2% to 6%, whereas the gross margin percentage from auction commission revenue has ranged from approximately 40% to 70%.

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***Expenses***

Total operating expenses for the three months ended June 30, 2006 were \$1,238,120 as compared to total operating expenses of \$949,771 for the three month period ended June 30, 2005, an increase of 46% mainly due to increase of stock option expense of \$ 146,637 and partially due to an increase in depreciation. The total operating expenses for the six months ended June 30, 2006 were \$2,088,483 as compared to \$1,870,854 for the six months ended June 30, 2005, an increase of 11% mainly due to stock option expense. Management has worked to control administrative expenses by maintaining constant staffing levels. Nonetheless, WWA Group expects that direct costs and selling, general and administrative expenses may rise with the number and size of anticipated auctions to be held over the next six months, however, revenue growth is expected to outpace increases in expenses.

Depreciation and amortization expense expenses for the three months ended June 30, 2006 and June 30, 2005 were \$117,837 and \$107,376, respectively. Depreciation and amortization expense expenses for the six months ended June 30, 2006 and June 30, 2005 were \$240,409 and \$216,828, respectively. Depreciation and amortization expenses are expected to continue to grow as WWA Group acquires additional assets including shipping vessel and port equipment acquired in July 2006. Specifically, we intend to expand our physical facilities in late 2006 by building a new modern

auction yard and offices.

### ***Net Income***

Net income for the three months ended June 30, 2006 increased to \$837,870 as compared to net income of \$713,376 for the three months period ended June 2005, an increase of 17% mainly due to holding an additional auction. Net income for the six months ended June 30, 2006 increased to \$868,081 from \$533,924 for the six months ended June 30, 2005, an increase of 63%. WWA Group anticipates a net income growth over the next twelve months, based on our current accelerated auction schedule.

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

WWA Group's subsidiary, World Wide Auctioneers, Ltd., operates in the Jebel Ali Free Zone 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 WWA Group. 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, World Wide Auctioneers, Ltd.'s earnings are distributed to WWA Group, the earnings will be taxable at the applicable U.S. tax rates

### **Impact of Inflation**

WWA Group believes that inflation has had a negligible effect on operations over the past three years. WWA Group believes that it can offset inflationary increases in the cost of auctions and labor by increasing sales and improving operating efficiencies.

### **Liquidity and Capital Resources**

Cash flow provided by operating activities was \$592,324 for the six months ended June 30, 2006 as compared to cash flow used in operating activities \$2,103,587 for the six months ended June 30, 2005. Positive cash flows from operating activities in the six months ended June 30, 2006, are primarily attributable to a significant decrease in auction proceeds payable and net income during the period. Anticipated increased net revenues and a decrease in accounts receivable are expected to generate an increase in cash flow from operations in future periods; however, there can be no assurance that revenues will increase or that increases in revenues will result in positive cash flow from operating activities.

Cash flows used in investing activities for the six months ended June 30, 2006 were \$2,010,859 as compared to cash flow used in investing activities of \$447,376 for the six months ended June 30, 2005. The cash flow for investing activities in the six months ended June 30, 2006 was primarily comprised of investment in notes receivable.

Cash flows used in financing activities were \$1,814,108 for the six months ended June 30, 2006 as compared to cash flow used in financing activities of \$30,444 for the six months ended June 30, 2005. The cash flows for financing activities in the six months ended June 30, 2006 consisted primarily of repayment of working capital finance to banks of \$2,086,829, repayment of long term debt \$77,280 less proceeds from the issuance of common stock \$350,000.

WWA Group has a working capital of \$2,304,865 as of June 30, 2006, compared to a working capital surplus of \$1,180,170 as of December 31, 2005. Working capital is expected to decrease in the three month period ended September 30, 2006 due to the acquisition of ship and port operations in July 2006.

On June 30, 2006, WWA Group had auction proceeds payable of \$13,966,501 and accounts payable of \$766,436. WWA Group had \$5,307,316 in cash, and accounts receivable of \$7,278,459 as at June 30, 2006. WWA Group believes that we have sufficient operational cash flow to meet our obligations. However, WWA Group may be required to obtain funding from alternative sources to accelerate the pay down of our auction proceeds to increase our customer retention. Sources for funding WWA Group's working capital deficit consist of loans from shareholders, the sale of common stock or other equity instruments, or loans from other sources. WWA Group has funded our cash needs from inception through operations, increasing our payables, and a series of debt transactions. WWA Group can provide no assurance that we will be able to obtain additional financing, if needed, to meet our current obligations. If WWA Group is unable to increase our cash flows from operating activities or obtain additional financing, we may be required to delay payment of accounts payable or auction proceeds payable, which could negatively impact WWA Group's ability to attract and retain consignors for future auctions.

Since earnings will be reinvested in operations, WWA Group does not expect to pay cash dividends in the foreseeable future.

WWA Group adopted The 2006 Benefit Plan of WWA Group, Inc. on April 26, 2006. Under the benefit plan, WWA Group may issue stock, or grant options to acquire up to 2,500,000 shares of WWA Group's common stock to employees. The board of directors, at its own discretion may also issue stock or grant options to 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. Further, no stock may be issued, or option granted under the benefit plan to consultants, advisors, or other persons who directly or indirectly promote or maintain a market for WWA Group's stock. WWA Group granted 700,000 options pursuant to the benefit plan during the six months ended June 30, 2006, which options have been exercised. The benefit plan is registered on Form S-8 with the Securities and Exchange Commission.

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WWA Group has no contractual commitment with any of our officers or directors.

WWA Group intends to expand physical facilities in late 2006 by building a new modern auction yard and offices in Dubai. WWA Group has no plans to increase the number of employees.

### **Critical Accounting Policies**

In Note 1 to the audited consolidated financial statements for the year ended December 31, 2005, included in our Form 10-KSB, we discussed those accounting policies that are considered to be significant in determining the results of operations and our financial position. We believe that the accounting principles utilized by us conform to accounting principles generally accepted in the United States of America.

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

from these estimates under different assumptions or conditions.

