INTERNATIONAL WIRELESS INC
Form 10QSB
August 19, 2002

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

FORM 10-QSB

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

For the Quarterly Period Ended June 30, 2002

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

For the transition period from _________ to _________

Commission File Number: 000-27045

INTERNATIONAL WIRELESS, INC.
(Exact name of small business issuer as specified in its charter)

Maryland	36-4286069
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

120 Presidential Way Road, Woburn, Massachusetts 01801-1179
(Address of principal executive offices)

781-939-7252
(Issuer's telephone number)

Not applicable
(Former name, former address and former fiscal year, if changed since last report.)

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

As of August 19, 2002, the Company had 17,288,267 issued, and 15,888,273 outstanding shares of its $.009 par value common stock.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

Documents incorporated by reference: None.

INTERNATIONAL WIRELESS, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

CONDENSED BALANCE SHEETS

ASSETS

	June 30, 2002 (Unaudited)	December 31, 2001 (Audited)
CURRENT ASSETS		
Cash and cash Equivalents	$ 32,443	$ 54,310
Marketable securities, at market values	24,147	93,279
Prepaid expenses	131,189	164,117
Total Current Assets	187,779	311,706
SOFTWARE, net	5,077,478	-
PROPERTY AND EQUIPMENT, net	92,419	74,300

OTHER ASSETS		
Loans receivable, related parties	6,753	292,915
Security deposits	39,454	41,856
	46,207	334,771
TOTAL ASSETS	$5,403,883	$720,777

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$598,334	$260,593
Loans payable	-	42,000
Notes payable, related parties	122,385	146,830
Current portion of capital lease obligations	7,986	7,986
Total Current Liabilities	728,705	457,409
LONG-TERM LIABILITIES		
Capital lease obligations, less current portion	17,108	20,520
STOCKHOLDERS EQUITY		
Preferred stock $.001 par value, 5,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $.009 par value, 50,000,000 shares authorized; 15,585,419 and 10,715,904 issued and outstanding	140,269	96,443
Paid-in-capital	11,865,895	4,682,116
Subscription receivable	-	(143,073)
Deficit accumulated during development stage	(7,348,094)	(4,392,638)
TOTAL STOCKHOLDERS' EQUITY	4,658,070	242,848
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$5,403,883	$ 720,777

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF OPERATIONS (UNAUDITED)

Three Months Ended
June 30,

	2002	2001
OPERATING EXPENSES		
General and administrative expenses	$ 849,347	$165,002
Depreciation and amortization	225,733	599
Total Operating Expenses	1,075,080	165,601
OTHER EXPENSES		
Unrealized loss on sale of marketable securities	-	-
Loss on sale of marketable securities	-	-
Interest expense	3,250	1,365
Total Other Expenses	3,250	1,365
NET LOSS	$1,078,330	$166,966
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	$ (0.06)	$ -

The accompanying notes are an integral part of these financial statements.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF OPERATIONS (UNAUDITED)

	Six Months Ended June 30		For the Period September 27, 200 (Inception) through
	2002	2001	June 30, 2002
OPERATING EXPENSES			
General and administrative expenses	$2,427,514	$ 306,225	$3,698,265
Depreciation and amortization	450,181	1,198	456,076
Total Operating Expenses	2,877,695	307,423	4,154,341
OTHER EXPENSES			
Unrealized loss on sale of marketable securities	71,337	2,284,411	1,643,115
Loss on sale of marketable securities	-	-	1,535,360
Interest expense	6,424	2,730	15,278
Total Other Expenses	77,761	2,287,141	3,193,753

NET LOSS	$2,955,456	$2,594,564	$7,348,094
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	$ (0.20)	$ (0.44)	
WEIGHTED AVERAGE SHARES OUTSTANDING	14,505,055	5,911,197	

