ASTRO MED INC /NEW/
Form 10-K
April 16, 2008
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 31, 2008

OR

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _________ to _________

Commission file number 0-13200

Astro-Med, Inc.

(Exact name of registrant as specified in its charter)

Rhode Island	**05-0318215**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

600 East Greenwich Avenue, **02893**

West Warwick, Rhode Island **(Zip Code)**
(Address of principal executive offices)
Registrant s telephone number, including area code: (401) 828-4000

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

Title of each class	**Name of each exchange on which registered**
None	**None**

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

Common Stock, $.05 Par Value

(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No x

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No x

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 x No ¨

Indicate by checkmark if disclosure of delinquent filers pursuant to Item 405 of regulation S-K is not contained herein, and will not be contained. To the best of the Registrant s knowledge, in definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. x

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

Large accelerated filer ¨	Accelerated filer ¨	Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company x

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

As of August 3, 2007, the aggregate market value of the voting common equity of the Registrant held by non-affiliates of the Registrant, based on the closing price on the Nasdaq Global Market was $47,900,025.

As of April 4, 2008 there were 6,992,191 shares of common stock (par value $0.05 per share) of the Registrant issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company s definitive proxy statement for the 2008 annual meeting of shareholders are incorporated by reference into Part III. See pages 20 through 22 for the exhibit index.

Table of Contents

ASTRO-MED, INC.

FORM 10-K ANNUAL REPORT

TABLE OF CONTENTS

		Page
PART I		
Item 1.	Business	3-6
Item 1A.	Risk Factors	6-8
Item 1B.	Unresolved Staff Comments	8
Item 2.	Properties	8
Item 3.	Legal Proceedings	8
Item 4.	Submission of Matters to a Vote of Security Holders	8
PART II		
Item 5.	Market for the Registrant s Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities	9-11
Item 6.	Selected Financial Data	11
Item 7.	Management s Discussion and Analysis of Financial Condition and Results of Operations	12-20
Item 7A.	Quantitative and Qualitative Disclosures About Market Risk	20
Item 8.	Financial Statements and Supplementary Data	21
Item 9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	21
Item 9A(T).	Controls and Procedures	21
Item 9B.	Other Information	22
PART III		
Item 10.	Directors, Executive Officers and Corporate Governance	22-23
Item 11.	Executive Compensation	23
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholders Matters	23
Item 13.	Certain Relationships, Related Transactions and Director Independence	24
Item 14.	Principal Accountant Fees and Services	24
PART IV		
Item 15.	Exhibits, Financial Statement Schedules	24-25

Table of Contents

ASTRO-MED, INC.

PART I

Item 1. ***Business***

General

Astro-Med, Inc. (the Company) designs, develops, manufactures and distributes a broad range of specialty printers and electronic instruments which incorporate advance technologies including both hardware and software. Target markets for products of the Company include aerospace, automotive, avionics, transportation, communications, computer peripherals, apparel, food and beverage, chemicals, distribution, life sciences, packaging and general manufacturing.

The Company s products are distributed through its own domestic and international sales force in North America and Western Europe and by authorized dealers elsewhere in the world. Approximately 30% of the Company s sales in fiscal 2008 were to customers located outside the United States.

The Company and its subsidiaries and their representatives may from time to time make written or oral statements, including statements contained in the Company s filings with the Securities and Exchange Commission (SEC) and in its reports to shareholders which constitute or contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995 or by the SEC in its rules, regulations and releases.

All statements, other than statements of historical facts included in this annual report and the letter to our shareholders distributed in connection with our annual meeting regarding the Company s financial position and operating and strategic initiatives and addressing industry developments are forward-looking statements. Where, in any forward-looking statement, the Company or its management expresses an expectation or belief as to future results, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the statement of expectation or belief will result or be achieved or accomplished. Factors which could cause actual results to differ materially from those anticipated include, but are not limited to, general economic, financial and business conditions and those detailed herein under Item 1A, Risk Factors and from time to time in other filings with the SEC.

Narrative Description of Business

Product Overview

The Company develops and manufactures systems that have the ability to acquire, process, analyze, store and present electronic data in a variety of useable forms. The Company sells its product under brand names including Astro-Med (T&M), QuickLabel Systems (QuickLabel) and Grass Technologies (GT). Products sold under the Astro-Med brand acquire and record data and print the output onto charts or electronic media. Products sold under the QuickLabel Systems brand create product and packaging labels and tags in one or many colors. Products sold under the Grass Technologies brand electronically capture and record neurological data that is used to diagnose epilepsy or to study sleep disorders. The Company supplies a range of products that include hardware, software and consumables to customers who are in a variety of industries.

