SECURITIES & EXCHANGE COMMISSION EDGAR FILING

Mobiquity Technologies, Inc.

Form: 10-Q

Date Filed: 2018-08-09

Corporate Issuer CIK: 1084267

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2018

COMMISSION FILE NUMBER: 000-51160

MOBIQUITY TECHNOLOGIES, INC.
(Exact name of registrant as specified in its charter)

NEW YORK	**11-3427886**
(State of jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

35 Torrington Lane
SHOREHAM, NY 11786
(Address of principal executive offices)

(516) 246-9422
(Registrant's telephone number)

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

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

Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the 12 preceding months (or such shorter period that the registrant was required to submit and post such file).

Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☒
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes ☐ No ☒

As of July 24, 2018, the registrant had a total of 377,975,600 shares of Common Stock outstanding.

MOBIQUITY TECHNOLOGIES, INC.

FORM 10-Q QUARTERLY REPORT

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MOBIQUITY TECHNOLOGIES, INC.

Condensed Consolidated Balance Sheets

	June 30, 2018 Unaudited	December 31, 2017 Audited
Assets		
Current Assets:		
Cash and cash equivalents	**$ 121,034**	$ 56,470
Accounts receivable, net	**221,960**	18,576
Prepaid expenses and other current assets	**11,700**	17,638
Total Current Assets	**354,694**	92,684
Intangible assets, net	**160**	9,960
Other assets		
Security deposit	**9,900**	11,275
Investment in corporate stock	**7,560,000**	–
Total Other Assets	**7,569,900**	11,275
Total Assets	**$ 7,924,754**	$ 113,919
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable	**$ 420,189**	$ 458,280
Accrued expenses	**1,320,911**	735,431
Derivative liability	**11,119,717**	666,123
Note payables-Bank	**–**	54,644
Convertible promissory notes, net	**4,390,010**	3,149,498
Total Current Liabilities	**17,250,827**	5,063,976
AAA Preferred Stock, $.0001 par value; 5,000,000 shares authorized 850,588 and 850,588 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	**11,552,513**	11,552,513
Stockholders' Deficit:		
Preferred Stock, $.0001 par value; 5,000,000 shares authorized, 240,000 and 240,000 shares issued and outstanding at June 30, 2018 and December 31, 2017, respectively	**25**	25
Common stock, $.0001 par value; 900,000,000 and 900,000,000 shares authorized; 377,975,600 and 199,375,600 shares issued and outstanding at June 30, 2018, and December 31, 2017, respectively	**37,810**	19,850
Additional paid-in capital	**60,531,589**	44,776,029
Stock subscription	**(260,000)**	–
Accumulated deficit	**(81,188,010)**	(61,298,474)
Total Stockholders' Deficit	**(20,878,586)**	(16,502,570)
Total Liabilities and Stockholders' Deficit	**$ 7,924,754**	$ 113,919

See notes to condensed consolidated financial statements

MOBIQUITY TECHNOLOGIES, INC.

Condensed Consolidated Statements of Operations

	Three Months Ended June 30, (Unaudited)		Six Months Ended June 30, (Unaudited)	
	2018	**2017**	**2018**	**2017**
Revenues	**$ 241,573**	$ 100,204	**$ 280,276**	$ 181,991
Cost of Revenues	**324,984**	309,739	**386,101**	406,031
Gross Profit	**(83,411)**	(209,535)	**(105,825)**	(224,040)
Operating Expenses:				
Selling, general and administrative	**782,410**	1,413,197	**1,673,414**	3,024,957
Total Operating Expenses	**782,410**	1,413,197	**1,673,414**	3,024,957
Loss from Operations	**(865,821)**	(1,622,732)	**(1,779,239)**	(3,248,997)
Other Income (Expense):				
Interest expense	**(928,121)**	(758,107)	**(1,474,133)**	(1,891,235)
Gain/(Loss) on Derivative Instrument	**(263,225)**	1,006,309	**(9,246,435)**	1,284,031
Initial derivative expense	**(314,822)**	(181,265)	**(559,728)**	(1,284,704)
Gain/(Loss) on Settlement of Debt	**–**	–	**–**	(2,706,197)
Impairment of intangible assets	**–**	–	**–**	(12,127)
Loss on sale of company stock	**(6,965,000)**	–	**(6,965,000)**	–
Total Other Income (Expense)	**(8,471,168)**	66,937	**(18,245,296)**	(4,610,232)
Loss from continuing operations	**(9,336,989)**	$ (1,555,795)	**(20,024,535)**	$ (7,859,229)
Other Comprehensive Income	**–**	–	**–**	13,047
Unrealized gain on securities:				
Unrealized holding gains arising during period	**135,000**	–	**135,000**	–
Discontinued operations				
Loss from operations of discontinued entity	**–**	(13,113)	**–**	(244,298)
Net Comprehensive Loss	**$ (9,201,989)**	$ (1,568,908)	**$ (19,889,535)**	$ (8,090,480)
Net Loss Per Common Share:				
Basic and Diluted	**$ (0.04)**	$ (0.01)	**$ (0.09)**	$ (0.05)
Weighted Average Common Shares Outstanding:				
Basic and Diluted	**226,733,752**	191,606,423	**227,203,861**	170,802,429