The accompanying notes are an integral part of these financial statements.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30		For
			2
			(I
	2002	2001	Jun
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$(2,955,456)	$(2,594,564)	$
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	450,181	1,198	
Loss on disposal of fixed asset	3,075		
Stock based compensation	1,184,676		
Unrealized loss on marketable securities	71,337	2,284,411	
Loss on sale of marketable securities	-	-	
Changes in operating assets and liabilities			
Prepaid expenses	32,928	-	
Security deposit	2,402	(41,856)	
Accounts payable and accrued expenses	337,741	62,592	
NET CASH USED IN OPERATING ACTIVITIES	(873,116)	(288,219)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of marketable securities	-	-	
Purchase of Office Equipment	(32,060)	(41,856)	
Repayment (advances) under loan receivable	39,699	(184,389)	
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	7,639	(226,255)	
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES			
Proceeds from common stock issuance	871,467	205,280	
Net (repayment) proceeds from note payable,			

related party	(24,445)	302,396
Repayment of capital lease obligations	(3,412)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	843,610	507,676
NET (DECREASE) INCREASE IN CASH	(21,867)	(6,798)
CASH AND CASH EQUIVALENTS - Beginning	54,310	-
CASH AND CASH EQUIVALENTS - Ending	$ 32,443	$ (6,798)

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary in order to make the financial statements not misleading have been included. Results for the six months ended June 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002. For further information, refer to the financial statements and footnotes thereto included in the International Wireless, Inc. ("the Company") annual report on Form 10-KSB for the year ended December 31, 2001. NOTE 2 DESCRIPTION OF BUSINESS, GOING CONCERN UNCERTAINTY AND MANAGEMENT'S PLANS

THE COMPANY AND NATURE OF BUSINESS

International Wireless, Inc. (the "Company") was incorporated on September 27, 2000 in the State of Delaware. The Company intends to acquire software companies involved in wireless technology. During the period September 27, 2000 (Incorporation) through December 31, 2000 the company did not have any activity. Since January 2001, the Company's efforts have been devoted to raising capital and seeking out companies to acquire. Accordingly, through the date of these financial statements, the Company is considered to be in the development stage and the accompanying financial statements represent those of a development stage enterprise.

REVERSE MERGER

On December 27, 2002, Origin Investment Group, Inc. ("Origin") acquired all of the Company's outstanding common stock by the issuance of 9,495,014 shares of $.009 par value common stock ("the Merger"). Simultaneously, Origin changed its name to International Wireless, Inc. and effected a one-for-nine reverse stock split, which reduced Origin's outstanding shares of common stock from 10, 985,565 to 1,220,890. In connection with the Merger, the Company became a wholly owned subsidiary of Origin and the Company's officers and directors replaced Origin's officers and directors. Prior to the Merger, Origin was a non-operating "shell" corporation. Pursuant to Securities and Exchange Commission rules, the Merger of a private operating company (International Wireless, Inc.) into a non-operating public shell corporation with nominal net assets (Origin) is considered a capital transaction. Accordingly, for accounting purposes, the Merger has been treated as an acquisition of Origin by the Company and a recapitalization of the Company. The historical financial statements prior to December 27, 2001 are those of the Company.

ACQUISITION AGREEMENT

On January 22, 2002, the Company acquired 100% of the issued and outstanding stock of CodePoint, Inc. ("CodePoint"), formerly known as Mitigo, Inc., for an aggregate purchase price of 4,398,000 shares of the Company's common stock to be issued to the stockholders of CodePoint ("Sellers"). An aggregate of 2,998,006 shares were issued to the sellers at closing and 1,399,994 shares are held in escrow. These escrow shares will be released to the Sellers pursuant to a formula based on net income for 2002 and 2003, as defined in the agreement. Any escrow shares not released to the Sellers, will be returned to the Company. 5

INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

NOTE 2 DESCRIPTION OF BUSINESS, GOING CONCERN UNCERTAINTY AND MANAGEMENTS PLANS (Continued)

ACQUISITION AGREEMENT (Continued)

The allocation of the purchase price was as follows:

	Shares	Fair Value Par Share	Fair Value
Common Stock (a) (b)	2,998,006	1.76	$5,276,491
Total Purchase Price			$5,276,491
Fair value of net assets acquired			
Property and equipment		$ 3,989	
Software (c)		5,518,998	
Liabilities assumed		(246,496)	
Fair value of identifiable net assets acquired			5,276,491

Goodwill	-
	$5,276,491

Footnotes

(a) based upon average of five day close price from the acquisition date.
(b) Does not include 1,399,994 shares held in escrow
(c) Software is being amortized over 5 years