Products sold under the Astro-Med brand include ToughWriter page printers and ToughSwitches for use in passenger and military aircraft. ToughWriter page printers are used in both the cockpit and the cabins of aircraft. ToughSwitches are also used in military vehicles. These and other similar products are ruggedized and comply with rigorous military standards specifications for operation under extreme environmental conditions. The Company is currently furnishing ToughWriters for the Airbus A380, the Boeing C-17, B-787, B-777, B-747, B-767, and the Lockheed C-130.

Table of Contents

Other products sold under the Astro-Med brand include the Everest, a telemetry workstation used widely in the aerospace industry to monitor and track space vehicles, aircraft and missiles under test. The Everest ranges in price from $18,000 to $35,000 depending on features and options selected.

The Astro-Med brand Dash Series constitute a family of portable electronic data acquisition systems which are used as maintenance and troubleshooting instruments for pulp, paper, metal mills, power plants, automotive R & D centers and manufacturing plants. Included in the Dash Series are the Dash 2EZ, Dash 8X, Dash 8HF, Dash 8XPM, Dash 32HF and the Dash 18 and they range in price from $3,500 to $20,000 depending on model and features and options selected.

Products sold under the QuickLabel System brand include a family of digital color label printers including the Vivo!, the first electrophotographic roll-to-roll printer, the QLS-4100 XE, QLS-8100 XE, QLS-2000, and QLS-3000 thermal transfer label printers, the ZEO inkjet printer which was introduced in fiscal 2008, as well as a line of monochrome thermal transfer digital label printers including the Pronto! Series. This Series includes four models used in printing bar code labels.

QuickLabel digital color label printers are sold via a direct sales force throughout the US, Canada, and Western Europe, and serviced by a factory-trained, direct technical support staff. In the rest of the world, QuickLabel uses a broad network of dealers to sell and support its products. QuickLabel s unique labeling solutions are aimed at label printing applications in which product packaging requires frequent content changes. QuickLabel digital color label printers fill a critical need in environments which require on-demand flexibility to package multiple product variations, and to add value to the product itself, as in private labeling, to produce OEM packaging, and to customize virtually any product. Industries that require instant label production flexibility include food and beverage, foodservice distribution, grocery retailing, chemical and sanitary supplies, pharmaceutical and medical products, personal care products, advertising specialties, tire manufacturing and apparel.

Custom QuickLabel, a custom label creation software package, is an integral part of the QuickLabel printing system, and was designed by the same team of engineers who designed the digital label printers. The latest generation of QuickLabel s proprietary user-friendly label creation software offers significant new tools for simplifying label creation and for controlling and enhancing label output. The Company s patented MicroCell® half-toning algorithms have been improved in this latest version of the software, so that printers driven by Custom QuickLabel now render process-color print quality that closely approximates digital artwork.

QuickLabel digital label printers generate revenue through label, tag, thermal transfer ribbon and toner cartridge consumables sales. The Company engineers and manufactures unique printing supplies especially for use in optimizing the performance of the QuickLabel brand of digital label printers.

Products sold under the Grass Technologies brand include systems, instruments and software products to detect, amplify and display the electrical activity of the human brain commonly called electroencephalography (EEG). EEG data is used by clinicians to diagnose epilepsy and other neurological conditions including sleep apnea.

Included in the Grass Technologies line of products are the Comet, the Aura, the wireless Aura PSG, and the Beehive. These systems are all operated under the Twin software system, a Windows-based multi-module software program developed by the Company over the past six years. Included also is a line of amplifiers, electrodes, transducers and stimulators used by clinicians and researchers.

Products sold under the Grass Technologies brand are sold to hospitals, sleep centers, clinics and doctors offices. All Grass Technologies clinical products which are connected to the human body are approved by the Food and Drug Administration (FDA).

Table of Contents

Technology

The core technologies of the Company relate to (1) acquiring data, (2) conditioning the data, (3) displaying the data on hard copy, monitor, or electronic storage media, and finally (4) analyzing the data.

The Company is continually improving the performance and functionality of core technologies, enabling the Company to lead the competition with innovative products.

Patents and Copyrights

The Company holds a number of product patents in the United States and in foreign countries. It has filed applications for other patents that are pending. The Company considers its patents to be important, but does not believe that its business is materially dependent on them. The Company copyrights its software and registers its trademarks.