We apply the following critical accounting policies in the preparation of our financial statements:

### ***Revenue Recognition***

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

Trading revenues are defined as gross proceeds on sales of WWA Group owned or underwritten inventory sold at auction or privately. All costs of goods sold are accounted for under direct costs. Trading revenue can be earned and direct costs can be incurred when WWA Group guarantees a certain net level of proceeds to a consignor. This type of revenue includes a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than the guaranteed amount, WWA Group can incur a net loss on the sale. Therefore, sales of equipment on a guarantee contracts are to be treated the same as inventory for accounting purposes. Our exposure from these guarantee contracts can vary over each guarantee contract. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is held.

### ***Allowance for Doubtful Accounts***

WWA Group makes estimates of the collectability of accounts receivable. In doing so, WWA Group analyzes accounts receivable and historical bad debts, customer credit-worthiness, current economic trends and changes in customer payment patterns when evaluating the adequacy of the allowance for doubtful accounts.

### ***Newly Issued Accounting Pronouncements***

In February 2006, the FASB issued Statement No. 155, *Accounting for Certain Hybrid Financial Instruments*, an amendment of FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities* and FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. This Statement permits fair value remeasurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation; clarifies which interest-only strips and principal-only strips are not subject to the requirements of Statement No. 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation; clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and amends Statement 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This Statement is effective for accounting changes and corrections of errors made in fiscal periods that begin after September 15, 2006. Management does not anticipate this Statement will impact the Company's consolidated financial position or consolidated results of operations and cash flows.

In March 2006, the FASB issued Statement No. 156, *Accounting for Servicing of Financial Assets*, an amendment of FASB Statement No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*. This Statement amends Statement No. 140 with respect to the accounting for separately recognized servicing assets and servicing liabilities. This Statement is effective for accounting changes and corrections of errors made in fiscal periods that begin after September 15, 2006. Management does not anticipate this Statement will impact the Company's consolidated financial position or consolidated results of operations and cash flows.

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

The statements contained in sections titled *Management's Discussion and Analysis*, with the exception of historical facts, are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which 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 forward looking statements include, but are not limited to, statements concerning:

IXI the sufficiency of existing capital resources and WWA Group's ability to raise additional capital to fund cash requirements for future operations;

IXI uncertainties involved in the rate of growth of WWA Group's business and acceptance of products and services;

IXI the ability of WWA Group to achieve and maintain a sufficient customer base to have sufficient revenues to fund and maintain operations;

IXI volatility of the stock market; and

IXI general economic conditions.

We wish to caution readers that WWA Group's operating results are subject to various risks and uncertainties that could cause our actual results to differ materially from those discussed or anticipated 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 that is required by law.

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### **Risks Related to Our Business and Stock**

Our future operating results are highly uncertain. Before deciding to invest in us or to maintain or increase your investment, you should carefully consider the risks described below, in addition to the other information contained in this annual report. If any of these risks actually occur, our business, financial condition or results of operations could be seriously harmed. In that event, the market price for our common stock could decline and you may lose all or part of your investment.

*Sales of equipment from our auctions may ultimately end 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 on



used construction equipment, there is reason to believe that some percentage of the equipment sold at our auctions ultimately ends up in Iran, Sudan or Syria. Although we sell no equipment to Iran, Sudan or Syria, countries which the U.S. State Department and the Office of Foreign Assets Control ( OFAC ) have identified as state sponsors of terrorism, and we make no effort to attract consignors or bidders from any country recognized as a state sponsor of terrorism, it is possible that some equipment at our auctions is sold to entities that re-export to these countries, particularly to Iran. Our own records indicate that registered bidders with Iranian addresses bought \$7,300,000 worth of equipment, registered bidders with Sudanese addresses bought \$1,847,950 worth of equipment and registered bidders with Syrian addresses bought \$202,300 worth of equipment at our Dubai auctions between 2001 and 2005, from a total of over \$371,600,000 in sales during this period or approximately 2.5% of our total sales. We do not believe that this percentage of our sales has any impact on our operations, reputation or shareholder value.

However, despite the fact that we have no knowledge of delivery of equipment purchased at our auctions into Iran, Sudan or Syria nor any means to control any such sales, the U.S. State Department or OFAC could impose fines upon us or cause us to restrict certain of our sales based on this possibility. Any such action on the part of the U.S. State Department or OFAC could have a negative impact on our reputation which might decrease shareholder value.

*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 may incur significant expenses as a result of being quoted on the Over the Counter Bulletin Board, which may negatively impact our financial performance.*

We may incur significant legal, accounting and other expenses as a result of being listed on the Over the Counter Bulletin Board. The Sarbanes-Oxley Act of 2002, as well as related rules implemented by the Securities and Exchange Commission ( Commission ), has required changes in corporate governance practices of public companies. We expect that 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, may substantially increase our expenses, including our legal and accounting costs, and make some activities more time-consuming and costly. As a result, there may be a substantial increase in legal, accounting and certain other expenses in the future, which would negatively impact our financial performance and could have 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, 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, beginning with our annual report for the year ending December 31, 2007, we may be required to furnish a report by our management on our internal controls over financial reporting. Such report will 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. The report will also contain a statement that our independent registered public accounting firm has issued an attestation report on management's assessment of internal controls. If we are unable to assert that our internal controls are effective as of December 31, 2007, or if our independent registered public accounting firm is unable to attest that our management's report is fairly stated or they

are unable to express an opinion on our management's evaluation or on the effectiveness of our internal controls, investors could lose confidence in the accuracy and completeness of our financial reports, which in turn could cause our stock price to decline.

### **ITEM 3. CONTROLS AND PROCEDURES**

(a) Evaluation of disclosure controls and procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as of June 30, 2006. Based on this evaluation, our principal executive officer and our principal financial officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures were effective and adequately designed to ensure that the information required to be disclosed by us in the reports we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms.

(b) Changes in internal controls over financial reporting.

During the quarter ended June 30, 2006, there has been no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

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

None.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES**

None.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

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

None.

### **ITEM 5. OTHER INFORMATION**

None.

### **ITEM 6. EXHIBITS**

Exhibits required to be attached by Item 601 of Regulation S-B are listed in the Index to Exhibits on page 21 of this

Form 10-QSB, and are incorporated herein by this reference.

### SIGNATURES

In accordance with the requirements of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, hereunto duly authorized, this 15th day of August, 2006.