GOING CONCERN UNCERTAINTY AND MANAGEMENT'S PLANS

As shown in the accompanying financial statements, the Company incurred a net loss of $2,955,456 during the six months ended June 31, 2002 resulting in a deficit accumulated during the development stage of $7,348,094. Management's plans include the raising of capital, seeking out additional companies to acquire and generating revenue through the sale of CodePoint software. Failure to raise capital, acquire additional companies or generate revenue may result in the Company depleting its available funds, not, being able to fund its investment pursuits and cause it to curtail or cease operations. Additionally, even if the Company does raise sufficient capital, acquire additional companies or generate revenue, there can be no assurances that the net proceeds or the revenue will be sufficient to enable it to develop business to a level where it will generate profits and cash flows from operations.

These matters raise substantial doubt about the Company's ability to continue as a going concern. However, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern.

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INTERNATIONAL WIRELESS, INC. AND SUBSIDIARY
(A Development Stage Company)

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

NOTE 2 DESCRIPTION OF BUSINESS, GOING CONCERN UNCERTAINTY AND MANAGEMENT'S PLANS (Continued)

NEW ACCOUNTING PRONOUNCEMENTS

In July 2001, the Financial Accounting Standards Boars ("FASB") issued SFAS No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 requires the use of the purchase method of accounting for business combinations initiated after June 30, 2001, and eliminates the pooling-of-interests method.

SFAS No. 142 requires, among other things, the use of a non-amortization approach for purchased goodwill and certain intangibles. Under a non-amortization approach, goodwill and certain intangibles will not be amortized in earnings, but instead will be reviewed for impairment at least annually.

In August 2001, the FASB issued SFAS NO. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which supercedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived assets to Be Disposed Of." SFAS No. 144 retains the fundamental provisions of SFAS No. 121 but sets forth new criteria for asset classification and broadens the scope of qualifying discontinued operations.

The Company implemented these standards effective January 1, 2002 and they did not have a material effect on the consolidated financial statements.

NOTE 3 STOCKHOLDERS' EQUITY

During the three months ended March 31, 2002 the Company issued 10,000 shares of the Company's common stock to a consultant for services provided. Stock based compensation expense of $15,000 was recorded during the three months ended March 31, 2002 in connection with this issuance.

During the three months ended March 31, 2002, the company issued 100,000 shares of the Company's common stock to an individual, as a commission related to employment of the Company's Chief Executive Officer. Stock based compensation expense of $150,000 was recorded during the three months ended March 31, 2002 in connection with this issuance.

During the three months ended March 31, 2002, the Company issued 6,500 shares of common stock in exchange for 27,562 shares of common stock of Telehublink, Inc. The difference between the value of the Company's common stock exchanged for Telehublink, Inc. common stock at the date of exchange was $8,065 which was recorded as stock based compensation expense for the three months ended March 31, 2002.

During the three months ended March 31, 2002, the Company issued 26,000 shares of common stock as payment of a bridge loan payable and accrued interest of approximately $13,000. The difference between the value of the common stock and the principal and interest paid was $62,400 which was recorded as stock based compensation expense for the three months ended March 31, 2002.

During the three months ending June 30, 2002, the Company issued 196,777 shares of the Company's common stock to various consultants for services provided. Stock based compensation expense of $257,983 was recorded during the three months ended June 30, 2002 in connection with this issuance.

During the three months ended June 30, 2002, the Company received proceeds of $143,073 from stock subscriptions receivables relating to issuance of common stock during 2001.

NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS (Continued)

NOTE 3 STOCKHOLDERS' EQUITY(Continued)

During the three months ended June 30, 2002, the company received proceeds of $120,000 from the sale of 80,000 shares of its common stock under a private placement.

During the three months ended June 30, 2002, the Company issued 23,900 shares of its common stock as payment of a bridge loan payable in the amount of $10,000.

NOTE 4 STOCK OPTIONS

During the three months ended March 31, 2002, the Company issued options to consultants to purchase 650,000 shares of common stock at an exercise price of $.40 per common share. These options vest immediately and expire after six months. These options had a fair value of $637,875, calculated using the Black Scholes options pricing model which was recorded as stock based compensation for the three months ended March 31, 2002. During the three month period March 31, 2002, 450,000 of these options were exercised and the Company realized total proceeds of $155,000. In April 2002, 312,500 of the options exercised were rescinded. An additional 350,000 of these options were exercised in April 2002 and the Company realized $149,000.