See notes to condensed consolidated financial statements

Consolidated Statements of Cash Flows

Six Months Ended June 30,	**2018**	2017
Cash Flows from Operating Activities:		
Net loss	**$ (20,024,535)**	$ (7,859,229)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation Expense	**–**	6,451
Amortization - Intangible Assets	**9,800**	14,300
Amortization - Debt discount	**874,443**	1,363,013
Common stock issued for services	**189,740**	314,310
Common stock issued for interest	**406,375**	–
Loss on sale of company stock	**6,965,000**	–
Change in derivative instrument	**9,246,435**	(1,284,031)
Stock-based compensation	**327,405**	425,358
Initial derivative expense	**559,728**	1,284,704
Gain on settlement of debt	**–**	2,706,197
Loss on disposal of assets	**–**	12,241
Expenses paid from note	**–**	567,737
Changes in operating assets and liabilities:		
Accounts receivable	**(203,384)**	(84,676)
Inventory	**–**	13,149
Prepaid expenses and other assets	**7,313**	48,461
Investment in corporate stock	**(7,560,000)**	–
Accounts payable	**(38,092)**	(163,310)
Accrued expenses and other current liabilities	**137,872**	361,064
Accrued interest	**447,608**	–
Total adjustments	**11,370,243**	5,584,968
Net Cash Used in Operating Activities	**(8,654,292)**	(2,274,261)
Net Cash Used in Operating Activities-discontinued operations	**–**	(244,298)
Cash Flows from Financing Activities:		
Proceeds from the issuance of notes, net	**1,273,500**	1,735,000
Proceeds from issuance of common stock	**460,000**	311,250
Proceeds received from exercising warrants	**–**	95,834
Proceeds from the collection of stock subscription receivable	**200,000**	456,503
Stock subscription receivable	**(260,000)**	–
Cash received from bank loans	**143,077**	–
Cash paid on bank loans	**(197,721)**	–
Loss on sale of company stock	**6,965,000**	–
Net Cash Provided by Financing Activities	**8,583,856**	2,598,587
Net Increase (Decrease) in Cash and Cash Equivalents	**64,564**	80,028
Cash and Cash Equivalents, beginning of period	**56,470**	213,184
Change in foreign currency	**–**	13,047
Unrealized gain on securities	**135,000**	–
Cash and Cash Equivalents, end of period	**$ 121,034**	$ 306,259
Supplemental Disclosure Information:		
Cash paid for interest	**$ 5,000**	$ 3,140
Cash paid for taxes	**$ –**	$ –
Non-cash Financing and Investing Activities:		
Stock issued for interest	**$ 406,375**	$ –
Original debt discount against derivative liabilities	**$ –**	$ 1,600,000
Investment in corporate stock	**$ 7,425,000**	$ –
Conversion of note and interest into AAA Preferred and Common Stock	**$ –**	$ 12,791,476
Recognition of debt discount	**$ 1,123,931**	$ 294,939

See notes to condensed consolidated financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS — On September 10, 2013, Mobiquity Technologies, Inc. changed its name from Ace Marketing & Promotions, Inc. "the Company" or "Mobiquity"). We operate through a wholly-owned U.S. subsidiary, named, Mobiquity Networks, Inc. Mobiquity Networks owns 100% of Mobiquity Wireless S.L.U, a company incorporated in Spain. This corporation had an office in Spain to support our U.S. operations, which office was closed in the fourth quarter of 2016. Ace Marketing, its legacy marketing and promotions business was successfully sold on October 1, 2017, allowing us to focus our full attention to Mobiquity Networks.

Mobiquity Technologies, Inc., a New York corporation (the "Company"), is the parent company of its operating subsidiary; Mobiquity Networks, Inc. ("Mobiquity Networks"). The Company's wholly-owned subsidiary, Mobiquity Networks has evolved and grown from a mobile advertising technology company focused on driving Foot-traffic throughout its indoor network, into a next generation location data intelligence company. Mobiquity Networks provides precise unique, at-scale location data and insights on consumer's real-world behavior and trends for use in marketing and research. With its combined first party location data via its advanced SDK and its various exclusive data sets; Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis, utilizing multiple geo-location technologies. Mobiquity Networks is seeking to implement several new revenue streams from its data collection and analysis, including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research.

GOING CONCERN - The accompanying condensed financial statements have been prepared assuming the Company will continue as a going concern. The Company's continued existence is dependent upon the Company's ability to obtain additional debt and/or equity financing to advance its new technology revenue stream. The Company has incurred losses from continued operations for the six months ended June 30, 2018 of $20,024,535. As of June 30, 2018, the Company has an accumulated deficit of $81,188,010. The Company has had negative cash flows from operating activities of $8,654,292, for the six months ended June 30, 2018. These factors raise substantial doubt about the ability of the Company to continue as a going concern.

Management has plans to address the Company's financial situation as follows:

In the near term, management plans to continue to focus on raising the funds necessary to implement the Company's business plan related to technology. Management will continue to seek out equity and/or debt financing to obtain the capital required to meet the Company's financial obligations. There is no assurance, however, that lenders and investors will continue to advance capital to the Company or that the new business operations will be profitable. The possibility of failure in obtaining additional funding and the potential inability to achieve profitability raises doubts about the Company's ability to continue as a going concern.

In the long term, management believes that the Company's projects and initiatives will be successful and will provide cash flow to the Company that will be used to finance the Company's future growth. However, there can be no assurances that the Company's efforts to raise equity and debt at acceptable terms or that the planned activities will be successful, or that the Company will ultimately attain profitability. The Company's long-term viability depends on its ability to obtain adequate sources of debt or equity funding to meet current commitments and fund the continuation of its business operations, and the ability of the Company to achieve adequate profitability and cash flows from operations to sustain its operations.

PRINCIPLES OF CONSOLIDATION — The accompanying consolidated financial statements include the accounts, of Mobiquity Technologies, Inc., formerly known as Ace Marketing & Promotions, Inc., and its wholly owned subsidiary, Mobiquity Networks, Inc.

The Condensed Consolidated Balance Sheets as of June 30, 2018 and December 31, 2017, the Condensed Consolidated Statements of Operations for the three months and six months ended June 30, 2018 and 2017 and the Condensed Statements of Cash Flows for the six months ended June 30, 2018 and 2017 have been prepared by us without audit, and in accordance with the requirements of Form 10-Q and, therefore, they do not include all information and footnotes necessary for a fair presentation of financial position, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly in all material respects our financial position as of June 30, 2018, results of operations for the three months and six months ended June 30, 2018 and 2017 and cash flows for the six months ended June 30, 2018 and 2017. All such adjustments are of a normal recurring nature. The results of operations and cash flows for the three months and six months ended June 30, 2018 and 2017 are not necessarily indicative of the results to be expected for the full year. We have evaluated subsequent events through the filing of this Form 10-Q with the SEC and determined there have not been any events that have occurred that would require adjustments to our unaudited Condensed Financial Statements.

ESTIMATES — The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS — For certain of the Company's financial instruments, including cash and equivalents, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities.

FASB ASC Topic 820, *Fair Value Measurements and Disclosures* , requires disclosure of the fair value of financial instruments held by the Company. FASB ASC Topic 825, *Financial Instruments*, defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The three levels of valuation hierarchy are defined as follows:

The following are the hierarchical levels of inputs to measure fair value:

- Level 1 - Observable inputs that reflect quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Inputs reflect quoted prices for identical assets or liabilities in markets that are not active; quoted prices for similar assets or liabilities in active markets; inputs other than quoted prices that are observable for the assets or liabilities; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Unobservable inputs reflecting the Company's assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The carrying amounts of the Company's financial assets and liabilities, such as cash, prepaid expenses, other current assets, accounts payable & accrued expenses, certain notes payable and notes payable - related party, approximate their fair values because of the short maturity of these instruments.