#### WWA Group, Inc.

/s/ Eric Montandon

Eric Montandon

Chief Executive Officer and Director

/s/ Digamber Naswa

Digamber Naswa

Chief Financial Officer, Principal Accounting Officer and Director

### INDEX TO EXHIBITS

Exhibit No.	Page No.	Description
3(i)(a)	*	Articles of Incorporation of WWA Group formally known as Conceptual Technologies, Inc. a Nevada corporation dated November 26, 1996 (incorporated herein by reference from Exhibit No. 2(i) to WWA Group's Form 10SB12G/A as filed with the Commission on November 29, 1999).
3(i)(b)	*	Certificate of Amendment of the Articles of Incorporation of WWA Group filed on August 29, 1997 effecting a 1-for-14 reverse split and rounding each fractional share to one whole share (incorporated herein by reference from Exhibit 2(ii) of WWA Group's Form 10SB12G/A as filed with the Commission on November 29, 1999).
3(i)(c)	*	Certificate of Amendment of the Articles of Incorporation of WWA Group changing the name of WWA Group from Conceptual Technologies, Inc. to NovaMed, Inc. (incorporated herein by reference from Exhibit 2(iii) of WWA Group's Form 10SB12G/A as filed with the

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		Commission on November 29, 1999).
3(i)(d)	*	Certificate of Amendment to the Articles of Incorporation of WWA Group changing the name of WWA Group from NovaMed, Inc. to WWA Group, Inc. (incorporated herein with reference from Exhibit 3(i)(d) of WWA Group's Form 10-QSB as filed with the Commission on November 20, 2003).
3(ii)	*	Bylaws of WWA Group adopted on November 12, 1996 (incorporated herein by reference from Exhibit 2(iv) of WWA Group's Form 10SB12G/A as filed with the Commission on November 29, 1999).
10(i)	*	Stock Exchange Agreement between WWA Group, Inc. and World Wide Auctioneers Ltd. dated August 5, 2003 (incorporated herein by reference from the Form 8-K filed with the Commission on August 25, 2004).
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).
14	*	Code of Ethics adopted on March 28, 2004 (incorporated by herein by reference from the 10-KSB filed with the Commission on March 30, 2004).
31(a)	<u>Attached</u>	Certification of the Chief Executive Officer pursuant to Rule 13a-14 of the Commissionurities and Exchange Act of 1934 as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31(b)	<u>Attached</u>	Certification of the Chief Financial Officer pursuant to Rule 13a-14 of the Commissionurities and Exchange Act of 1934 as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32(a)	<u>Attached</u>	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32(b)	<u>Attached</u>	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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

**20 SELLING STOCKHOLDERS** The selling stockholders may from time to time offer and sell any or all of the shares of our common stock set forth below pursuant to this prospectus. When we refer to "selling stockholders" in this prospectus, we mean the persons listed in the table below, and the pledges, donees, permitted transferees, assignees, successors and others who later come to hold any of the selling stockholders' interests in shares of our common stock other than through a public sale. The following table sets forth, as of the date of this prospectus, the name of the selling stockholders for whom we are registering shares for resale to the public, and the number of shares of common stock that each selling stockholder may offer pursuant to this prospectus. Unless otherwise noted, the purchase warrants exercisable for common stock held by the selling stockholders were acquired from us in the private placement that was completed on July 17, 2006. The shares of common stock offered by the selling stockholders were issued pursuant to exemptions from the registration requirements of the Securities Act. The selling stockholders represented to us that they were accredited investors and were acquiring our warrants exercisable for our common stock, for investment and had no present intention of distributing the common stock. We have agreed to file a registration statement covering the common stock received by the selling stockholders. We filed with the Securities and Exchange Commission, under the Securities Act, a Registration Statement on Form S-1 with respect to the resale of the common stock from time to time by the selling stockholders. We have filed a Post-Effective Amendment to

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Registration Statement in order to convert the Registration Statement into a Registration Statement on Form S-3. The purchasers were investment funds and other institutional investors, including affiliates of Avenue Capital Group, among others. Robert T. Symington, a member of our Board of Directors, is a Portfolio Manager at Avenue Capital Group. Neither Mr. Symington nor Avenue Capital Group or its affiliates received any compensation in connection with the financing. Based on the information provided to us by the selling stockholders and as of the date the same was provided to us, assuming that the selling stockholders sell all of the shares of our common stock beneficially owned by them that have been registered by us and do not acquire any additional shares during the offering, the selling stockholders will not own any shares other than those appearing in the column entitled "Number of Shares of Common Stock Owned After the Offering." We cannot advise you as to whether the selling stockholders will in fact sell any or all of such shares of common stock. In addition, the selling stockholders may have sold, transferred or otherwise disposed of, or may sell, transfer or otherwise dispose of, at any time and from time to time, the shares of our common stock in transactions exempt from the registration requirements of the Securities Act after the date on which it provided the information set forth on the table below.

NUMBER OF SHARES OF COMMON STOCK OWNED UPON THE OFFERING	PERCENTAGE OF COMMON STOCK OWNED UPON THE OFFERING	NAME OF SELLING STOCKHOLDER	OFFERING	REGISTERED OFFERING	OFFERING
4,590,373	5.4%	Davidson Kempner Institutional Partners, LP	4,590,373	822,076	5,412,449
4,590,373	5.4%	Davidson Kempner Partners DK Acquisition Partners, LP	4,590,373	822,076	5,412,449
0	0%	M.H. Davidson & Co. Serena Limited c/o M.H. Davidson & Co.	0	0	0
0	0%	Investcorp Interlachen Multi-Strategy Master Fund Limited	0	0	0
0	0%	Silver Oak Capital, LLC	0	0	0
9,106,270	9.7%	Avenue Investments, L.P.	9,106,270	1,935,990	11,042,260
10,000	0%	Highbridge International LLC	10,000	353,493	363,493
0	0%	King Road Investments Ltd.	0	0	0

Davidson Kempner Institutional Partners, LP  
 Davidson Kempner Partners DK Acquisition Partners, LP  
 M.H. Davidson & Co. Serena Limited c/o M.H. Davidson & Co. 65 East 55th Street New York, NY 10022