On April 18, 2002, the Company granted options to purchase 100,000 shares of the Company's common stock pursuant to a letter agreement and a stock option agreement with a law firm whereby a portion of the legal services provided will be paid by the issuance of these options. These options will have an initial exercise price of $1.00, for options which vest prior to October 15, 2002, and for options which vest after October 15, 2002, the exercise price shall be changed to the average closing price of the common stock for the 30 trading days ending October 15, 2002. These options will be earned and shall vest based on a value of $0.40 per option and will expire five years from the date of grant. On august 8, 2002, it was agreed to reduce the option price to $0.50 per share. As at the filing of this report, 48,772 options have been earned.

NOTE 5 WARRANTS

EXERCISE OF WARRANTS

During the six months ended June 30, 2002, an aggregate of 949,832 warrants were exercised for an aggregate of $417,233 at exercise prices ranging from $0.40 to $0.75 per warrant in exchange for 949,832 shares of the Company's common stock. The Company realized cash proceeds of $397,233 and converted a loan payable of $20,000.

ADJUSTMENT OF WARRANTS

Certain warrants of the Company are subject to a clause whereby the warrants are not exercisable until the Company sends the warrant holders written confirmation that the five consecutive trading day average closing bid price equals or exceed 150% of the value of the exercise price of the warrants. The warrant holders shall have 10 business days to exercise the entire amount of the warrants pursuant to the agreement; should the warrant holders fail to exercise, the number of warrants outstanding as well as the exercise price are subject to adjustment. During the six months ended June 30, 2002, certain warrant holders did not exercise their warrants after receiving written confirmation and therefore the total outstanding warrants of the Company was reduced by 81, 601.

NOTE 5 WARRANTS(Continued)

SETTLEMENT AGREEMENT

On February 19, 2002 the Company entered into a settlement agreement with a holder of a warrant to purchase 133,332 shares of the company's common stock with an exercise price of $1.50 per share. The holder had records showing that he had ownership rights to additional warrants not recorded on the company's books at the time of the reverse merger with Origin in December 2001. In settlement the parties agreed to cancel all other warrants of the holder in return for reducing the exercise price on the warrant from $1.50 to $0.46 to per share.

NOTE 6 COMMITMENTS AND CONTINGENCIES

RELATED PARTY LICENSING AGREEMENT

On January 10, 2002, CodePoint entered into a licensing agreement with Cobblestone Software, Inc. ("Cobblestone") whereby Cobblestone granted CodePoint exclusive license to its intellectual property rights relating to, among other things, decoding visible encoded public-domain symbols for use in mobile commerce. In consideration for the license granted, CodePoint paid Cobblestone $5,000 upon execution of the agreement and an additional $25,000 will be due September 1, 2003 and each year thereafter. CodePoint may elect however at its sole discretion to cede back certain intellectual property rights whereby the payment due subsequent to such election and each year thereafter would remain at $25,000. Cobblestone is owned by the Chief Technology Officer of the CodePoint and a relative of the Chief Technology Officer.

EMPLOYMENT AGREEMENT

On March 29, 2002, effective as of May 1, 2002 the Company entered into an agreement with an individual in which he will become the President and Chief Executive Officer of the company. The agreement has an initial term of three years and may be extended for an additional three year period by approval of the Board of the Directors. The agreement provides the payment for a base salary, an incentive increment and the payment of a discretionary bonus by the Company. Future minimum payments to be made pursuant to this agreement are as follows:

For the Year Ending December 31,	Amount
2002	$140,933
2003	285,350
2004	331,183
2005	142,334
Total	$899,800

Pursuant to the terms of this agreement the Company issued options to purchase 1,500,000 shares of common stock which may be exercised on a cashless basis. The initial 250,000 options are exercisable as of May 1, 2002 at a price of $1.05 per common share throughout the term of the agreement. The balance of the options (1,250,000) are exercisable, upon the attainment of certain financial goals, as defined, at prices ranging from $1.05 to $2.25 per common share throughout the term of the agreement. If the financial goals are achieved, the Company will recognize compensation equal to the difference between the fair market value and the exercise price at the time the

