

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

ROAMING MESSENGER INC
Form 10QSB
February 15, 2005

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

FORM 10-QSB

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

FOR QUARTER ENDED DECEMBER 31, 2004

Commission file number 0-13215

ROAMING MESSENGER, INC.

(Exact name of Registrant as Specified in its Charter)

Nevada

(State of Incorporation)

30-0050402

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

50 Castilian Dr. Suite A, Santa Barbara, California 93117
(Address of principal executive offices) (Zip Code)

(805) 683-7626

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(B) of the Act:

Title of Each Class -----	Name of Each Exchange On Which Registered -----
COMMON STOCK	OTC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

As of February 15, 2005 the number of shares outstanding of the registrant's only class of common stock was 172,829,615.

Transitional Small Business Disclosure Format (check one):

Yes _____ No X

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

Table of Contents

	Page
PART I - FINANCIAL INFORMATION	
Item 1. Condensed Consolidated Financial Statements	
Balance Sheets as of December 31, 2004 (unaudited) and June 30, 2004.....	4
Statements of Operations for the Three Months and Six Months ended December 31, 2004 and 2003 (unaudited).....	5
Statements of Cash Flows for the Six Months ended December 31, 2004 and 2003 (unaudited).....	6
Notes to Condensed Consolidated Financial Statements (unaudited).....	7
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.....	9
Item 3. Controls and Procedures.....	13
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings	13
Item 2. Changes in Securities.....	13
Item 3. Defaults upon Senior Securities.....	13
Item 4. Submission of Matters to a Vote of Security Holders.....	14
Item 5. Other Information.....	14
Item 6. Exhibits and Reports on Form 8-K.....	14
Signatures.....	15

-2-

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

ROSE, SNYDER & JACOBS

A Corporation of Certified Public Accountants

REPORT OF INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

To the Board of Directors
Roaming Messenger, Inc.
Santa Barbara, California

We have reviewed the accompanying consolidated balance sheet of Roaming Messenger, Inc. and Subsidiary as of December 31, 2004 and the consolidated statements of operations for the three months and six months ended December 31, 2004 and 2003, and the consolidated statements of cash flows for the six months ended December 31, 2004 and 2003. All information included in these financial statements is the representation of the management of Roaming Messenger, Inc.

We conducted our reviews in accordance with standards established by the Public Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards established by the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

/s/Rose, Snyder & Jacobs

Rose, Snyder & Jacobs
A Corporation of Certified Public Accountants

Encino, California

February 8, 2005

15821 Ventura Boulevard, Suite 490, Encino, California 91436
Phone: (818) 461-0600 * Fax: (818) 461-0610

-3-

ROAMING MESSENGER, INC. AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

ASSETS

	(Unaudited) December 31, 2004

CURRENT ASSETS	
Cash	\$ 595,260
Accounts receivable, net of allowance for doubtful account of \$0	132,627
Prepays and other current assets	32,000

TOTAL CURRENT ASSETS	759,887

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

PROPERTY & EQUIPMENT	
Furniture, Fixtures & Equipment	87,590
Computer Equipment	429,199
Commerce Server	50,048
Computer Software	4,748
Leasehold Improvements	42,194

	613,779
Less: Accumulated depreciation & amortization	(302,305)

NET PROPERTY & EQUIPMENT	311,474

OTHER ASSETS	
Lease deposit	10,237
Other assets	2,714

TOTAL OTHER ASSETS	12,951

TOTAL ASSETS	\$ 1,084,312
	=====
LIABILITIES AND SHAREHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable	\$ 58,121
Accrued liabilities	32,412
Officer salaries payable	237,981
Staff salaries payable	70,671
Note payable	31,000
Current portion - obligations under capitalized leases	55,844
Stockholder Deposit	19,875

TOTAL CURRENT LIABILITIES	505,904

LONG TERM LIABILITIES	
Obligations under capitalized leases	108,133

TOTAL LONG TERM LIABILITIES	108,133

TOTAL LIABILITIES	614,037

COMMITMENTS AND CONTINGENCIES, note 3	
SHAREHOLDERS' EQUITY	
Capital Stock	172,685
Additional Paid-in Capital	3,975,866
Accumulated deficit	(3,678,276)

TOTAL SHAREHOLDERS' EQUITY	470,275

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,084,312

=====

Prepared without audit.
See report of independent registered public accounting firm and
notes to financial statements.