Investcorp Interlachen Multi-Strategy Master Fund Limited (3) 800 Nicollet Mall, Ste. 2500 Minneapolis, MN 55402

Silver Oak Capital, LLC (4) 0 681,685 681,685 681,685 0 \* 245 Park Avenue, 26th Floor New York, NY 10167

Avenue Investments, L.P. (5) 9,106,270 1,935,990 11,042,260 1,935,990 9,106,270 9.7% Avenue Special Situations Fund IV, L.P. c/o Avenue Capital Group 535 Madison Avenue, 14th Floor New York, NY 10022

Highbridge International LLC 10,000 353,493 363,493 353,493 10,000 \* c/o Highbridge Capital Management, LLC 9 West 57th Street, 27th Floor New York, NY 10019

Kings Road Investments Ltd. (6) 0 246,408 246,408 246,408 0 \* c/o Polygon Investment Partners LP 598 Madison Avenue, 14th Floor New York, NY 10022

\* Represents beneficial ownership of less than 1% (1) Unless otherwise indicated, the warrants represented are exercisable at \$0.01 per share of our common stock. (2) Unless otherwise indicated, assumes that each selling stockholder will resell all of the shares of our common stock offered hereunder. Applicable percentage of ownership is based on 84,470,013 shares of our common stock outstanding as of March 28, 2007, together with securities exercisable for, or convertible into, shares of common stock within 60 days of March 28, 2007. (3) Investcorp Interlachen Multi-Strategy Master Fund Limited exercised its 69,877 warrants by means of cashless exercise. (4) Silver Oak Capital, LLC exercised its 682,323 warrants by means of cashless exercise. (5) Includes 9,049,771 shares of common stock issuable upon conversion of Series A Convertible Preferred Stock, and 56,499 shares issuable pursuant to options that are exercisable within 60 days. (6) King Road Investments Ltd. exercised its 246,623 warrants by means of cashless exercise. 23 DESCRIPTION OF CAPITAL STOCK GENERAL As of June 30, 2007, we have 92,560,146 shares of our common stock outstanding held by approximately 1,142 holders of record. Our authorized capital stock consists of 400,000,000 shares of common stock, par value \$0.001 per share and 25,000,000 shares of preferred stock, par value \$0.001 per share, of which 355,000 shares have been designated as Series A Senior Convertible Preferred Stock. As of June 30, 2007, we have 355,000 shares of our Series A Preferred Stock outstanding held by approximately 21 holders of record. The outstanding shares of our common stock and

Series A Preferred Stock are fully paid and non-assessable. As of June 30, 2007, there are 36,678,164 shares reserved for future issuance, of which 20,485,651 will be reserved for issuance upon the exercise of granted and outstanding options and warrants and 16,192,513 will be available for future option grants, plus up to \$5.0 million of stock may be issued under the GO Networks Employee Stock Bonus Plan upon the achievement of specified milestones. In addition, shares of our common stock have become issuable pursuant to the CYGNUS Plan and the PacketVideo Corporation 2005 Equity Incentive Plan (the "PacketVideo Plan"). A description of our common stock and Series A Preferred Stock appears below.

**COMMON STOCK Dividend Rights.** Holders of outstanding shares of our common stock are entitled to receive dividends out of assets legally available at the times and in the amounts that our board of directors may determine from time to time.

**Voting Rights.** Each holder of common stock is entitled to one vote for each share of common stock held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our certificate of incorporation. This means that the holders of a majority of the shares voted can elect all of the directors then standing for election.

**No Preemptive, Conversion or Redemption Rights.** Our common stock is not entitled to preemptive rights and is not subject to conversion or redemption.

**Right to Receive Liquidation Distributions.** Upon our liquidation, dissolution or winding-up, the holders of our common stock are entitled to share in all assets remaining after payment of all liabilities and the liquidation preferences of any outstanding preferred stock. Each outstanding share of common stock is fully paid and nonassessable.

**SERIES A PREFERRED STOCK Dividend Rights.** The Series A Preferred Stock is entitled to receive quarterly dividends on the liquidation preference at a rate of 7.5% per annum. Until the fourth anniversary of issuance, we can elect whether to declare dividends in cash or to not declare and pay dividends, in which case the per share dividend amount will be added to the liquidation preference. From and after the fourth anniversary of issuance, we must declare dividends in cash each quarter, subject to applicable law. The dividend rate is subject to adjustment to 10% per annum if we default in our dividend payment obligations, fail to file a shelf registration statement with the Securities and Exchange Commission on or prior to July 31, 2007 or fail to cause the shelf registration statement to be declared effective on or prior to November 30, 2007. The dividend rate is also subject to adjustment to 15% per annum if we fail to comply with the protective covenants of the Series A Preferred Stock described below and to 18% per annum if we fail to convert or redeem the Series A Preferred Stock when required to do so, as described below.

**Voting Rights.** Pursuant to the terms of the Series A Preferred Stock, so long as at least 25% of the issued shares of Series A Preferred Stock remain outstanding, and until the date on which we elect to redeem all shares of Series A Preferred Stock in connection with an asset sale, as described below, we must receive the approval of the holders of shares representing at least 75% of the Series A Preferred Stock then outstanding to (i) incur indebtedness in excess of \$500 million, subject to certain adjustments and exceptions, (ii) create any capital stock that is senior to or on a parity with the Series A Preferred Stock 24 in terms of dividends, distributions or other rights, or (iii) consummate asset sales involving the receipt of gross proceeds of, or the disposition of assets worth, \$500 million or more based on their fair market value. In addition, so long as at least 25% of the issued shares of Series A Preferred Stock remain outstanding, we may not distribute rights or warrants to all holders of our common stock entitling them to purchase shares of our common stock, or consummate any sale of our common stock, for an amount less than the fair market value on the date of issuance, with certain exceptions. With respect to other matters requiring stockholder approval, the shares of Series A Preferred Stock will be entitled to vote as one class with the common stock on an as-converted basis.