NOTE 6 COMMITMENTS AND CONTINGENCIES(Continued)

EMPLOYMENT AGREEMENT(Continued) performance conditions are achieved. Issuance of the shares would result in substantial compensation expenses to the Company. On August 1, 2002, a termination agreement was signed by the employee and the Company. See Note 7, Subsequent Events - Termination Agreement

OPERATING LEASE

During May 2002, the Company entered into a noncancelable operating lease for additional space at their corporate headquarters. This lease is due to commence on July 1, 2002 with initial rental payments of $79,575 per annum plus expenses increasing to $91,560 per annum plus expenses through the termination date of July 2005

NOTE 7 SUBSEQUENT EVENTS

TERMINATION AGREEMENT

On August 1, 2002, the Company entered into a termination agreement with its President and Chief Executive Officer Graham F. Paxton. Mr.

Paxton signed an employment agreement on March 29, 2002. As part of the consideration for termination, the Company converted monies advanced by Mr. Paxton to a promissory note bearing interest at 6% commencing August 1, 2002 for $125,000, due on February 28, 2003. From monies raised from the sale of Company stock, 10% of such proceeds shall be paid towards loan amortization with the balance due on February 28, 2003. In addition to other considerations, a stock option for 250,000 shares of the Company's common stock was granted at a price of $1.05 per share. The option terminates on August 1, 2003.

DEBT CANCELLATION

The Company has entered into an agreement with a creditor to issue 50,000 shares of its common stock in satisfaction of $71,555 of accounts payable obligations. If the total cash value received from the sale of the shares does not liquidate the obligations, an additional 20,000 shares may be issued.

EMPLOYMENT AGREEMENT

On July 1, 2002, the Company entered into an employment agreement with an individual to serve as a merger and acquisition adviser and to evaluate, manage and develop a business strategy for the Company's Wireless Money Division. The term of the agreement shall be for one year from the effective date July 1, 2002 and may be renewed for periods of one year. The employee shall receive 6,250 shares of the company's common stock per month. Additionally, a success fee shall be part based upon the "Lehman Formula' and a 10% commission shall be paid on sales that he or his associates are directly responsible for.

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

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

This Quarterly Report on Form 10-QSB for the quarterly period ended June 30, 2002 contains "forward-looking" statements within the meaning of the Federal securities laws. These forward-looking statements include, among others, statements concerning the Company's expectations regarding sales trends, gross and net operating margin trends, political and economic matters, the availability of equity capital to fund the Company's capital requirements, and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Quarterly Report on Form 10-QSB for the quarterly period ended June 30, 2002 are subject to risks and uncertainties that could cause actual results to differ materially from those results expressed in or implied by the statements contained herein.

The interim financial statements have been prepared by International Wireless, Inc. and in the opinion of management, reflect all material adjustments which are necessary to a fair statement of results for the interim periods presented, including normal recurring adjustments. Certain information and footnote disclosures made in the most recent annual financial statements included in the Company's Form 10-KSB for the year ended December 31, 2001, have been condensed or omitted for the interim statements. It is the Company's opinion that, when the interim statements are read in conjunction with the December 31, 2001 financial statements, the disclosures are adequate to make the information presented not misleading. The results of operations for the three months ended

March 31, 2002 are not necessarily indicative of the operating results for the full fiscal year.

The Company's auditors in the most recent annual financial statements included in the Company's Form 10-KSB for the year ended December 31, 2001 have issued a going concern opinion. The Company's auditors have reported that the Company has suffered recurring net operating losses and has a current ratio deficit that raises substantial doubt about our Company's ability to continue as a going concern. Additionally even if the Company does raise sufficient capital, acquire additional companies or generate revenues, there can be no assurances that the net proceeds or the revenues will be sufficient to enable it to develop the business to a level where it will generate profits and cash flows from operations.

The Company is in the development stage and to date, has not generated any revenues from operation. The Company intends to fund its operations and other capital needs for the next 12 months substantially from proceeds from additional private or public offerings of equity and/or from debt financing, but there can be no assurance that such funds will be sufficient for these purposes. In addition, there can be no assurance that such financing will be available, or that such financing will be available on acceptable terms.