-4-

ROAMING MESSENGER, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended December 31, 2004	Six months ended December 31, 2004
	-----	-----
REVENUE	\$ 307,228	\$ 616,932
COST OF REVENUE	(141,030)	(238,588)
	-----	-----
GROSS PROFIT	166,198	378,344
OPERATING EXPENSES		
Selling, general and administrative expense	637,312	1,130,687
Depreciation and amortization	21,777	40,472
Research and development	66,638	188,752
	-----	-----
TOTAL OPERATING EXPENSES	725,727	1,359,911
	-----	-----
OPERATING LOSS	(559,529)	(981,567)
	-----	-----
OTHER INCOME (EXPENSES)		
Interest income	4,453	6,610
Interest expense	(7,110)	(11,107)
	-----	-----
TOTAL OTHER INCOME (EXPENSES)	(2,657)	(4,497)
	-----	-----
NET LOSS	\$ (562,186)	\$ (986,064)
	=====	=====
BASIC AND DILUTED LOSS PER SHARE	\$ (0.00)	\$ (0.01)
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES	172,530,810	172,488,310

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

=====

=====

Prepared without audit.
See report of independent registered public accounting firm and notes to financial statements.

-5-

ROAMING MESSENGER, INC. AND SUBSIDIARY
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2004 AND 2003

	Six months ended December 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (986,064)
Adjustment to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	40,472
Warrants issued for services	81,062
Common stock issued for services	17,000
Decrease (increase) in account receivable	(16,220)
Decrease (increase) in prepaid and other assets	(24,545)
(Decrease) increase in accounts payable	33,229
(Decrease) increase in officer salaries payable	(5,749)
(Decrease) increase in other liabilities	14,491

NET CASH USED IN OPERATING ACTIVITIES	(846,324)

CASH FLOWS FROM INVESTING ACTIVITIES:	
Employee advances	(469)
Purchase of property & equipment	(48,596)

NET CASH USED IN INVESTING ACTIVITIES	(49,065)

CASH FLOWS FROM FINANCING ACTIVITIES:	
Issuance of common stock, net of costs	6,352
Deposit for shares of common stock	19,875
Payments on notes payable	(8,500)
Payments on capitalized lease obligations	(22,180)

NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(4,453)

NET INCREASE (DECREASE) IN CASH	(899,842)

CASH AT BEGINNING OF PERIOD	1,495,102

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

CASH AT END OF PERIOD	\$ 595,260
Supplementary disclosures:	
Interest paid	\$ 11,107
Capitalized leases contracted	\$ 107,469

Prepared without audit.
See report of independent registered public accounting firm and
notes to financial statements.

-6-

ROAMING MESSENGER, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2004

1. BASIS OF PRESENTATION AND GOING CONCERN

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all normal recurring adjustments considered necessary for a fair presentation have been included. Operating results for the three-month period ended December 31, 2004 are not necessarily indicative of the results that may be expected for the year ending June 30, 2005. For further information refer to the financial statements and footnotes thereto included in the Company's Form 10K-SB for the year ended June 30, 2004.

The accompanying financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company's losses and negative cash flows from operations raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon, among other things, additional cash infusion.

2. STOCK OPTIONS AND WARRANTS

Stock-Based Compensation

The Company accounts for employee stock option grants in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations (APB 25), and has adopted the "disclosure only" alternative described in Statement of Financial

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation, amended by SFAS No. 148 Accounting for Stock-Based Compensation-Transition and Disclosure.

SFAS No. 123, Accounting for Stock-Based Compensation, requires pro forma information regarding net income (loss) using compensation that would have been incurred if the Company had accounted for its employee stock options under the fair value method of that statement. Options to purchase 0 and 865,994 shares of Roaming Messenger, Inc. were granted during the six months ended December 31, 2004 and 2003, respectively. The fair value of options granted, which have been estimated at \$0 and \$8,275, respectively, at the date of grant were determined using the Black-Scholes Option pricing model with the following assumptions:

	2004	2003
	----	----
Risk free interest rate	3.60%	3.18%
Stock volatility factor	0.40	0.40
Weighted average expected option life	4 years	4 years
Expected dividend yield	None	None

Prepared without audit.

See report of independent registered public accounting firm.