**Conversion Rights and Redemption Rights.** Each share of Series A Preferred Stock is convertible into a number of shares of our common stock equal to the liquidation preference then in effect divided by \$11.05. If all shares of Series A Preferred Stock were to be converted, we would be obligated to issue 32,126,696 shares of our common stock. The Series A Preferred Stock is convertible at any time at the option of the holder, or at our election after the 18-month anniversary of issuance, subject to the trading price of our common stock reaching \$22.10 for a specified period of time, except that such threshold price will be reduced to \$16.575 on the earlier of the third anniversary of issuance or our consummation of a qualified public offering. We will not be entitled to convert the Series A Preferred Stock at our election unless a shelf registration statement covering the shares of common stock issued upon conversion is then effective or the shares are no longer considered restricted securities under the Securities Act. We will be required to redeem all outstanding shares of Series A Preferred Stock, if any, on March 28, 2017, at a price equal to the liquidation preference plus unpaid dividends. If we elect to convert the Series A Preferred Stock after our common stock price has reached the qualifying threshold, we must redeem the shares of holders of Series A Preferred Stock who elect not to convert into common stock at a price equal to 130% of the liquidation preference. However, we

are not required to redeem more than 50% of the shares of Series A Preferred Stock subject to any particular conversion notice. In the event that we fail to obtain approval of the holders of Series A Preferred Stock to an asset sale transaction, we must either not consummate such asset sale or elect to redeem all shares of Series A Preferred Stock at a redemption price equal to 120% of the liquidation preference. Holders will be entitled to opt-out of such a redemption. Right to Receive Liquidation Distributions. The Series A Preferred Stock has an initial liquidation preference of \$1,000 per share, subject to increase for accrued dividends as described above. The liquidation preference would become payable upon redemption, as described above, upon a liquidation or dissolution of our company, or upon deemed liquidation events including a change in control, merger or sale of all or substantially all our assets, unless the holders of Series A Preferred Stock provide a 75% vote to not treat a covered event as a deemed liquidation. Upon a deemed liquidation event, the Series A Preferred Stock will be entitled to receive an amount per share equal to the greater of 120% of the liquidation preference or the amount that would have been received if such share had converted into common stock in connection with such event.

**ANTI-TAKEOVER EFFECTS OF DELAWARE LAW AND THE CERTIFICATE OF INCORPORATION AND BYLAWS OF NEXTWAVE WIRELESS INC.** The provisions of Delaware law, as well as our certificate of incorporation and bylaws described below may have the effect of delaying, deferring or discouraging another party from acquiring control of our company. Delaware Law Effective upon the listing of our common stock on The Nasdaq Global Market, our company became subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless: the transaction is approved by the board of directors before the date the interested stockholder attained that status; upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or on or after 25 the date the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder. Section 203 defines business combination to include the following: any merger or consolidation involving the corporation and the interested stockholder; any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder; subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder; any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation. In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by any of these entities or persons. A Delaware corporation may opt out of this provision either with an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out, and do not currently intend to opt out of this provision. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

**Certificate of Incorporation and Bylaws** Our certificate of incorporation and bylaws provide that: o our directors serve staggered, three-year terms and accordingly, pursuant to Delaware law, can only be removed with cause; o no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our bylaws, and stockholders may not act by written consent; o our board of directors will be expressly authorized to make, alter or repeal our bylaws, and our stockholders will be able to make, alter or repeal our bylaws by a vote of 66-2/3% of the issued and outstanding voting shares; o any vacancies on the board of directors would be filled by a majority vote of the board; o our board of directors will be authorized to issue preferred stock without stockholder approval; and o we will indemnify officers and directors against losses that they may incur in investigations and legal proceedings resulting from their services to us, which may include services in connection with takeover defense measures.

**NASDAQ GLOBAL MARKET LISTING** Our common stock is listed on The Nasdaq Global Market under the ticker symbol "WAVE".

**TRANSFER AGENT AND REGISTRAR** The transfer agent and registrar for our common stock is Computershare Trust Company, N.A.

**26 PLAN OF DISTRIBUTION** The Selling Stockholders (the "Selling Stockholders") of the common stock and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their

shares of common stock on the Nasdaq Global Market or any other stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The Selling Stockholders may use any one or more of the following methods when selling shares: o ordinary brokerage transactions and transactions in which the broker-dealer solicits purchases; o block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; o purchases by a broker-dealer as principal and resale by the broker-dealer for its account; o an exchange distribution in accordance with the rules of the applicable exchange; o privately negotiated transactions; o settlement of short sales entered into after the effective date of the registration statement of which this prospectus is a part; o broker-dealers may agree with the Selling Stockholders to sell a specified number of such shares at a stipulated price per share; o through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise; o a combination of any such methods of sale; or o any other method permitted pursuant to applicable law. The Selling Stockholders may also sell shares under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"), if available, rather than under this prospectus. Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this Prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with NASDR Rule 2440; and in the case of a principal transaction a markup or markdown in compliance with NASDR IM-2440. In connection with the sale of the common stock or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The Selling Stockholders may also sell shares of the common stock short and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction). The Selling Stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting 27 commissions or discounts under the Securities Act. The Selling Stockholders have informed the Company that they do not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the common stock. In no event shall any broker-dealer receive fees, commissions and markups that, in the aggregate, would exceed eight percent (8%). The Company is required to pay certain fees and expenses incurred by the Company incidental to the registration of the shares. The Company has agreed to indemnify the Selling Stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act. Because a Selling Stockholder may be deemed to be an "underwriter" within the meaning of the Securities Act, it will be subject to the prospectus delivery requirements of the Securities Act including Rule 172 thereunder. In addition, any securities covered by this prospectus which qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than under this prospectus. There is no underwriter or coordinating broker acting in connection with the proposed sale of the resale shares by the Selling Stockholders. We agreed to keep this prospectus effective until the earlier of (i) the date on which the shares may be resold by the Selling Stockholders without registration and without regard to any volume limitations by reason of Rule 144(k) under the Securities Act or any other rule of similar effect or (ii) all of the shares have been sold pursuant to this prospectus or Rule 144 under the Securities Act or any other rule of similar effect. The resale shares will be sold only through registered or licensed brokers or dealers if required under applicable state securities laws. In addition, in certain states, the resale shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and is complied with. Under applicable rules and regulations under the Exchange Act, any person engaged in the distribution of the resale shares may not simultaneously engage in market making activities with respect to the common stock for the applicable restricted period, as defined in Regulation M, prior to the commencement of the distribution. In addition, the Selling Stockholders will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder,



including Regulation M, which may limit the timing of purchases and sales of shares of the common stock by the Selling Stockholders or any other person. We will make copies of this prospectus available to the Selling Stockholders and have informed them of the need to deliver a copy of this prospectus to each purchaser at or prior to the time of the sale.