Overview:

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

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The Company was originally formed as a non-diversified closed-end management investment company, as those terms are used in the Investment Company Act of 1940 ("1940 Act"). The Company at that time elected to be regulated as a business development company under the 1940 Act. The Company's original investment strategy had been, since inception, to invest in a diverse portfolio of private companies that in some way build the Internet infrastructure by offering hardware, software and/or services which enhance the use of the Internet. On December 7, 2001, the Company held a special meeting of its shareholders in accordance with a filed Form DEF 14A with the Securities and Exchange Commission whereby the shareholders voted on withdrawing the Company from being regulated as a business development company and thereby no longer be subject to the Investment Company Act of 1940 and to effect a one-for-nine reverse split of its total issued and outstanding common stock. On December 14, 2001 the Company filed a Form N-54C with the Securities and Exchange Commission formally notifying its withdrawal from being regulated as a business development company. The purpose of the withdrawal of the Company from being regulated as a business development company and the one-for-nine reverse split of its total issued and outstanding common stock was to allow the Company to merge on December 27, 2001, through a reverse merger to acquire all the outstanding shares of International Wireless. Under the said reverse merger, the former Shareholders of International Wireless ended up owning a 88.61% interest in the Company. Thereafter on January 2, 2002, the Company changed its name from Origin to our current name, International Wireless, Inc.

On January 11, 2002, the Company acquired Mitigo, Inc. a Delaware corporation with its corporate headquarters located in Woburn, Massachusetts. The acquisition consisted of a stock for stock exchange in which the Company acquired all of the issued and outstanding common stock of Mitigo in exchange for the issuance of a total of 4,398,000 shares of its common stock, 2,998,006 of which was delivered at closing, and the remaining 1,399,994 are being held in escrow for distribution subject to the achievement of certain net income performances for the years 2002 and 2003. As a result of this transaction, Mitigo became a wholly-owned subsidiary of the Company.

Principal products and services:

Mitigo is in the business of developing visual intelligence software solutions for wireless and mobile devices. Mitigo software decodes barcodes and other visual symbols in mobile handsets and Personal Data Assistants ("PDAs") that have integrated digital cameras. This capability enables mobile devices to conduct rapid mobile transactions and pinpoint navigation to multimedia content and information. The Company believes that the Mitigo technology significantly improves the usability and functionality of mobile devices helping overcome user interface barriers to mobile transactions and commerce. The Company currently has no other products or services.

Mitigo has developed software to decode commercial 1D and 2D bar codes as well as other emerging symbologies. The Mitigo bar code decoding technology is based on software that represents the culmination of 7 years of work by Dr. Tom Antognini, a PhD from MIT, and Mitigo's Vice President of Technology. Mitigo plans to support the mobile telephone/Internet convergence market by enabling mobile-commerce and e-commerce from print-based bar codes. Mitigo plans to license its client software to device manufacturers, including producers of mobile handsets, PDAs and other devices.

Mitigo's technology is protected by two patents granted to Mr. Antognini in August, 2000 and January 2001, and licensed to Mitigo, and has been specifically targeted to accommodate the constraints of decoding bar codes from any print media, including magazines, catalogs, posters, billboards, newspapers, promotional material, and direct mail, etc. The technology will also read a bar code from a screen, such as would be found on a mobile handset, a PDA, personal computers, or television.

Mitigo's exclusive licensed software technology helps solve a barrier to mobile commerce by enabling a mobile handset equipped with a simple digital camera to also function as a bar code reader. The technology does not require an advanced wireless network infrastructure such as 3G to operate, and is functional across any of the wireless formats currently supported by handset manufacturers and carriers. The Company believes that its technology can be of value to telecom companies in its potential to enhance revenue opportunities. By making it easier for consumers using mobile phones to perform more transactions with their devices, the Company believes that the mobile carriers will be able to earn additional revenues from the sale of goods and services through the devices.

The Company believes that mobile handsets, PDAs and other device equipped with the Mitigo technology will allow such devices to read and process bar codes for instant commerce or content retrieval. For example, in the future, consumers may be able to download train schedules into their PDAs or mobile phone simply by scanning a bar code at the train station or purchase products by scanning a bar code on an advertisement.