The Company accounts for its derivative liabilities, at fair value, on a recurring basis under level 3.

	Level 1	Level 2	Level 3	Total
Fair value of derivatives	$ –	$ –	$ 11,119,717	$ 11,119,717

Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion feature.

Derivative Financial Instruments

The Company has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 22 convertible notes issued totaling $4,609,000 which have a variable conversion price equal to 50% of the lowest volume weighted average price in the 30 days prior to conversion. The notes have maturity dates ranging from February 2, 2018 – October 21, 2018. The Company also has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 2,200,000 warrants which included a ratchet provision in the conversion price of $.05 as part of a conversion of preferred AAA shares, and 1,000,000 warrants which included a ratchet provision in the conversion price of $.055 as part of a placement fee related to a note. Embedded derivatives are valued separately from the host instrument and are recognized as derivative liabilities in the Company's balance sheet. The Company measures these instruments at their estimated fair value and recognizes changes in their estimated fair value in results of operations during the period of change. The Company has estimated the fair value of these embedded derivatives for convertible debentures and associated warrants using a multinomial lattice model as of June 30, 2018. The fair values of the derivative instruments are measured each quarter, which resulted in a loss of $9,246,435 and derivative expense of $559,728 during the six months ended June 30, 2018. As of June 30, 2018, the fair market value of the derivatives aggregated $11,119,717 using the following assumptions: estimated 0.1 to 4.1-year term, estimated volatility of 196.98% to 394.26%, and a discount rate of 0.00% to 2.09%.

CASH AND CASH EQUIVALENTS — The Company considers all highly liquid debt instruments with a maturity of three months or less, as well as bank money market accounts, to be cash equivalents. As of June 30, 2018, and December 31, 2017, the balances were $121,034 and $56,470, respectively.

CONCENTRATION OF CREDIT RISK — Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of trade receivables and cash and cash equivalents.

Concentration of credit risk with respect to trade receivables is generally diversified due to the large number of entities comprising the Company's customer base and their dispersion across geographic areas principally within the United States. The Company routinely addresses the financial strength of its customers and, as a consequence, believes that its receivable credit risk exposure is limited. Our current receivables at June 30, 2018 are with five customers. One customer constitutes 82.79% of our sales.

The Company places its temporary cash investments with high credit quality financial institutions. At times, the Company maintains bank account balances, which exceed FDIC limits. As of June 30, 2018, and December 31, 2017, the Company did not exceed FDIC limits.

REVENUE RECOGNITION — The Company recognized revenue on arrangements in accordance with FASB Codification Topic 606, Revenue from Contracts with Customers. Revenue represents amounts earned for data licensing arrangements consisting of flat fee, per use basis or revenue share. Licensee is sent data on a daily basis, has use of the data for a period of time based on the contract life between one month to one year.

We recognize revenues in the period in which the data transmission is provided to the licensee.

Under these policies, the Company evaluates each of these criteria as follows:

- Evidence of an arrangement. We consider a signed insertion order or contract by the licensee or its agency to be evidence of an arrangement.
- Delivery. Delivery is considered to occur daily with the transmission of the data from our network servers to the licensee.
- Fixed or determinable fee. The Company recognizes revenue for data license arrangements ratably over the term of the insertion order or contract. Our arrangements with the licensee is noted in the signed contracts which specifies the price to be paid and due date of remittance. Contracts that include fixed-fee data transmission are invoiced upon acceptance of the insertion order or contract and billed at time of delivery. The Company's terms as stated in the contracts. Final billing is based on usage of delivered data. At the end of the period (usually monthly) an acknowledgment of data amount delivered is sent to licensee, who then verifies usage and at the point a final invoice is generated.

- Collection is deemed reasonably assured. We deem collection reasonably assured if we expect that the licensee will be able to pay the amounts under the arrangement as payments become due. Collection is deemed not reasonably assured when a licensee is perceived to be in financial distress, which may be evidenced by weak industry conditions, a bankruptcy filing, or previously billed amounts that are past due. If we determine that collection is not reasonably assured, then we would defer the revenue and recognize the revenue upon cash collection.

- No other warranties and or obligations are implied or due once the data transmission has been completed with the licensee.

MOBIQUITY NETWORKS — Revenue is recognized with the billing of an advertising contract or data sale. The customer signs a contract directly with us for an advertising campaign with mutually agreed upon term and is billed on the start date of the advertising campaign, which are normally in short duration periods. The second type of revenue is through the licensing of our data. Revenue from data can occur in two ways; the first is a direct feed, which is billed at the end of each month. The second way is through the purchasing of audience segments. When an audience segment is purchased, we bill the buyer upon delivery, which is usually 1-2 days for the order date.

ALLOWANCE FOR DOUBTFUL ACCOUNTS — Management must make estimates of the collectability of accounts receivable. Management specifically analyzes accounts receivable and analyzes historical bad debts, customer concentrations, customer credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts. As of June 30, 2018, and December 31, 2017, allowance for doubtful accounts were $0 and $0, respectively.

PROPERTY AND EQUIPMENT — Property and equipment are stated at cost. Depreciation is expensed using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are being amortized using the straight-line method over the estimated useful lives of the related assets or the remaining term of the lease. The costs of additions and improvements, which substantially extend the useful life of a particular asset, are capitalized. Repair and maintenance costs are charged to expense. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and the gain or loss on disposition is reflected in operating income.

LONG LIVED ASSETS — Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. The Company recognized no impairment losses for the period ended June 30, 2018.

PATENTS and TRADEMARKS — Patents and trademarks developed during the prior years were capitalized for the period of development and testing. Expenditures during the planning stage and after implementation have been expensed in accordance with ASC 985.

ADVERTISING COSTS — Advertising costs are expensed as incurred. For the quarter ended June 30, 2018 and for the year ended December 31, 2017, there were no advertising costs.

ACCOUNTING FOR STOCK BASED COMPENSATION — Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The Company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected term”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”) and the number of options for which vesting requirements will not be completed (“forfeitures”). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations. Refer to Note 8 “Stock Option Plans” in the Notes to Consolidated Financial Statements in this report for a more detailed discussion.

BENEFICIAL CONVERSION FEATURES — Debt instruments that contain a beneficial conversion feature are recorded as deemed interest to the holders of the convertible debt instruments. The beneficial conversion is calculated as the difference between the fair values of the underlying common stock less the proceeds that have been received for the debt instrument limited to the value received.