**28 LEGAL MATTERS** The validity of the shares of NextWave Wireless Inc. common stock offered hereby has been passed upon for NextWave Wireless Inc. by Weil, Gotshal & Manges LLP, New York, NY. **EXPERTS** Ernst & Young LLP, independent registered public accounting firm, has audited NextWave Wireless Inc.'s consolidated financial statements and schedule at December 30, 2006 and December 31, 2005, and for the fiscal year ended December 30, 2006 and the period from April 13, 2005 (inception) to December 31, 2005, as set forth in their report. We have incorporated by reference NextWave Wireless Inc.'s consolidated financial statements and schedule in the prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

**WHERE YOU CAN FIND MORE INFORMATION** We file reports and other information with the Securities and Exchange Commission. On November 13, 2006, we became a SEC reporting company as a successor to NextWave Wireless LLC. Copies of NextWave Wireless LLC's and our reports and other information may be inspected and copied at the public reference facilities maintained by the SEC at SEC Headquarters, Public Reference Section, 100 F Street, N.E., Washington D.C. 20549. The public may obtain information on the operation of the SEC's public reference facilities by calling the SEC at 1-800-SEC-0330. Copies of these materials can also be obtained by mail at prescribed rates from the Public Reference Section of the SEC at SEC Headquarters or by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports and other information regarding NextWave Wireless LLC. The address of the SEC website is <http://www.sec.gov>. You should rely only on the information contained in this prospectus or on information to which NextWave has referred you. We have not authorized anyone else to provide you with any information.

**29 INCORPORATION BY REFERENCE** The SEC allows us to "incorporate by reference" in this prospectus certain of the information we file with the SEC. This means we can disclose important information to you by referring you to another document that has been filed separately with the SEC. The information incorporated by reference is considered to be part of this prospectus, and will modify and supersede the information included in this prospectus to the extent that the information included as incorporated by reference modifies or supersedes the existing information. The following documents filed by us with the SEC are hereby incorporated by reference: o Annual Report on Form 10-K for the fiscal year ended December 31, 2006; o Quarterly Report on Form 10-Q filed May 10, 2007; o Amended Quarterly Report on Form 10-Q/A filed April 20, 2007; o Current Reports on Form 8-K filed on January 3, 2007, April 12, o 2007, May 8, 2007, May 18, 2007 and May 23, 2007; o Definitive Proxy Statement on Schedule 14A dated April 19, 2007, o relating to our annual meeting of stockholders held on May 17, 2007; o all documents we have filed with the Commission pursuant to Sections o 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the date of the initial registration statement and prior to the effectiveness of the registration statement, as well as subsequent to the date of this prospectus and prior to the termination of this offering, shall be deemed to be incorporated by reference into this prospectus and to be part of this prospectus from the date of the filing of the documents. Copies of these filings are available free of charge by writing to NextWave Wireless Inc., 12670 High Bluff Drive, San Diego, California 92130, Attention: Investor Relations, or by telephoning us at (858) 480-3100. Any statement made in this prospectus concerning the contents of any contract, agreement or other document is only a summary of the actual document. You may obtain a copy of any document summarized in this prospectus at no cost by writing to or telephoning us at the address and telephone number given above. Each statement regarding a contract, agreement or other document is qualified in its entirety by reference to the actual document.

**30 PART II INFORMATION NOT REQUIRED IN PROSPECTUS**

**14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION** The following table sets forth the estimated fees and expenses (except for the Securities and Exchange Commission registration fee, the National Association of Securities Dealers, Inc. filing fee and The Nasdaq Global Market listing fee) payable by the registrant in connection with the registration of the common stock:

Securities and Exchange Commission registration fee	\$ 4,838
Printer expenses	\$ 4,217
Legal fees and expenses	\$ 250,000
Accounting fees and expenses	\$ 75,000
----- Total	\$ 334,055

**ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS** Section 145 of the Delaware General Corporation Law permits our board of directors to indemnify any person against expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with any threatened, pending, or completed action, suit, or proceeding in which such person is made a party by reason of his or her being or having been a director, officer, employee, or agent of us,

or serving or having served, at our request, as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act. The statute provides that indemnification pursuant to its provisions is not exclusive of other rights of indemnification to which a person may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise. We have adopted provisions in our certificate of incorporation and bylaws that limit the liability of our directors and officers for any loss, claim or damage incurred by reason of any act or omission performed or omitted by such person on our behalf and in good faith and in a manner reasonably believed to be within the scope of the authority conferred on such person by our bylaws. However, a director or officer will be liable for any act or omission (i) not performed or omitted in good faith or which such person did not reasonably believe to be in our best interests or which involved intentional misconduct or knowing violation of the law or (ii) from which such person received an improper personal benefit. We will advance the costs incurred by or on behalf of any director or officer in connection with any indemnified loss within 20 days after we receive a detailed statement providing reasonable documentation of such costs and providing a written undertaking stating that such person will repay all advanced costs if it is later determined that such individual was entitled to indemnification by us. We believe that the limitation of liability provision in our by-laws will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES (a) Exhibits II-1