-7-

ROAMING MESSENGER, INC. AND SUBSIDIARY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2004

2. STOCK OPTIONS AND WARRANTS (Continued)

The pro forma net loss and loss per share had the Company accounted for the options using FAS 123 would have been as follows:

	Three Months Ended December 31, 2004	Six Months Ended December 31, 2004	Three Mon Ended Decembe 31, 200
	-----	-----	-----
Net loss as reported	\$ (562,186)	\$ (986,064)	\$ (193,3
Basic and diluted net loss per share as reported	(0.00)	(0.01)	(0.
Add: Stock-based employee compensation expense included in net reported loss, net of related taxes	-		
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related taxes	(42,475)	(61,445)	(

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

	-----	-----	-----
Pro forma net loss	\$ (604,661)	\$ (1,047,509)	\$ (193,4
	=====	=====	=====
Basic and diluted pro forma loss per share	\$ (0.00)	\$ (0.00)	\$ (0.
	=====	=====	=====

Warrants

On December 31, 2004, the Company has granted warrants to purchase 271,000 shares of common stocks at \$0.10 per share for consulting services. These warrants expire on December 31, 2006, and were valued at \$53,712.

3. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is involved in claims and lawsuits that arise in the ordinary course of business. In the opinion of management, they are usually resolved without material adverse effects on the Company's financial position.

The Company is also the defendant in a lawsuit where a shareholder is claiming breach of contract, damages and specific performance relating to the removal of the restrictive legend on his unregistered shares. The shareholder accused the Company of refusing to permit him to remove the restrictive transfer legend on his unregistered shares under Rule 144 of the Securities Act of 1933, as amended. The Company, based on the opinion of its legal counsel, believes that the claim is without merit. The Company will vigorously defend the lawsuit, and has not accrued any contingent liability with respect to this claim. The Company cannot estimate the range of potential loss, in the event of an unfavorable judgment.

Prepared without audit.

See report of independent registered public accounting firm.

-8-

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

Cautionary Statements

This Form 10-QSB may contains "forward-looking statements," as that term is used in federal securities laws, about Roaming Messenger, Inc.'s financial condition, results of operations and business. These statements include, among others:

- o statements concerning the potential benefits that Roaming Messenger, Inc. ("RMI" or the "Company") may experience from its business activities and certain transactions it contemplates or has completed; and
- o statements of RMI's expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts. These statements may be made expressly in this Form 10-QSB. You can find many of these statements by looking for words such as "believes," "expects," "anticipates," "estimates," "opines," or similar expressions used in this Form 10-QSB. These forward-looking statements

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

are subject to numerous assumptions, risks and uncertainties that may cause RMI's actual results to be materially different from any future results expressed or implied by RMI in those statements. The most important facts that could prevent RMI from achieving its stated goals include, but are not limited to, the following:

- (a) volatility or decline of the Company's stock price;
- (b) potential fluctuation in quarterly results;
- (c) failure of the Company to earn revenues or profits;
- (d) inadequate capital to continue or expand its business, inability to raise additional capital or financing to implement its business plans;
- (e) failure to commercialize its technology or to make sales;
- (f) changes in demand for the Company's products and services;
- (g) rapid and significant changes in markets;
- (h) litigation with or legal claims and allegations by outside parties;
- (i) insufficient revenues to cover operating costs.

There is no assurance that the Company will be profitable, the Company may not be able to successfully develop, manage or market its products and services, the Company may not be able to attract or retain qualified executives and technology personnel, the Company may not be able to obtain customers for

-9-

its products or services, the Company's products and services may become obsolete, government regulation may hinder the Company's business, additional dilution in outstanding stock ownership may be incurred due to the issuance of more shares, warrants and stock options, or the exercise of outstanding warrants and stock options, and other risks inherent in the Company's businesses.

Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. RMI cautions you not to place undue reliance on the statements, which speak only as of the date of this Form 10-QSB. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that RMI or persons acting on its behalf may issue. The Company does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Form 10-QSB, or to reflect the occurrence of unanticipated events.

Current Overview

The Company has developed a proprietary solution called "Roaming Messenger" for delivering real-time actionable information to wired and wireless devices for homeland security, emergency response, military and enterprise applications. Unlike solutions based on existing messaging technology such as

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

e-mail, text messaging, and voicemail, Roaming Messenger packages time-critical information into smart messages. These messages automatically roam throughout the wired and wireless worlds - from mobile devices to desktop PCs to central servers - tracking down people and obtaining responses in real-time.

The Roaming Messenger product line is a new line from which the Company has not yet earned significant revenue. The Company has established a number of channel partners in several vertical markets, some of which are starting to generate revenue. We are targeting the Public Safety and Emergency Response industry where advanced real-time wireless messaging is a valuable addition to existing solutions. Roaming Messenger is primarily distributed via a Value-Added-Reseller ("VAR") or private labeled model where it is an add-on to existing solutions such as personnel scheduling, threat detection and response, and computer aided dispatch. The Company intends to focus on the Public Safety vertical market over the next few quarters by establishing more channel partners and VARs.