INCOME TAXES — Deferred income taxes are recognized for temporary differences between financial statement and income tax basis of assets and liabilities for which income tax or tax benefits are expected to be realized in future years. A valuation allowance is established to reduce deferred tax assets, if it is more likely than not, that all or some portion of such deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS — *Revenue from Contracts with Customers (Topic 606)*. The company adopted Revenue Recognition Standard, ASC 606 on January 1, 2018 and after for the recognition for our revenue policy.

We have completed our assessment of the impact under the new revenue standard on our condensed financial statements. Based on our assessment, we have concluded that our financial statements will not be materially impacted upon adoption.

NOTE 2: LOSS PER SHARE

Basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Dilutive loss per share gives effect to stock options and warrants, which are considered to be dilutive common stock equivalents. Basic loss per common share was computed by dividing net loss by the weighted average number of shares of common stock outstanding. The number of common shares potentially issuable upon the exercise of certain options and warrants that were excluded from the diluted loss per common share calculation was approximately 357,519,663 because they are anti-dilutive as a result of a net loss for the six months ended June 30, 2018.

NOTE 3: CONVERTIBLE DEBT AND DERIVATIVE LIABILITIES

Summary of Convertible Promissory Notes:

	June 30, 2018	December 31, 2017
CAVU Notes, net	$ 100,000	$ 100,000
Berg Note	50,000	50,000
Secured and unsecured Notes net of discounts of $368,990 for June 30, 2018 and $234,502 for December 31, 2017	4,240,010	2,999,498
Total Debt	4,390,010	3,149,498
Current portion of debt	4,390,010	3,149,498
Long-term portion of debt	$ –	$ –

In the first quarter of 2018, the Company entered into agreements with non-affiliated persons to provide $1,000,000 of short term secured debt financing in four monthly tranches. The Company will issue in connection with each tranche, a six-month secured convertible promissory note. In connection with this transaction, the Company agreed to issue an origination fee of 1,000,000 shares of restricted common stock. Alexander Capital L.P. acted as Placement Agent and Advisor for this transaction. Each of these new notes are on the terms of the Company's 10% Senior Secured debt.

The Company's 10% Senior Secured Debt consists of 19 convertible notes issued totaling $4,234,000. These notes mature 6 months from the date of issuance, accrue interest at 10%, and had a base conversion price of $.05. As of June 30, 2018, the 10% Senior Secured Debt notes are in default for breach of covenants due to notes which have matured during the period not being settled. The default on these notes triggered an increase in the interest rate from 10% to 24% on the principal balance, a 9% late fee being charged on interest accrued, and a variable conversion price equal to 50% of the lowest volume weighted average price in the 30 days prior to conversion. On February 27, 2018 the Company reduced the base conversion price from $.05 to $.02. The Company accounted for this modification per ASC 470-50 "Modifications and Extinguishments". Due to the variable rate in effect from the default provisions of the 10% Senior Secured Debt notes this reduction in base conversion price had no material change on the value of the notes.

In the second quarter of 2018, the Company borrowed $375,000 from investors, including $125,000 from the Chairman of the Company. A total of 10,500,000 shares of common stock were issued as origination fees. The principal of the loans are due and payable the earlier of July 31, 2018 or upon the completion of a financing of at least $1,000,000**.**

A recap of the derivative liability is as follows:

Derivative Liability 2018		
Beginning balance	$	(666,123)
New Issuances		(559,728)
Discount on new issuances		(647,431)
Gain (Loss) on revaluation of derivative liability		(9,246,435)
Ending balance	$	(11,119,717)

NOTE 4: STOCKHOLDERS' (DEFICIT)

Shares issued for Original Interest Discount

During the quarter ended June 30, 2018, the Company issued 10,500,000 shares of common stock at a price per share between $0.04 and $0.05 for original issue discount on receipt of $375,000 in unsecured convertible promissory notes.

On June 20, 2018, the Company entered into a strategic investment transaction with Glen Eagles Acquisitions LP ("GEA"). As part of the strategic investment, the Company received 4,500,000 shares of Gopher Protocol Inc. common stock (traded in the OTC Market under the symbol "GOPH") and cash in exchange for 150,000,000 shares of its restricted common stock. There was also an origination fee of 15,000,000 shares of its restricted common stock paid to GEA by the Company in connection with this transaction. There were no commissions or finder's fees paid by the Company in connection with this transaction.

NOTE 5: STOCK-BASED COMPENSATION

Compensation costs related to share-based payment transactions, including employee stock options, are recognized in the financial statements utilizing the straight-line method for the cost of these awards.

The Company's results for the three-month period ended June 30, 2018 and 2017 include employee share-based compensation expense totaling $0.00 and $152,266, respectively. The Company's results for the six-month period ended June 30, 2018 and 2017 include employee share-based compensation expense totaling $327,405 and $425,358, respectively. Such amounts have been included in the Condensed Consolidated Statements of Operations within selling, general and administrative expenses. No income tax benefit has been recognized in the statement of operations for share-based compensation arrangements due to a history of operating losses.

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2018	**2017**	**2018**	**2017**
Employee stock-based compensation - option grants	$ –	$ 152,266	$ 273,945	$ 302,858
Employee stock-based compensation - stock grants	–	–	–	11,500
Non-Employee stock-based compensation - option grants	–	–	53,460	–
Non-Employee stock-based compensation - stock grants	–	–	–	–
Non-Employee stock-based compensation-stock warrant	–	–	–	111,000
Total	$ –	$ 152,266	$ 327,405	$ 425,358

NOTE 6: STOCK OPTION PLAN

In the first quarter of 2016, the Board approved, and stockholders ratified a 2016 Employee Benefit and Consulting Services Compensation Plan covering 10,000,000 shares (the “2016 Plan”) and approving moving all options which exceeded the 2009 Plan limits to the 2016 Plan.

All stock options under the Plans are granted at or above the fair market value of the common stock at the grant date. Employee and non-employee stock options vest over varying periods and generally expire either 5 or 10 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. For option grants, the Company will take into consideration payments subject to the provisions of ASC 718 "Stock Compensation", previously Revised SFAS No. 123 "Share-Based Payment" (“SFAS 123 (R)"). The fair values of these restricted stock awards are equal to the market value of the Company's stock on the date of grant, after taking into certain discounts. The expected volatility is based upon historical volatility of our stock and other contributing factors. The expected term is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. Previously, such assumptions were determined based on historical data.