INDEX TO EXHIBITS NUMBER DESCRIPTION	
2.1 Third Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of NextWave Personal Communications Inc., NextWave Power Partners Inc., NextWave Partners Inc., NextWave Wireless Inc. and NextWave Telecom Inc., dated January 21, 2005 (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form 10 of NextWave Wireless LLC filed May 1, 2006 (the "Form 10"))***	2.1
2.2 Agreement and Plan of Merger, dated as of May 25, 2005, by and among NextWave Wireless LLC, PVC Acquisition Corp., PacketVideo Corporation and William D. Cvengros, as the Stockholder Representative (incorporated by reference to Exhibit 2.2 to Amendment #1 to the Registration Statement on Form 10 of NextWave Wireless LLC filed June 29, 2006 ("Amendment #1 to the Form 10"))***	
2.3 Agreement and Plan of Merger, dated November 7, 2006, by and among NextWave Wireless Inc., NextWave Wireless LLC and NextWave Merger LLC (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of NextWave Wireless Inc. filed November 7, 2006)***	
2.4 Agreement and Plan of Merger, dated as of December 31, 2006, by and among NextWave Wireless Inc., Go Acquisition Corp., GO Networks, Inc. and Nechemia J. Peres, as Stockholder Representative (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of NextWave Wireless Inc. filed January 3, 2007)***	
2.5 Agreement and Plan of Merger, dated as of April 6, 2007, by and among NextWave Wireless Inc., IPW, LLC, IPWireless, Inc. and J. Taylor Crandall, as Stockholder Representative (incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K of NextWave Wireless Inc. filed April 12, 2007)***	
3.1 Amended and Restated Certificate of Incorporation of NextWave Wireless Inc. (incorporated by reference to Exhibit 3.1 to Amendment #2 to the Company's Registration Statement on Form S-4 filed November 17, 2006 ("Amendment #2 to the Form S-4"))***	
3.2 Amended and Restated Bylaws of NextWave Wireless Inc. (incorporated by reference to Exhibit 3.2 to Amendment #2 to the Company's Registration Statement on Form S-4 filed November 17, 2006 ("Amendment #2 to the Form S-4"))***	
4.1 Specimen common stock certificate (incorporated by reference to Exhibit 4.1 to Amendment #2 to the Form S-4)***	
4.2 Form of Station 4, LLC Warrant (incorporated by reference to Exhibit 4.2 to the Form 10)***	
4.3 Indenture, dated April 13, 2005, by and between NextWave Wireless LLC and JPMorgan Chase Bank, N.A., as trustee (with respect to \$149,000,000 Non-Recourse Secured Notes) (incorporated by reference to Exhibit 4.2 to the Form 10)***	
4.4 Purchase Agreement, dated as of July 17, 2006, among NextWave Wireless LLC, as issuer, NextWave Broadband Inc., NW Spectrum Co., AWS Wireless Inc., and PacketVideo Corporation, as subsidiary guarantors, the note purchasers party thereto and The Bank of New York, as collateral agent (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K/A of NextWave Wireless LLC filed September 8, 2006)***	
4.5 Warrant Agreement, dated as of July 17, 2006, among NextWave Wireless Inc. and the Holders listed on Schedule I thereto (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of NextWave Wireless LLC filed July 21, 2006 (the "July 21, 2006 Form 8-K"))***	
4.6 Registration Rights Agreement, dated as of July 17, 2006, among NextWave Wireless Inc. and the Purchasers listed on Schedule I thereto (incorporated by reference to Exhibit 4.3 to the July 21, 2006 Form 8-K)***	
4.7 Certificate of Designations for NextWave Wireless Inc.'s Series A Senior Convertible Preferred Stock (incorporated by reference to	

Exhibit 4.4 to the Company's Annual Report on Form 10-K filed March 30, 2007 (the "2006 10-K"))\*\*\* II-2 4.8 Securities Purchase Agreement, dated March 28, 2007, by and among NextWave Wireless Inc. and the Purchasers listed on Schedule I (the "Purchasers") thereto (incorporated by reference to Exhibit 10.19 to the 2006 10-K)\*\*\* 4.9 Registration Rights Agreement, dated March 28, 2007, among NextWave Wireless Inc. and the Purchasers (incorporated by reference to Exhibit 10.20 to the 2006 10-K)\*\*\* 10.1 NextWave Wireless Inc. 2005 Stock Incentive Plan (incorporated by reference to Exhibit 99.1 to the Company's Post-Effective Amendment #1 on Form S-8 filed January 19, 2007)\*\*\* 10.2 PacketVideo Corporation 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Form 10)\*\*\* 10.3 CYGNUS Communications, Inc. 2004 Stock Option Plan (incorporated by reference to Exhibit 10.3 to the Form 10)\*\*\* 10.4 Acquisition Agreement by and among NextWave Telecom Inc., Cellco Partnership D/B/A Verizon Wireless and VZW Corp., dated as of November 4, 2004 (incorporated by reference to Exhibit 10.4 to the Form 10)\*\*\* 10.5 Option Agreement between NextWave Wireless LLC and Manchester Financial Group LP (incorporated by reference to Exhibit 10.5 to the Form 10)\*\*\* 10.6 NextWave Wireless Inc. 2005 Stock Incentive Plan Option Award Agreement (incorporated by reference to Exhibit 99.3 to the Company's Registration Statement on Form S-8 filed December 7, 2006)\*\*\* 10.7 Acquisition Agreement, dated as of May 9, 2006, by and among (i) NextWave Wireless LLC, (ii) NW Spectrum Co., (iii) WCS Wireless, Inc., (iv) Columbia WCS III, Inc., (v) TKH Corp., (vi) Columbia Capital Equity Partners III (Cayman), L.P., the sole stockholder of Columbia WCS III, Inc., (vii) each of the stockholders of TKH Corp., namely, Aspen Partners Series A, Series of Aspen Capital Partners, L.P., Oak Foundation USA, Inc., Enteraspens Limited, and The Reed Institute dba Reed College and (viii) Columbia Capital, LLC, as the Stockholder Representative (incorporated by reference to Exhibit 10.7 to Amendment #1 of the Form 10)\*\*\* 10.8 Spectrum Acquisition Agreement, dated as of October 13, 2005, between NextWave Broadband Inc. and Bal-Rivgam, LLC (incorporated by reference to Exhibit 10.8 to Amendment #1 of the Form 10)\*\*\* 10.9 Guaranty, dated as of July 17, 2006, by and among NextWave Broadband, Inc., NW Spectrum Co., AWS Wireless Inc., PacketVideo Corporation and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the July 21, 2006 Form 8-K)\*\*\* 10.10 Parent Guaranty, dated as of July 17, 2006, between NextWave Wireless Inc. and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.2 to the July 21, 2006 Form 8-K)\*\*\* 10.11 Pledge and Security Agreement, dated as of July 17, 2006, by and among NextWave Wireless LLC, the undersigned direct and indirect subsidiaries of NextWave Wireless LLC, each additional Grantor that may become a party thereto and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.3 to the July 21, 2006 Form 8-K)\*\*\* 10.12 NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.17 to the 2006 10-K)\*\*\* 10.13 GO Networks, Inc. Stock Bonus Plan (incorporated by reference to Exhibit 10.18 to the 2006 10-K)\*\*\* 10.14 NextWave Wireless, Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 99.5 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed May 2, 2007 (the "May 2, 2007 Form S-8"))\*\*\* II-3 10.15 NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan Option Award Agreement (incorporated by reference to Exhibit 99.6 to the May 2, 2007 Form S-8)\*\*\* 10.16 Amendment to NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed July 13, 2007)\*\*\* 10.17 IPWireless, Inc. Employee Stock Bonus Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed July 13, 2007)\*\*\* 11.1 Statement of Computation of Earnings Per Share (required information contained in this Registration Statement) 21.1 Subsidiaries of the registrant (incorporated by reference to Exhibit 21.1 to Amendment #1 of the Form 10)\*\*\* 23.1 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm\*\* \* To be filed by amendment. \*\* Filed herewith. \*\* Incorporated by reference. ITEM 17. Undertakings (a) The undersigned registrant hereby undertakes: (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent posteffective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of