Manufacturing and Supplies

The Company designs its products and manufactures many of the component parts. The balance of the parts are produced to the Company s specifications by suppliers. Raw materials required for the manufacture of products, including parts produced to the Company s specifications, are generally available from numerous suppliers. However, the Company does obtain certain components of its products and certain finished products from sole sources.

Product Development

The Company maintains an active program of product research and development. During fiscal 2008, 2007 and 2006, the Company incurred costs of $4,589,022, $4,187,018, and $4,042,710, respectively, on Company-sponsored product development. The Company is committed to product development as a requisite to its growth and expects to continue its focus on research and development efforts in fiscal 2009 and beyond.

Marketing and Competition

The Company competes worldwide in many markets including clinical and research medicine, aerospace, avionics, automotive and general manufacturing. The Company retains a competitive position in its respective markets by virtue of proprietary technology, product reputation, delivery, technical assistance and service to customers.

The Company markets its products worldwide by advertising and promotion using major national and international trade journals, scientific meetings and trade shows, direct mailing campaigns and the internet.

The products are sold by direct field sales persons as well as independent dealers and representatives. In the United States, the Company has direct field sales people located in major cities from coast to coast specializing in either T&M Recorders and Data Acquisitions systems, QuickLabel Color Label printers and media systems, or GT Neurological Instrumentation products. Additionally, the Company has direct field sales and service centers in Canada, England, France and Germany. In the remaining parts of the world, the Company utilizes approximately 80 independent dealers and representatives selling and marketing its products in about 40 countries.

The Company has a number of competitors in each of the markets that it serves. In the T&M area, the Company feels that it leads the field in Data Acquisition Recorders.

In the Color Label Printer field, the Company believes it leads the world in color printing using the thermal transfer printing technology. The Company introduced the first thermal transfer color printers in 1995. The Company believes it is the first to introduce an electrophotgraphic roll-to-roll color label printer.

Table of Contents

The Grass Technologies products of the Company are devoted to clinical applications in EEG, PSG, and Long Term Epilepsy Monitoring (LTM). There are approximately fourteen companies that compete in one or more of the three modalities (EEG, PSG, LTM), but none are the clear leader. The Company feels it offers superior products based upon its long history and pioneering efforts in the field since 1935. The Company, unlike most of its competitors, designs, manufactures and produces complete systems including transducers, amplifiers, sensors, and Windows-based application software. Additionally, the Company produces a range of life science products for the research market. Many of the latter products eventually find their way into clinical applications.

No single customer accounted for 10% or more of the Company s net sales in any of the last three fiscal years. The Company s products were sold to approximately 5,000 customers.

International Sales

In fiscal 2008, 2007 and 2006, net sales to customers in various geographic areas outside the United States, primarily in Canada and Western Europe, amounted to $21,892,000, $18,015,000, and $17,884,000, respectively.

Order Backlog

The Company s backlog fluctuates regularly. It consists of a blend of orders for end user customers as well as original equipment manufacturer customers. Manufacturing is geared to forecasted demands and applies a rapid turn cycle to meet customer expectations. Accordingly, the amount of order backlog does not indicate future sales trends. The Company s backlog at January 31, 2008 and 2007 was $6,913,000 and $5,959,000, respectively.

Other Information

The Company s business is not seasonal in nature. However, the Company s sales are impacted by the size and complexity of certain individual transactions, which can cause fluctuations in sales from quarter to quarter.

Most of the Company s products are generally warranted for one year against defects in materials or workmanship. Warranty expenses have generally averaged approximately $438,000 a year for the Company s last five fiscal years.

As of January 31, 2008, the Company employed approximately 396 people. The Company is generally able to satisfy its employment requirements. No employees are represented by a union. The Company believes that employee relations are good.

Item 1A. ***Risk Factors***

Investing in our common stock involves a degree of risk. The risks and uncertainties described below are not the only risks facing our Company. Additional risks and uncertainties may also impair our business operations. If any of the following risks actually occur, our business, financial condition or results of operations would likely suffer.

Astro-Med competes in highly competitive markets which are likely to become more competitive. The markets for our products are characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. Current competitors or new market entrants may develop new products with features that could adversely affect the competitive position of our products. We may not be successful in selecting, developing, manufacturing and marketing new products or enhancing our existing products or in responding effectively to technological changes, new standards or product announcements by competitors. The timely availability of new products and enhancements, and their acceptance by customers are important to our future success. Delays in such availability or a lack of market acceptance could have an adverse effect on our business. Additionally, there may be technological innovation that eliminates or reduces the needs for our products.