The weighted average assumptions made in calculating the fair values of options granted during the three and six months ended June 30, 2018 and 2017 are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2018	2017	2018	2017
Expected volatility	0.00%	0.00%	173.00%	146.77%
Expected dividend yield	–	–	–	–
Risk-free interest rate	0.00%	0.00%	2.43%	1.89%
Expected term (in years)	0	0	5.00	5.00

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2018	17,515,001	0.39	4.43	$ –
Granted	19,250,000	0.05	4.50	577,500
Exercised				
Cancelled & Expired	(11,615,001)			
Outstanding, June 30, 2018	25,150,000	0.12	4.00	$ 599,500
Options exercisable, June 30, 2018	25,150,000	0.12	4.00	$ 599,500

The weighted-average grant-date fair value of options granted during the six months ended June 30, 2018 and 2017 was $0.05 and $0.05, respectively.

The aggregate intrinsic value of options outstanding and options exercisable at June 30, 2018 is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for the shares that had exercise prices, that were lower than the $0.08 closing price of the Company's common stock on June 30, 2018.

As of June 30, 2018, the fair value of unamortized compensation cost related to unvested stock option awards is $0.00.

The weighted average assumptions made in calculating the fair value of warrants granted during the three and six months ended June 30, 2018 and 2017 are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2018	2017	2018	2017
Expected volatility	0.00%	0.00%	0.00%	151.49%
Expected dividend yield	–	–	–	–
Risk-free interest rate	0.00%	0.00%	0.00%	0.00%
Expected term (in years)	–	–	–	4.75

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2018	11,814,167	$ 0.20	2.58	$ –
Granted	–	$ –	–	–
Exercised	–	$ –	–	–
Expired	(1,040,000)			
Outstanding, June 30, 2018	10,774,167	$ 0.19	1.85	176,000
Warrants exercisable, June 30, 2018	10,774,167	$ 0.19	1.85	176,000

NOTE 7: COMMITMENTS AND CONTINGENCIES

COMMITMENTS –

In March of 2014, we entered into a month-to-month lease agreement for approximately 400 square feet of office space located in Manhattan, NY at a monthly cost of $3,700. In May of 2015 we moved to a larger location with the same landlord on a month to month basis for $4,700 each month. In 2017 the Company is leasing on a month-to-month basis two fully furnished executive suites in Manhattan at a monthly cost of approximately $6,600. These executive suites are located at 85 Broadway, 16^{th} Floor, Suites 16-035 and 16-040, New York, NY 10010.

There are currently no minimum future rentals under non-cancelable lease commitments.

Rent and real estate tax expense was approximately $14,575 and $571,084 for the quarters ended June 30, 2018 and 2017, respectively, and approximately $33,387 and $1,053,619, respectively for the six months ended June 30, 2018 and 2017.

Transactions with major customers

During the quarter ended June 30, 2018, one customer accounted for approximately 88% of revenues. During the quarter ended June 30, 2017, two customers accounted for 100% of revenues. During the six months ended June 30, 2018, one customer accounted for approximately 82.79% of revenues. During the six months ended June 30, 2017, two customers accounted for 93.42% of revenues.

NOTE 8: SUBSEQUENT EVENTS

There are no subsequent events required to be disclosed in the Notes to Financial Statements through the date of the report.

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

FORWARD-LOOKING STATEMENTS

The information contained in this Form 10-Q and documents incorporated herein by reference are intended to update the information contained in the Company's Form 10-K for its fiscal year ended December 31, 2017 which includes our audited financial statements for the year ended December 31, 2017 and such information presumes that readers have access to, and will have read, the "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors" and other information contained in such Form 10-K and other Company filings with the Securities and Exchange Commission ("SEC").

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements involve risks and uncertainties, and actual results could be significantly different than those discussed in this Form 10-Q. Certain statements contained in Management's Discussion and Analysis, particularly in "Liquidity and Capital Resources," and elsewhere in this Form 10-Q are forward-looking statements. These statements discuss, among other things, expected growth, future revenues and future performance. Although we believe the expectations expressed in such forward-looking statements are based on reasonable assumptions within the bounds of our knowledge of our business, a number of factors could cause actual results to differ materially from those expressed in any forward-looking statements, whether oral or written, made by us or on our behalf. The forward-looking statements are subject to risks and uncertainties including, without limitation, the following: (a) changes in levels of competition from current competitors and potential new competition, (b) possible loss of customers, and (c) the company's ability to attract and retain key personnel, (d) The Company's ability to manage other risks, uncertainties and factors inherent in the business and otherwise discussed in this 10-Q and in the Company's other filings with the SEC. The foregoing should not be construed as an exhaustive list of all factors that could cause actual results to differ materially from those expressed in forward-looking statements made by us. All forward-looking statements included in this document are made as of the date hereof, based on information available to the Company on the date thereof, and the Company assumes no obligation to update any forward-looking statements.

Company Overview

The Company’s wholly-owned subsidiary, Mobiquity Networks has evolved and grown from a mobile advertising technology company focused on driving Foot-traffic throughout its indoor network, into a next generation location data intelligence company. Mobiquity Networks provides precise unique, at-scale location data and insights on consumer’s real-world behavior and trends for use in marketing and research. With its combined first party location data via its advanced SDK and its various exclusive data sets; Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis, utilizing multiple geo-location technologies. Mobiquity Networks is seeking to implement several new revenue streams from its data collection and analysis, including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Fraud Prevention, Real Estate Planning, Financial Forecasting and Custom Research.

As mentioned in previous filings, Mobiquity Technologies’ will be focusing its full attention on Mobiquity Networks, which it believes represents a large growth opportunity. Subsequently, former subsidiary, Ace Marketing, its legacy marketing and promotions business was successfully sold on October 1, 2017 and is no longer part of Mobiquity Technologies or its business plan.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires management to make estimates and disclosures on the date of the financial statements. On an on-going basis, we evaluate our estimates including, but not limited to, those related to revenue recognition. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates. We believe that the following critical accounting policies affect our more significant judgments and estimates in the preparation of our financial statements.

Revenue Recognition –The Company recognized revenue on arrangements in accordance with FASB Codification Topic 606, "Revenue from Contracts with Customers " ("ASC Topic 606"). Under ASC Topic 606, revenue represents amounts earned for data licensing arrangements consisting of flat fee, per use basis or revenue share. Licensee is sent data on a daily basis, has use of data for a period of time based on the contract life between one month to one year. Revenue is recognized with the billing of an advertising contract or data sale. The customer signs a contract directly with us for an advertising campaign with mutually agreed upon term and is billed on the start date of the advertising campaign, which are normally in short duration periods. The second type of revenue is through the licensing of our data. Revenue from data can occur in two ways; the first is a direct feed, which is billed at the end of each month. The second way is through the purchasing of audience segments. When an audience segment is purchased, we bill the buyer upon delivery, which is usually 1-2 days for the order date.

