

Xstream Mobile Solutions Corp
Form 10QSB
October 03, 2006

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: June 30, 2006

Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period _____ to _____

Commission File Number: 000-18296

Xstream Mobile Solutions Corp.

(Exact name of small Business Issuer as specified in its charter)

Delaware

(State or other jurisdiction of incorporation
or organization)

62-1265486

(IRS Employer Identification No.)

14422 Edison Drive

Unit D

New Lenox, Illinois 60451

(Address of principal executive offices)

(708) 205-2222

(Issuer's telephone number)

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

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer 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

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:
12,057,713 common shares as of June 30, 2006

Transitional Small Business Disclosure Format (check one): Yes No

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Our unaudited financial statements included in this Form 10-QSB are as follows:

F-1	Condensed Balance Sheet as of June 30, 2006 (Unaudited);
F-2	Condensed Statements of Operations for the Nine and Three months ended June 30, 2006 and 2005 (Unaudited);
F-3	Condensed Statements of Cash Flows for the Nine months ended June 30, 2006 and 2005 (Unaudited); and
F-4	Notes to Condensed Financial Statements (Unaudited)

These unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-QSB. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended June 30, 2006 are not necessarily indicative of the results that can be expected for the full year.

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XSTREAM MOBILE SOLUTIONS CORP.
(FORMERLY NETCHOICE, INC.)
CONDENSED BALANCE SHEETS
JUNE 30, 2006
(UNAUDITED)

ASSETS**CURRENT ASSETS**

Cash and cash equivalents	\$	255,911
Total Current Assets		255,911

FIXED ASSETS

Equipment, net		2,245
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TOTAL ASSETS	\$	258,156
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LIABILITIES AND STOCKHOLDERS' EQUITY**LIABILITIES****Current Liabilities:**

Accounts payable and accrued expenses	\$	19,460
Due to stockholders		10,580
Total Current Liabilities		30,040

Total Liabilities		30,040
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STOCKHOLDERS' EQUITY

Preferred Stock Series A, \$.001 Par Value; 990,000 shares authorized, -0- issued and outstanding	-
Preferred Stock Series B, \$.001 Par Value; 9,000,000 shares authorized, -0- issued and outstanding	-
Preferred Stock Series C, \$.001 Par Value; 10,000 shares authorized, -0- issued and outstanding	-
Common Stock \$.001 Par Value; 90,000,000 shares authorized, 12,057,713 shares issued and 11,757,860 shares outstanding	12,058
Additional Paid-in Capital	23,584,785
Deposit on software rights	(20,000,000)
Accumulated (Deficit)	(3,147,422)
	449,421
Less: Cost of treasury stock, 299,852 shares	(221,305)
Total Stockholders' Equity	228,116

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$	258,156
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The accompanying notes are an integral part of these condensed financial statements.

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XSTREAM MOBILE SOLUTIONS CORP.
(FORMERLY NETCHOICE, INC.)
CONDENSED STATEMENTS OF OPERATIONS
FOR THE NINE AND THREE MONTHS ENDED JUNE 30, 2006 AND 2005
(UNAUDITED)

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	JUNE 30,		JUNE 30,	
	2006	2005	2006	2005
OPERATING REVENUES				
Software sales	\$ 5,850	\$ -	\$ 5,850	\$ -
OPERATING EXPENSES				
Depreciation	92	-	92	-
Selling, general and administrative expenses	455,276	11,250	446,426	3,750
Total operating expenses	455,368	11,250	446,518	3,750
NET (LOSS) BEFORE OTHER INCOME (EXPENSE)	(449,518)	(11,250)	(440,668)	(3,750)
OTHER INCOME (EXPENSES)				
Interest income	2,364	-	2,364	-
Interest (expense)	(618,500)	-	-	-
Total Other Income (Expense)	(616,136)	-	2,364	-
NET (LOSS) BEFORE PROVISION FOR INCOME TAXES	(1,065,654)	(11,250)	(438,304)	(3,750)
Provision for income taxes	-	-	-	-
NET (LOSS) APPLICABLE TO COMMON SHARES	\$ (1,065,654)	\$ (11,250)	\$ (438,304)	\$ (3,750)
NET (LOSS) PER BASIC AND DILUTED SHARES	\$ (0.15)	\$ (0.02)		