Mitigo's technology decodes using a digital image of a bar code that can be captured by a digital camera. Mitigo does not employ laser scanning of any kind to decode bar codes, as laser technology is presently not suitable for consumer devices due to cost, energy consumption, physical size constraints, bar code format constraints, etc. Mitigo's solution is software only. The Mitigo software uses the digital camera, processor and storage capabilities of the handset that are already present. As such, the Company believes Mitigo's software solution is a cost effective way to add functionality into a mobile handset or PDA.

CodePoint - Version 1.0:

Now in beta form, Mitigo's bar code processing software, version 1.0, is designed to decode 1D and 2D bar codes and support a variety of handheld devices, including mobile phones, bar code readers, and PDAs. The software recognizes, decodes and processes bar code images (bitmaps) generated by consumer-grade CMOS image sensors. The software also acts as an operating system to control sensing of bar codes in digital images and will include an API to

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interface with the operating environment resident in the host device. This software is Mitigo's primary offering and the Company believes to offer superior performance for bar code sensing and decoding when compared to other commercially available software programs. Mitigo has optimized the software to work inside of a consumer-grade CMOS digital camera. Other solutions on the market require higher cost CCD or more expensive CMOS chips to function. The Company believes that its Mitigo solution is the lowest cost, best performing solution for consumer applications.

The Company's initial focus is on licensing our bar code processing software to mobile handset manufacturers and makers of PDAs. The Company plans to also license their decoding technology to device manufacturers, including bar code reader manufacturers. As part of its strategy, the Company plans to support all major mobile and wireless operating systems with their product set. The Company is on schedule to ship Version 1.0 of the software in the 3rd quarter of 2002.

The consolidated financial statements of the Company include the accounts of the Company and its wholly-owned and majority-owned subsidiaries. All material intercompany balances and transactions are eliminated at consolidation. The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States.

Plan of Operation:

The Company plans to support the mobile telephone/Internet convergence market by enabling mobile-commerce and e-commerce from print-based bar codes. It plans to license its software to device manufacturers, including producers of mobile handsets, PDAs and other devices. As part of its strategy, the Company plans to support all major mobile and wireless operating systems with their product set. The Company is on schedule to ship Version 1.0 of its software in the 3rd quarter of 2002.

The Company plans to pursue multiple opportunities in licensing its CodePoint product family into various channels. A primary sales channel is the enterprise mobile computing area where a growing number of organizations are looking to utilize visual symbol reading to streamline business processes, update supply chain databases, equip field sales and support employees and other users in the mobile workforce. An additional opportunity for the Company is in the form of security related products. The CodePoint product family can have applicability in law enforcement, building, property, and other security applications.

The Company in addition is pursuing licensing the CodePoint software into mobile devices such as handsets through manufacturers of mobile handsets and operating systems developers.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGSS

None

ITEM 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2002 the Company issued 10,000 shares of the Company's common stock to a consultant for services provided. Stock based compensation expense of $15,000 was recorded during the three months ended March 31, 2002 in connection with this issuance.

During the three months ended March 31, 2002, the company issued 100,000 shares of the Company's common stock to an individual, as a commission related to employment of the Company's Chief Executive Officer. Stock based compensation expense of $150,000 was recorded during the three months ended March 31, 2002 in connection with this issuance.

During the three months ended March 31, 2002, the Company issued 6,500 shares of common stock in exchange for 27,562 shares of common stock of Telehublink, Inc. The difference between the value of the Company's common stock exchanged for Telehublink, Inc. common stock at the date of exchange was $8,065 which was recorded as stock based compensation expense for the three months ended March 31, 2002.

During the three months ended March 31, 2002, the Company issued 26,000 shares of common stock as payment of a bridge loan payable and accrued interest of approximately $13,000. The difference between the value of the common stock and the principal and interest paid was $62,400 which was recorded as stock based compensation expense for the three months ended March 31, 2002.

During the three months ending June 30, 2002, the Company issued 196,777 shares of the Company's common stock to various consultants for services provided. Stock based compensation expense of $257,983 was recorded during the three months ended June 30, 2002 in connection with this issuance.