Allowance for Doubtful Accounts. We are required to make judgments based on historical experience and future expectations, as to the realizability of our accounts receivable. We make these assessments based on the following factors: (a) historical experience, (b) customer concentrations, customer credit worthiness, (d) current economic conditions, and (e) changes in customer payment terms.

Accounting for Stock Based Compensation. Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them ("expected term"), the estimated volatility of the company's common stock price over the expected term ("volatility") and the number of options for which vesting requirements will not be completed ("forfeitures"). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations.

Plan of Operation

Mobiquity Networks derives its revenue utilizing the revenue streams mentioned above. All the products used to derive revenue for the Company are reliant on the collection of data. To achieve management's revenue goals moving forward, we have developed a strategy to increase the two main driving forces behind our data collection. One strategy is to increase the total number of users we see on a monthly basis ("MAU"), and the second strategy is to increase the total number of locations (Places) available to see our MAU's over the same time period. We are currently seeing approximately 50,000,000 unique mobile devices on a monthly basis. The ability to see and collect the data required from these unique devices comes from the installation of our proprietary Software Development Kit (SDK) into various mobile applications (Apps) or through a direct server-to-server data feed from our App partners. To continue to grow the total number of unique devices we can see on a monthly basis, we need to increase our App partnerships. We believe our unique offering to potential App partners gives us a competitive advantage over others in the industry. The task of partnering with Apps is handled internally by our business development team.

As of April 2018, we had over 2,000,000 Places in our proprietary Places database, and we expect growth to over 4,000,000 Places by the fourth quarter of 2018, thus exponentially increasing the amount of data we collect. We have been able to steadily increase the number of locations available in our Places database using both open source and proprietary technologies. The task of growing our Places database is handled by our internal technology team. The Company currently utilizes both internal and outsourced resources to market and sell its product offerings. Management intends to hire additional sales personnel in the last six months of 2018 as working capital permits.

Results of Operations

Quarter Ended June 30, 2018 versus Quarter Ended June 30, 2017

The following table sets forth certain selected condensed statement of operations data for the periods indicated in dollars. In addition, we note that the period-to-period comparison may not be indicative of future performance.

	Quarter Ended	
	June 30, 2018	June 30, 2017
Revenue	$ 241,573	$ 100,204
Cost of Revenues	(324,984)	(309,739)
Gross (Loss)	(83,411)	(209,535)
Selling, General and Administrative Expenses	(782,410)	(1,413,197)
Loss from operations	$ (865,821)	$ (1,622,732)

We generated revenues of $241,573 in the second quarter of 2018 as compared to $100,204 in the same period for fiscal 2017, a change in revenues of $141,369. In 2018, we are seeking to implement several new revenue streams from data collection and analysis including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research.

Cost of revenues was $324,984 or 134.53% of revenues in the second quarter of 2018 as compared to $309,739 or 309.11% of revenues in the same fiscal period of fiscal 2017. Cost of revenues include web services for storage of our data and web engineers who are building and maintaining our platforms. The generated savings, on a percentage basis, arise with our increased sales. Our ability to capture and store data for sales does not translate to increased cost of sales.

Gross loss was $83,411 or 34.53% of revenues for the second quarter of 2018 as compared to $209,535 in the same fiscal period of 2017 or 209.11% of revenues. As revenues from the use of our technologies increases, it is expected that our margins will increase significantly.

Selling, general, and administrative expenses were $782,410 for the second quarter of fiscal 2018 compared to $1,413,197 in the comparable period of the prior year, a decrease of approximately $630,787. Such operating cost reductions include commissions, rents, fee payments to malls, professional (consulting) and public awareness fees. The corporation has been trimming expenses to shift its efforts in obtaining a new revenue stream. Our increased efforts in cutting expenses by streamlining staff has fueled the savings in salaries. The other major savings is in the reduction of our rent expense. With our change in revenue stream we no longer need access to the mall locations which has reduced our costs by close to two million dollars.

The net loss from operations for the second quarter of fiscal 2018 was $865,821 as compared to $1,622,732 for the comparable period of the prior year. The continuing operating loss is attributable to the focused effort in creating the infrastructure required to move forward with our Mobiquity network business.

No benefit for income taxes is provided for in the reported periods due to the full valuation allowance on the net deferred tax assets. Our ability to be profitable in the future is dependent upon the successful introduction and usage of our data collection and analysis including Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research services.

Six Months Ended June 30, 2018 versus Six Months Ended June 30, 2017

The following table sets forth certain selected condensed statement of operations data for the periods indicated in dollars. In addition, we note that the period-to-period comparison may not be indicative of future performance.

	Six Months	
	June 30, 2018	**June 30, 2017**
Revenues	$ 280,276	181,991
Cost of Revenues	(386,101)	(406,031)
Gross (Loss)	(105,825)	(224,040)
Selling, General and Administrative Expenses	(1,673,414)	(3,024,957)
Loss from operations	(1,779,239)	(3,248,997)

We generated revenues of $280,276 in the second quarter of 2018 as compared to $181,991 in the same period for fiscal 2017, a change in revenues of $98,285. In 2018, we are seeking to implement several new revenue streams from data collection and analysis including, but not limited to; Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research.

Cost of revenues was $386,101 or 137.76% of revenues in the second quarter of 2018 as compared to 406,031 or 223.10% of revenues in the same fiscal period of fiscal 2017. Cost of revenues include web services for storage of our data and web engineers who are building and maintaining our platforms. The generated savings, on a percentage basis, arise with our increased sales. Our ability to capture and store data for sales does not translate to increased cost of sales.

Gross loss was $105,825 or 37.76% of revenues for the second quarter of 2018 as compared to $224,040 in the same fiscal period of 2017 or 123.10% of revenues. As revenues from the use of our technologies increases, it is expected that our margins will increase significantly.

Selling, general, and administrative expenses were $1,673,414 for the second quarter of fiscal 2018 compared to $3,024,957 in the comparable period of the prior year, a decrease of approximately $1,351,543. Such operating cost reductions include professional fees, fee payments to malls, professional (consulting) and public awareness fees. The corporation has been trimming expenses to shift its efforts in obtaining a new revenue stream. Our increased efforts in cutting expenses by streamlining staff has fueled the savings in salaries. The other major savings is in the reduction of our rent expense. With our change in revenue stream we no longer need access to the mall locations which has reduced our costs by close to two million dollars.