The channel sales strategy has been validated to be an appropriate strategy for the Roaming Messenger product line. Roaming Messenger fundamentally enhances any business application by providing it with mobile messaging capabilities not available from any other vendor. The Company has committed to marketing Roaming Messenger as an integration and deployment platform for mobilizing business applications and using the channel sales model to achieve exponential revenue possibilities in multiple markets.

During the quarter ended December 31, 2004, the Company has increased its sales and marketing department significantly compared to prior quarters. Business development with large potential channel partners are progressing at an

-10-

acceptable pace. Feedback from the market during the last quarter has been incorporated into the product development path. With the current interest in the pipeline, the Company believes significant revenue is likely to be achieved over the next several quarters when the pipeline results in tangible orders as anticipated.

During the quarter ended December 31, 2004, the Company filed two additional patent applications with the United States Patent and Trademark Office relating to implementation details of the Roaming Messenger technology. The Company intends to continue filing more patent applications to protect new technical developments as well as business methods of using this technology.

In facilitating longer term strategic plans, the Company is engaged in early developments in the corporate enterprise application sector as well. Current deployments through channel partners include mobile roaming alerts for customer service and mobile field service applications. Exploratory opportunities are in automated process control, remote monitoring, mobile commerce and end-user messaging applications. All of these are expected to be significant market opportunities for the Roaming Messenger technology within the next 2 to 5 years.

The Company currently generates almost all of its revenue from its wholly owned subsidiary, Warp 9 Inc. ("W9"), and financial statements for the Company and W9 are consolidated for reporting purposes. Roaming Messenger and W9 are housed in the same office as much of the technology and administrative infrastructure in the W9 operation is readily available to the Roaming Messenger operations. W9 currently offers two primary web-based e-commerce software products, Internet Commerce System and Email Marketing System, to the catalog and retail industry. Customers of these e-commerce products pay a recurring monthly fee for their access and use of the system. A majority of the total

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

revenues are recurring monthly revenue from e-commerce products. Every new customer is expected to increase the topline for at least several quarters. From an operational perspective the e-commerce product line is already profitable. Revenue from the past quarters has been relatively stable. The Company anticipates the e-commerce operation to function as a growing profit center without significant capital investment.

The Company intends to continue to fulfill its working capital requirements through the sale of Common Stock. A majority of the investment proceeds will be allocated for the sales, marketing and technical support of the Roaming Messenger product line. The Company believes most of its rapid growth in revenue and shareholder value, if achieved, will come from the Roaming Messenger product line as the wireless industry continues to grow and more channel partners sell solutions with Roaming Messenger integrated in as their mobile messaging component.

Our overarching growth strategy, with respect to the Roaming Messenger line, remains a three phase strategy. Phase I is the Homeland Security and Public Safety markets. Phase II is the enterprise markets for business process management and communication applications. Phase III is the consumer markets for application such as mobile commerce and mobile gaming.

-11-

In executing our growth strategy, strategic acquisition of synergistic companies will be explored. Acquisition synergy shall be based on two primary factors: (i) access to install based of customers (ii) complementary product or service offerings.

RESULTS OF OPERATIONS FOR THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2004 COMPARED TO THE SAME PERIOD IN 2003

Total revenue for the three-month period ending December 31, 2004 was \$307,228 as compared to \$193,176 for the three-month period ending December 31, 2003. The increase of \$114,052 was primarily due to the reselling of third party online marketing services.

Operating expenses increased from \$356,943 for the three months ended December 31, 2003 to \$725,727 for the three months ended December 31, 2004. The large increase in operating expenses between the two periods is primarily due to sales and marketing staff as well as increased marketing expenses.

The \$725,727 operating expenses includes non-cash charges of (i) \$17,000 of unregistered stock for engineering services (ii) \$53,712 expense for the issuance of warrants to business development consultants in lieu of cash payment for their services. The value of the warrants was determined using the Black Scholes model.

Operating costs are expected to exceed revenue in the foreseeable future as the Company continues to increase sales and marketing efforts as well as increasing staff.