During the three months ended March 31, 2002, the Company received proceeds of $143,073 from stock subscriptions receivables relating to issuance of common stock during 2001.

During the three months ended June 30, 2002, the company received proceeds of $120,000 from the sale of 80,000 shares of its common stock under a private placement.

During the three months ended June 30, 2002, the Company issued 23,900 shares of its common stock as payment of a bridge loan payable in the amount of $10,000.

Stock Options

During the three months ended March 31, 2002, the Company issued options to consultants to purchase 650,000 shares of common stock at an exercise price of $.40 per common share. These options vest immediately and expire after six months. These options had a fair value of $637,875, calculated using the Black Scholes options pricing model which was recorded as stock based compensation for the three months ended March 31, 2002. During the three month period March 31, 2002, 450,000 of these options were exercised and the Company realized total proceeds of $155,000. In April 2002, 312,500 of the options exercised were rescinded. An additional 350,000 of these options were exercised in April 2002 and the Company realized $149,000.

On April 18, 2002, the Company granted options to purchase 100,000 shares of the Company's common stock pursuant to a letter agreement and a stock option agreement with a law firm whereby a portion of the legal services provided will be paid by the issuance of these options. These options will have an initial exercise price of $1.00, for options which vest prior to October 15, 2002, and for options which vest after October 15, 2002, the exercise price shall be changed to the average closing price of the common stock for the 30 trading days ending October 15, 2002. These options will be earned and shall vest based on a value of $0.40 per option and will expire five years from the date of grant. On august 8, 2002, it was agreed to reduce the option price to $0.50 per share. As at the filing of this report, 48,772 options have been earned.

Warrants

During the six months ended June 30, 2002, an aggregate of 949,832 warrants were exercised for an aggregate of $417,233 at exercise prices ranging from $0.40 to $0.75 per warrant in exchange for 949,832 shares of the Company's common stock. The Company realized cash proceeds of $397,233 and converted a loan payable of $20,000.

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ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

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

By a Special Meeting of the Shareholders held on the 22nd day of April, 2002 at the Company's office in Woburn, Massachusetts, a quorum representing 7,397,011 issued and outstanding shares being present, it was unanimousley approved that Adam D. Young, the son of Stanley A. Young, the former Chairman of the Board and major shareholder who retired on April 5, 2002 due to personal reasons be elected to the Board of Directors of the Company until the next Annual Meeting of Shareholders.

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

Exhibit 99.1 Certification of Chief Operating Officer Michael Dewar pursuant to 18 U.S.C. 1350

Exhibit 99.2 Certification of Chief Operating Officer Adam Cogley pursuant to 18 U.S.C. 1350

(b) Reports on Form 8-K:

Three Months Ended June 30, 2002

The Company filed a Form 8-K on April 2, 2002 announcing the hiring of Graham F. Paxton as its new President, Chief Executive Officer and director. As of August 1, 2002, Mr. Paxton is no longer employed by the Company by mutual agreement.

The Company filed a Form 8-K on April 5, 2002 announcing the retirement of Stanley A. Young from the Board of Directors of the

Company due to personal reasons. The retirement was not as a result of any disagreement with the Company on any matter relating to the Company's operations, policies or procedures.

The Company filed a Form 8-K on April 22, 2002 announcing the election of Adam D. Young, the son of Stanley A. Young, the former Chairman of the Board and major shareholder who retired on April 5, 2002, be elected to the Board of Directors.

The Company filed a Form 8-K on April 30, 2002 stating that the Company filed with the State Department of Assessments and Taxation of Maryland a Certificate of Correction to the Articles of Amendment to reflect a prior typographical error.

The Company filed a Form 8-K on June 11, 2002 as a result of a special meeting of the Board of Directors to establish an audit committee for the Company and to replace Marcum & Kliegman LLP its prior auditors with William A. Meyler, CPA.

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SIGNATURES

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

INTERNATIONAL WIRELESS, INC.

(Registrant)

Date: August 19, 2002

By: /s/ MICHAEL DEWAR

Michael Dewar
Chief Operating Officer
(Duly Authorized
Officer)

Date: August 19, 2002

By: /s/ ADAM COGLEY

Adam Cogley
Chief Financial Officer
(Principal Financial
and Accounting Officer)