The net loss from operations for the second quarter of fiscal 2018 was $1,779,239 as compared to $3,248,997 for the comparable period of the prior year. The continuing operating loss is attributable to the focused effort in creating the infrastructure required to move forward with our Mobiquity network business.

No benefit for income taxes is provided for in the reported periods due to the full valuation allowance on the net deferred tax assets. Our ability to be profitable in the future is dependent upon the successful introduction and usage of our data collection and analysis including Advertising, Data Licensing, Footfall Reporting, Attribution Reporting, Real Estate Planning, Financial Forecasting and Custom Research services.

Liquidity and Capital Resources

The Company had cash and cash equivalents of $121,034 at June 30, 2018. Cash used in operating activities for the six months ended June 30, 2018 was $8,519,292. This resulted primarily from a net loss of $19,889,535 offset by stock-based compensation of $327,405 amortization of $9,800, increase in accounts receivable of $203,384 and an initial derivative expense of $559,728 and a change in derivatives of $9,246,435, increase in accrued interest of $447,608, increase in accrued expenses and other current liabilities of $137,872 and an increase in investment in other assets of $7,560,000. Cash flow from financing activities of $8,583,856 resulted from the proceeds from the issuance of notes of $1,273,500 and the loss on sale of company stock of $6,965,000, proceeds form the collection of stock subscription receivable of $200,000 and the increase in stock subscription receivable of $260,000.

The Company had cash and cash equivalents of $306,259 at June 30, 2017. Cash used in operating activities for the six months ended June 30, 2017 was $2,518,559. This resulted primarily from a net loss of $8,103,527 offset by stock-based compensation of $425,358 depreciation and amortization of $20,956, increase in accounts receivable of $84,676 and a decrease in Inventory of $13,149 and an initial derivative expense of $1,284,707 and a change in derivatives of $1,284,031, gain on settlement of debt $2,706,197, decrease in prepaid expenses and other assets of $48,461 and an increase of accounts payable and accrued expenses of $198,476. Cash flow from financing activities of $2,598,587 resulted from the proceeds from the issuance of notes of $1,735,000 and the issuance of the Company's common stock for $311,250 and the exercise of warrants and the collection of stock subscription receivable of $456,503.

Our company commenced operations in 1998 and was initially funded by our three founders, each of whom has made demand loans to our company that have been repaid. Since 1999, we have relied on equity financing and borrowings from outside investors to supplement our cash flow from operations and expect this to continue in 2018 and beyond until cash flow from our proximity marketing operations become substantial.

Recent Financings

In 2016 and 2017, we have completed various financings. See Item 5 under "Recent Sales of Unregistered Securities" in our Form 10-K for the fiscal year ended December 31, 2017.

Acquisition of Gopher Protocol Common Stock

On June 21, 2018, the Company entered into a strategic investment transaction with Glen Eagles Acquisitions LP ("GEA"). As part of the strategic investment, the Company received 4,500,000 shares of Gopher Protocol Inc. common stock (traded in the OTC Market under the symbol "GOPH") and cash in exchange for 150,000,000 shares of its restricted common stock. There was also an origination fee of 15,000,000 shares of its restricted common stock paid to GEA by the Company in connection with this transaction. There were no commissions or finder's fees paid by the Company in connection with this transaction. The acquisition of Gopher Protocol common stock may result in the Company being considered a transient investment company. It is the Company's intention to utilize the Gopher Protocol common stock, subject to compliance with all applicable securities laws, for acquisitions, retiring secured and unsecured debt and/or working capital. There can be no assurances given that the Gopher Protocol common stock will have sufficient liquidity for our intended purposes or that one or more acquisitions will be completed on terms satisfactory to the Company, if at all.

2017 Loan Agreements and Certain Transactions

As of July 24, 2018, the Company has outstanding 377,975,600 shares of common stock, 240,000 of preferred stock and 850,588 shares of Series AAA preferred stock and $4,759,000 of convertible notes. The convertible notes consist of $4,234,000 of secured notes and $525,000 of unsecured notes.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short-term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures, which are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our CEO and CFO, an evaluation was performed on the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were not effective as of the end of the period covered by this report.

There were no changes in the Company's internal controls over financial reporting during the most recently completed fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

As of the filing date of this Form 10-Q, we are not a party to any pending legal proceedings.

ITEM 1A. RISK FACTORS

As a Smaller Reporting Company as defined Rule 12b-2 of the Exchange Act and in item 10(f)(1) of Regulation S-K, we are electing scaled disclosure reporting obligations and therefore are not required to provide the information requested by this Item 1A.

ITEM 2. CHANGES IN SECURITIES.

(a) From January 1, 2018 through June 30, 2018, we had no sales or issuances of unregistered capital stock, except as referenced above and in the table below:

Date of Sale	Title of Security	Number Sold	Consideration Received and Description of Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers	Exemption from Registration Claimed	If Option, Warrant or Convertible Security, terms of exercise or conversion
Jan. – June 2018	Convertible notes and Common Stock	$1,375,00 in principal and 11,500,000 common shares	$1,375,000 received, $105,500 in commissions	Rule 506	Not applicable