Registration Fee" table in the effective registration statement; (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement. Provided, however, that: Paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the Registration Statement is on Form S-3 (ss.239.13 of this chapter) or Form F-3 (ss.239.33 of this chapter) and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Registration Statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) (ss.230.424(b) of this chapter) that is part of the Registration Statement. (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering. II-4 (b) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue. II-5 SIGNATURES Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on July 12, 2007. NextWave Wireless Inc. By: /s/ Frank A. Cassou  
----- Frank A. Cassou Executive Vice President - Corporate Development and Chief Legal Counsel, Secretary KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned constitutes and appoints each of Frank A. Cassou, George C. Alex and Roseann Rustici, or any of them, each acting alone, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his name, place and stead, in any and all capacities, to sign this Registration Statement on Form S-3 (including all pre-effective and post-effective amendments and registration statements filed pursuant to Rule 462 under the Securities Act of 1933), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, each acting alone, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming that any such attorney-in-fact and agent, or his/her substitute or substitutes, may lawfully do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on July 12, 2006. NAME TITLE -----  
----- /s/ Allen Salmasi Chairman of the Board of Directors, Chief Executive  
----- Officer and President Allen Salmasi (Principal Executive Officer) /s/ George C. Alex Executive  
Vice President - Chief Financial Officer ----- (Principal Financial Officer) George C. Alex /s/ Francis  
J. Harding Executive Vice President - Chief Accounting Officer ----- (Principal Accounting Officer)  
Francis J. Harding /s/ James C. Brailean Director ----- James C. Brailean /s/ William Jones Director  
----- William Jones /s/ Douglas F. Manchester Director ----- Douglas F. Manchester  
II-6 Director ----- Jack Rosen /s/ Robert T. Symington Director ----- Robert T.  
Symington /s/ William H. Webster Director ----- William H. Webster II-7 INDEX TO EXHIBITS

NUMBER DESCRIPTION ----- 2.1 Third Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of NextWave Personal Communications Inc., NextWave Power Partners Inc., NextWave Partners Inc., NextWave Wireless Inc. and NextWave Telecom Inc., dated January 21, 2005 (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form 10 of NextWave Wireless LLC filed May 1, 2006 (the "Form 10"))\*\*\* 2.2 Agreement and Plan of Merger, dated as of May 25, 2005, by and among NextWave Wireless LLC, PVC Acquisition Corp., PacketVideo Corporation and William D. 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Foundation USA, Inc., Enteraspen Limited, and The Reed Institute dba Reed College and (viii) Columbia Capital, LLC, as the Stockholder Representative (incorporated by reference to Exhibit 10.7 to Amendment #1 of the Form 10)\*\*\* 10.8 Spectrum Acquisition Agreement, dated as of October 13, 2005, between NextWave Broadband Inc. and Bal-Rivgam, LLC (incorporated by reference to Exhibit 10.8 to Amendment #1 of the Form 10)\*\*\* 10.9 Guaranty, dated as of July 17, 2006, by and among NextWave Broadband, Inc., NW Spectrum Co., AWS Wireless Inc., PacketVideo Corporation and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.1 to the July 21, 2006 Form 8-K)\*\*\* 10.10 Parent Guaranty, dated as of July 17, 2006, between NextWave Wireless Inc. and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.2 to the July 21, 2006 Form 8-K)\*\*\* 10.11 Pledge and Security Agreement, dated as of July 17, 2006, by and among NextWave Wireless LLC, the undersigned direct and indirect subsidiaries of NextWave Wireless LLC, each additional Grantor that may become a party thereto and The Bank of New York, as Collateral Agent (incorporated by reference to Exhibit 10.3 to the July 21, 2006 Form 8-K)\*\*\* 10.12 NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 10.17 to the 2006 10-K)\*\*\* 10.13 GO Networks, Inc. Stock Bonus Plan (incorporated by reference to Exhibit 10.18 to the 2006 10-K)\*\*\* II-9 10.14 NextWave Wireless, Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 99.5 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed May 2, 2007 (the "May 2, 2007 Form S-8"))\*\*\* 10.15 NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan Option Award Agreement (incorporated by reference to Exhibit 99.6 to the May 2, 2007 Form S-8)\*\*\* 10.16 Amendment to NextWave Wireless Inc. 2007 New Employee Stock Incentive Plan (incorporated by reference to Exhibit 99.2 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed July 13, 2007)\*\*\* 10.17 IPWireless, Inc. Employee Stock Bonus Plan (incorporated by reference to Exhibit 99.1 to the Registration Statement on Form S-8 of NextWave Wireless Inc. filed July 13, 2007)\*\*\* 11.1 Statement of Computation of Earnings Per Share (required information contained in this Registration Statement) 21.1 Subsidiaries of the registrant (incorporated by reference to Exhibit 21.1 to Amendment #1 of the Form 10)\*\*\* 23.1 Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm\*\* \* To be filed by amendment. \*\* Filed herewith. \*\* Incorporated by reference. II-10