For the three months ended December 31, 2004, the Company's consolidated net loss was (\$562,186) as compared to a consolidated net loss of (\$193,371) for the three months ended December 31, 2003.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash at December 31, 2004 of \$595,260 as compared to cash of \$1,495,102 as of June 30, 2004. The Company had net working capital (i.e. the difference between current assets and current liabilities) of \$253,981

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

at December 31, 2004 as compared to a net working capital of \$1,191,108 at June 30, 2004. Cash flow utilized by operating activities was (\$846,324) for the six months ended December 31, 2004 as compared to cash utilized for operating activities of (\$241,723) during the six months ended December 31, 2003. Cash flow used in investing activities was (\$49,065) for the six months ended December 31, 2004 as compared to cash used in investing activities of (\$16,196) during the six months ended December 31, 2003. Cash flow used by financing activities was (\$4,453) for the six months ended December 31, 2004 as compared to cash provided by financing activities of \$1,152,915 during the six months ended December 31, 2003.

The Company will need to obtain additional operating capital to enable continuing execution of its business plan. The Company anticipates that it will obtain the additional working capital it requires through the private placement of Common Stock to domestic accredited investors pursuant to Regulation D of the

-12-

Securities Act of 1933, as amended (the "Act"), or to offshore investors pursuant to Regulation S of the Act. There is no assurance that the Company will obtain the additional working capital that it needs through the private placement of Common Stock. The Company has incurred operating deficits since inception, which are expected to continue until its business model is fully developed.

ITEM 3. CONTROLS AND PROCEDURES

The Company's Chairman, Chief Executive Officer, and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this quarterly report and, based on this evaluation, has concluded that the disclosure controls and procedures are effective.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's second fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On June 21, 2004, Michael Gilbert, a shareholder, filed a complaint with the Superior Court of the State of California for the County of Santa Barbara, for breach of contract, damages and specific performance relating to the removal of the restrictive legend on his unregistered shares in Roaming Messenger Inc. Mr. Gilbert accused the Company of refusing to permit him to remove the restrictive transfer legend on his unregistered shares under Rule 144 of the Securities Act of 1933, as amended. The Company and the Company's corporate counsel believe that Mr. Gilbert's claim is without merit. At no time did the Company object or interfere with Mr. Gilbert's request for legend removal. The Company anticipates that this complaint will be resolved, but will vigorously defend the lawsuit until it is resolved.

ITEM 2. CHANGES IN SECURITIES

In November 2004, the Company issued 10,000 shares of restricted and unregistered common stock as in lieu of payment for consulting services.

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

In December 2004, the Company issued 150,000 shares of restricted and unregistered Common Stock pursuant to the exercise of stock options by an employee with the Company's Stock Option Plan. The gross proceed of this exercise was \$12,000.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

-13-

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

EXHIBIT NO.	DESCRIPTION
3.1	Articles of Incorporation (1)
3.2	Bylaws (1)
4.1	Specimen Certificate for Common Stock (1)
4.2	Non-Qualified Employee Stock Option Plan (2)
10.1	First Agreement and Plan of Reorganization between Latinocare Management Corporation, a Nevada corporation, and Warp 9, Inc., a Delaware corporation (3)
10.2	Second Agreement and Plan of Reorganization between Latinocare Management Corporation, a Nevada corporation, and Warp 9, Inc., a Delaware corporation (4)
10.3	Exchange Agreement and Representations for Shareholders of Warp 9, Inc.(3)
31.1	Section 302 Certification
32.1	Section 906 Certification

(1) Incorporated by reference from the exhibits included with the Company's prior Report on Form 10-KSB filed with the Securities and Exchange Commission, dated March 31, 2003.

(2) Incorporated by reference from the exhibits included in the Company's Information Statement filed with the Securities and Exchange Commission, dated August 1, 2003.

(3) Incorporated by reference from the exhibits included with the Company's prior Report on Form SC 14F1 filed with the Securities and Exchange Commission, dated April 8, 2003.

(4) Incorporated by reference from the exhibits included with the Company's prior Report on Form 8K filed with the Securities and Exchange Commission, dated May 30, 2003.

(b) The following is a list of Current Reports on Form 8-K filed by the Company during and subsequent to the quarter for which this report is filed.

Edgar Filing: ROAMING MESSENGER INC - Form 10QSB

Form 8-K Report filed on October 14, 2004

-14-

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 15, 2005

ROAMING MESSENGER, INC.

By: \s\ Jonathan Lei

Jonathan Lei, Chairman of the Board,
Chief Executive Officer, President
Chief Financial Officer, and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: \s\ Jonathan Lei

Dated: February 15, 2005

Jonathan Lei, Chairman of the Board,
Chief Executive Officer, President
Chief Financial Officer, and Secretary

By: \s\ Louie Ucciferri

Dated: February 15, 2005

Louie Ucciferri, Director

By: \s\ Tom Djokovich

Dated: February 15, 2005

Tom Djokovich, Director

-15-