In the six months ended June 30, 2018, there were no repurchases by the Company of its Common Stock.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Not applicable.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Title
3.1	Certificate of Incorporation filed March 26, 1998 (1)
3.2	Amendment to Certificate of Incorporation filed June 10, 1999 (1)
3.3	Amendment to Certificate of Incorporation approved by stockholders in 2005 (1)
3.4	Amendment to Certificate of Incorporation dated September 11, 2008 (11)
3.5	Amendment to Certificate of Incorporation dated October 7, 2009 (11)
3.6	Amendment to Certificate of Incorporation dated May 18, 2012 (11)
3.7	Amendment to Certificate of Incorporation dated September 10, 2013 (17)
3.8	Amended By-Laws (1)
3.9	2014 Amendment to By-Laws (19)
3.10	Amendment to Certificate of Incorporation filed December 22, 2015 (23)
3.11	Amendment to Certificate of Incorporation dated March 24, 2016 (21)
3.12	Amendment to Certificate of Incorporation (22)
10.1	Employment Agreement - Michael Trepeta (2)
10.2	Employment Agreement - Dean Julia (2)
10.3	Amendments to Employment Agreement - Michael Trepeta (5) (7)
10.4	Amendments to Employment Agreement - Dean L. Julia (5) (7)
10.5	Joint Venture Agreement with Atrium Enterprises Ltd. (6)
10.6	Agreement with Aon Consulting (6)
10.7	Amendment to Exhibits 10.3 and 10.4 dated April 7, 2010 (10)
10.8	Office Lease for Garden City, NY (9)
10.9	Amendment to Employment Agreement – Dean L. Julia (11)
10.10	Amendment to Employment Agreement – Michael D. Trepeta (11)
10.11	Convertible Promissory Note (12)
10.12	Registration Rights Agreement dated June 12, 2012 by and between the company and TCA (13)
10.13	Equity Agreement dated June 12, 2012 by and between the company and TCA (13)
10.14	Amendment to Dean L. Julia's Employment Agreement (16)
10.15	Amendment to Michael D. Trepeta's Employment Agreement (16)
10.16	Common Stock Purchase Agreement with Aspire Capital (18)
10.17	Termination of TCA Registration Rights Agreement and Equity Agreement (18)
10.18	Employment Agreement – Sean Trepeta (19)
10.19	Employment Agreement – Paul Bauersfeld (19)
10.20	Employment Agreement – Thomas Arnost (20)
10.21	December 2013 Agreement with Thomas Arnost modifying secured debt purchased by Arnost from TCA (19)
10.22	Letter Agreement dated December 9, 2014 with Thomas Arnost to extend expiration date of secured note to December 31, 2015 (19)
10.23	Letter Agreement dated July 8, 2013 with Thomas Arnost to provide letter of credit for $1,350,000 (19)
10.24	Letter Agreement dated July 8, 2013 with SNW Properties to provide letter of credit for $1,350,000 (19)
10.25	Letter Agreement dated December 15, 2014 with Carl E. Berg (19)
10.26	Separation Agreement with Michael D. Trepeta (24)
10.27	Form of convertible promissory note. (22)
11.1	Statement re: Computation of per share earnings. See Statement of Operations and Notes to Financial Statements

14.1	Code of Ethics/Code of Conduct (Incorporated by reference to Form 10-K for the year ended December 31, 2014)
21.1	Subsidiaries of the Issuer (15)
31.1	Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (*)
31.2	Rule 13a-14(a) Certification in accordance with Section 302 of the Sarbanes-Oxley Act of 2002 (*)
32.1	Certification pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (*)
99.1	2005 Employee Benefit and Consulting Services Compensation Plan (2)
99.2	Form of Class A Warrant (2)
99.3	Form of Class B Warrant (2)
99.4	Amendment to 2005 Plan (4)
99.5	Form of Class C Warrant (8)
99.6	2009 Employee Benefit and Consulting Services Compensation Plan (3)
99.7	Form of Class D Warrant (3)
99.8	Form of Class E Warrant (10)
99.9	Form of Class F Warrant (10)
99.10	Form of Class G Warrant (10)
99.11	Form of Class H Warrant (10)
99.12	Form of Class AA Warrant (11)
99.13	Form of Class BB Warrant (11)
99.14	Form of Class CC Warrant (19)
101.INS	XBRL Instance Document (*)
101.SCH	Document, XBRL Taxonomy Extension (*)
101.CAL	Calculation Linkbase, XBRL Taxonomy Extension Definition (*)
101.DEF	Linkbase, XBRL Taxonomy Extension Labels (*)
101.LAB	Linkbase, XBRL Taxonomy Extension (*)
101.PRE	Presentation Linkbase (*)

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* Filed herewith.

(1) Incorporated by reference to Registrant's Registration Statement on Form 10-SB as filed with the Commission on February 10, 2005.
(2) Incorporated by reference to Registrant’s Registration Statement on Form 10-SB/A filed with the Commission March 18, 2005.
(3) Incorporated by reference to Form 10-K filed for the fiscal year ended December 31, 2009.
(4) Incorporated by reference to the Registrant's Form 10-QSB/A filed with the Commission on August 15, 2005.
(5) Incorporated by reference to the Registrant's Form 10-KSB for its fiscal year ended December 31, 2005.
(6) Incorporated by reference to the Registrant's Form 10-KSB for its fiscal year ended December 31, 2006.
(7) Incorporated by reference to the Registrant's Form 8-K dated September 21, 2007.
(8) Incorporated by reference to the Registrant's Form 10-QSB for its quarter ended September 30, 2006.
(9) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2011.
(10) Incorporated by reference to the Registrant’s Form 10-Q for the quarter ended June 30, 2011.
(11) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2012.
(12) Incorporated by reference to the Registrant’s Form 8-K dated June 14, 2012.
(13) Incorporated by reference to the Registrant’s Form 8-K dated June 15, 2012.
(14) Incorporated by reference to the Registrant’s Form 8-K dated June 6, 2013.
(15) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2013.
(16) Incorporated by reference to Form 8-K filed June 6, 2013.
(17) Incorporated by reference to Form 8-K filed September 11, 2013.
(18) Incorporated by reference to Form 8-K filed April 1, 2014.
(19) Incorporated by reference to Form 8-K filed with the SEC on December 24, 2014.
(20) Incorporated by reference to Form 8-K dated December 2, 2014.
(21) Incorporated by reference to Form 8-K dated March 24, 2016.
(22) Incorporated by reference to Form 8-K dated March 1, 2017.
(23) Incorporated by reference to Form 10-K for the fiscal year ended December 31, 2015.
(24) Incorporated by reference to Form 10-K for the fiscal year ended December 31, 2016.

SIGNATURES

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

MOBIQUITY TECHNOLOGIES, INC.

Date: August 9, 2018

By: /s/ Dean L. Julia
Dean L. Julia,
Principal Executive Officer

Date: August 9, 2018

By: /s/ Sean McDonnell
Sean McDonnell,
Principal Financial Officer

EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Dean L. Julia, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobiquity Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2018

/s/ DEAN L. JULIA
DEAN L. JULIA,
PRINCIPAL EXECUTIVE OFFICER

EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Sean McDonnell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mobiquity Technologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2018

/s/ SEAN MCDONNELL
SEAN MCDONNELL, PRINCIPAL FINANCIAL OFFICER

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Mobiquity Technologies, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dean L. Julia, Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ DEAN L. JULIA
DEAN L. JULIA
PRINCIPAL EXECUTIVE OFFICER

Date: August 9, 2018

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of Mobiquity Technologies, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sean McDonnell, Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ SEAN MCDONNELL
SEAN MCDONNELL
PRINCIPAL FINANCIAL OFFICER

Date: August 9, 2018