Table of Contents

Astro-Med could incur liabilities as a result of installed product failures due to design or manufacturing defects. Our products may have defects despite testing internally or by current or potential customers. These defects could result in product returns or recalls and loss or delay in market acceptance which could have a material adverse effect on our business, operating results or financial condition.

Astro-Med sells a significant portion of its products internationally. We sell our products worldwide through several foreign locations and distributors. Our worldwide operations are subject to the risks normally associated with foreign operations including, but not limited to:

- Customer and vendor financial stability;
- Volatility in general world economic conditions;
- The disruption of markets;
- Changes in export or import laws;
- Restrictions on currency exchanges;
- Longer payment terms; and
- The modification or introduction of government policies with potentially adverse effects.

International sales, which are both direct and indirect sales to customers outside the U.S. accounted for approximately 30% of our sales in fiscal 2008. We anticipate that international sales will continue to account for a significant portion of our revenue. We invoice our customers in various currencies. Therefore, we may be exposed to exchange losses based upon currency exchange rate fluctuations, which losses could have a material adverse effect on our operating results.

Astro-Med depends on the ongoing service of its senior management and ability to attract and retain other key personnel. Our success depends to a significant degree upon the continuing contributions of key management, sales, marketing, research and development and manufacturing personnel, many of whom we would have difficulty replacing. We believe that our future success will depend in large part upon our ability to attract and retain highly skilled engineers and management, sales and marketing personnel. Failure to attract and retain key personnel could have a material adverse effect on our business, operating results or financial position.

Astro-Med cannot provide any assurance that current laws, or any laws enacted in the future, will not have a material adverse effect on our business. Our operations are subject to laws, rules, regulations, including environmental regulations, government policies and other requirements in each of the jurisdictions in which we conduct business. Changes in laws, rules, regulations, policies or requirements could result in the need to modify our products and could affect the demand for our products, which may have an adverse impact on our future operating results. In addition, we must comply with new regulations restricting our ability to include lead and certain other substances in our products. If we do not comply with applicable laws, rules and regulations we could be subject to costs and liabilities and our business may be adversely impacted.

Astro-Med relies on sole source suppliers that may result in product delays or price increases. We currently obtain certain components of our products and certain finished products from sole sources. In the future, our suppliers may not be able to meet our demand for components and products in a timely and cost effective manner. Our inability to secure and qualify alternative sources of supply in a timely manner may disrupt our ability to fulfill customer orders.

Astro-Med spends a significant amount of time and effort related to the development of our Ruggedized and Color Printer products. Failure to further develop these products and markets as anticipated could adversely affect our growth.

Table of Contents

Astro-Med sells medical equipment to customers who rely on certain third party reimbursement rates. We cannot be certain that third party reimbursement rates and policies will continue in the future. Any change in reimbursement rates and policies could impact our business.

Our investments in auction rate securities are subject to risks that may cause losses and affect the liquidity of these investments. As of January 31, 2008, we held $6,250,000 of auction rate securities classified as short-term investments. With the liquidity issues experienced in global credit and capital markets, auctions of some of the auction rate securities that we hold failed subsequent to January 31, 2008. If the uncertainties in the credit and capital market continue, these markets deteriorate further or the various rating agencies downgrade any of the auction rate securities that we hold, we may be required to write-down the value of these investments.

Item 1B. ***Unresolved Staff Comments***

None

Item 2. ***Properties***

The following table sets forth information regarding the Company s principal owned properties, all of which are included in the consolidated balance sheet appearing elsewhere in this report.

Location	**Approximate Square Footage**	**Principal Use**
West Warwick, RI	126,000	Corporate headquarters, research and development, manufacturing, sales and service
Rockland, MA	36,000	Manufacturing, sales and service
Slough, England	1,700	Sales and service

The Company also leases facilities in four locations. The following information pertains to each location:

Location	**Approximate Square Footage**	**Principal Use**
Rodgau, Germany	5,435	Manufacturing, sales and service
Longueuil, Quebec, Canada	3,800	Sales and service
Trappes, France	2,164	Sales and service
Schaumburg, IL	1,131	Sales and service

The Company believes its facilities are well maintained, in good operating condition and generally adequate to meet its needs for the foreseeable future. During fiscal 2008, the Company began an expansion of its facility located in West Warwick, RI.

Item 3. ***Legal Proceedings***

There are no pending or threatened legal proceedings against the Company believed to be material to the financial position or results of operations of the Company.

Item 4. ***Submission of Matters to a Vote of Security Holders***

No matters were submitted to a vote of the Company s security holders, through solicitation of proxies or otherwise, during the last quarter of the period covered by this report.

Table of Contents

PART II

Item 5. ***Market for the Registrant s Common Stock, Related Stockholder s Matters and Issuer Purchases of Equity Securities***

The Company s common stock trades on The NASDAQ Global Market under the symbol ALOT. The following table sets forth dividend data and the range of high and low closing prices, as furnished by NASDAQ, for the periods indicated.

Years Ended January 31,	High	Low	Dividends Per Share
2008			
First Quarter	$ 11.94	$ 10.48	$ 0.05
Second Quarter	$ 12.08	$ 9.11	$ 0.05
Third Quarter	$ 10.68	$ 8.38	$ 0.05
Fourth Quarter	$ 10.29	$ 8.40	$ 0.05
2007			
First Quarter	$ 9.40	$ 7.82	$ 0.05
Second Quarter	$ 10.45	$ 8.72	$ 0.05
Third Quarter	$ 10.70	$ 9.80	$ 0.05
Fourth Quarter	$ 10.67	$ 9.59	$ 0.05

The Company had approximately 394 shareholders of record as of April 4, 2008, which does not reflect shareholders with beneficial ownership in shares held in nominee name.

Table of Contents

Set forth below is a line graph comparing the cumulative total return on the Company s common stock against the cumulative total return of a NASDAQ market index and a peer index for the period of five fiscal years ended January 31, 2008. The University of Chicago s Center for Research in Security Pricing (CRSP) total return index is calculated using all companies trading on the NASDAQ Global Select, NASDAQ Global Market and the NASDAQ Capital Market listing through January 31, 2008. It includes both domestic and foreign companies. The index is weighted by the current shares outstanding and assumes dividends reinvested. The return is calculated on a monthly basis. The peer group index, the CRSP Index for NASDAQ Electronic Components Stock designated below as the industry index, is comprised of companies classified as electronic equipment manufacturers. The total returns assume $100 invested on February 1, 2003 with reinvestment of dividends.

	2003	2004	2005	2006	2007	2008
Astro-Med, Inc	$ 100.00	432.44	306.47	338.41	433.62	412.29
Nasdaq Electronic Components	$ 100.00	197.43	142.17	157.66	164.79	156.13
Nasdaq US and Foreign Index	$ 100.00	157.46	157.32	177.50	190.97	186.45

Shareholder Services

Shareholders who desire information about the Company are invited to contact the Investor Relations Department, Astro-Med, Inc., 600 East Greenwich Avenue, West Warwick, RI 02893 or call (401) 828-4000. Visit our Investor Relations website at *WWW.ASTRO-MEDINC.COM*. We make available free of charge on our Internet website our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. These filings are also accessible on the SEC s website at http://www.sec.gov.

Dividend Policy

The Company began a program of paying quarterly cash dividends in fiscal 1992. The Company anticipates that it will continue to pay comparable cash dividends on a quarterly basis. The Company has paid a dividend for 66 consecutive quarters. During the first quarter of fiscal 2009 the Company announced an increase to its quarterly dividend to $.06 per share.

Stock Repurchases

On August 16, 2004, the Company announced that its Board of Directors had approved the repurchase of 600,000 shares of common stock. This is an ongoing authorization without any expiration date.

During the fourth quarter of fiscal 2008, the Company made the following repurchases of its common stock:

		Total Number of Shares Repurchased	Average Price paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(a)	Maximum Number of Shares That May Be Purchased Under The Plans or Programs(a)
November 4	December 1		$		447,589
December 2	December 29	55,300	$ 8.68	55,300	392,289
December 30	January 31		$		392,289

Item 6. ***Selected Financial Data***

(Dollars in Thousands, Except Per Share Amounts)

	2008	2007	2006	2005	2004
Results of Operations:					
Net Sales	$ 72,371	$ 65,519	$ 59,301	$ 55,975	$ 55,781
Cost of Sales	41,260	38,521	34,643	32,929	32,792
Gross Profit	31,111	$ 26,998	$ 24,658	$ 23,046	$ 22,989
Selling, General and Administrative	21,808	19,321	17,460	16,430	15,673
Research & Development	4,589	4,187	4,043	4,046	3,686
Restructuring and Impairment (Credits) Charges	515				(15)
Operating Expenses	26,912	23,508	21,503	20,476	19,344
Gain on Sale of Real Estate, Net of Related Costs		5,252			
Operating Income	4,199	8,742	3,155	2,570	3,645
Investment Income	611	649	337	416	202
Other, Net	244	234	(90)	(219)	(63)
	5,054	9,625	3,402	2,767	3,784

Income before Income Taxes						
Income Tax Provision	744		3,566	851	57	567
Net Income	$ 4,310	$	6,059	$ 2,551	$ 2,710	$ 3,217
Per Share:						
Net Income per Common Share Basic	$ 0.63	$	0.90	$ 0.39	$ 0.41	$ 0.53
Net Income per Common Share Diluted	$ 0.57	$	0.82	$ 0.35	$ 0.37	$ 0.48
Dividends Declared per Common Share	$ 0.20	$	0.20	$ 0.13	$ 0.13	$ 0.13
Financial Condition:						
Working Capital	$ 39,411					

MOBIQUITY TECHNOLOGIES, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016 (UNAUDITED)

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 two wholly-owned U.S. subsidiaries, namely, Mobiquity Networks, Inc. and Ace Marketing & Promotions, 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.

We operate a national location-based mobile advertising network that has developed a consumer-focused proximity network. Our integrated suite of proprietary location based mobile advertising technologies allows clients to execute more personalized and contextually relevant experiences, driving brand awareness and incremental revenue.

Mobiquity Technologies, Inc., a New York corporation (OTCQB: MOBQ). Through its wholly-owned subsidiary, Mobiquity Networks, Inc. has evolved and grown from a mobile advertising technology company focused on Driving Awareness and Foot-traffic throughout its indoor mall-based beacon network, into a next generation mobile location data and marketing company. The Company provides precise unique, at-scale location based data and insights on consumer's real-world behavior and trends for use in marketing and research. With our combined data sets beacon data, and first party location data via our advanced Software Development Kit (SDK) utilizing multiple geo-location technologies; Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis. This should create several revenue streams, including, but not limited to; Push Notification Campaigns, Re-targeting Campaigns, Data Licensing, Audience Profiles, Attribution Reporting and Custom Research.

Ace Marketing is our legacy marketing and promotions business which provides integrated marketing services to our commercial customers. While Ace Marketing currently represents a substantial portion of our revenue, as anticipated the activity from Ace Marketing was a diminishing portion of corporate revenue as our attention is principally focused on developing and executing on opportunities in our Mobiquity Networks business. Certain assets and liabilities of Ace Marketing were sold in the fourth quarter of 2017 and will no longer be an operating entity for Mobiquity Technologies.

GOING CONCERN - The accompanying consolidated 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 for the three months and nine months ended September 30, 2017. As of September 30, 2017, the Company has an accumulated deficit of $60,135,881. The Company has had negative cash flows from operating activities of $3,232,160 for the nine months ended September 30, 2017. 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 mobile location data. Management will continue to seek out both equity and 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 subsidiaries, Mobiquity Networks, Inc., Ace Marketing, Inc., (which has had its name changed to Ace Marketing & Promotions, Inc.). All intercompany accounts and transactions have been eliminated in consolidation.

The Condensed Consolidated Balance Sheets as of September 30, 2017, the Condensed Consolidated Statements of Operations for the three months and nine months ended September 30, 2017 and 2016 and the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2017 and 2016 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 September 30, 2017, results of operations for the three and nine months ended September 30, 2017 and 2016 and cash flows for the nine months ended September 30, 2017 and 2016. All such adjustments are of a normal recurring nature. The results of operations and cash flows for the three and nine months ended September 30, 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 Securities and Exchange Commission, and determined there have not been any events that have occurred that would require adjustments to our unaudited Condensed Financial Statements.

The information contained in this report on Form 10-Q should be read in conjunction with our Form 10-K for our fiscal year ended December 31, 2016.

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- The Company measures assets and liabilities at fair value based on an expected exit price as defined by the authoritative guidance on fair value measurements, which represents the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. The authoritative guidance on fair value measurements establishes a consistent framework for measuring fair value on either a recurring or nonrecurring basis whereby inputs, used in valuation techniques, are assigned a hierarchical level.

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.

7

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	$ –	$ –	$821,834	$821,834

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 12 convertible notes issued totaling $2,136,500 which included a ratchet provision in the conversion price of $.05 or $.30 or a price equal to the last equity transaction completed by the Company as part of a subscription agreement. The notes have maturity dates ranging from July 31, 2017 – February 27, 2018. The Company also has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 500,000

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 September 30, 2017. The fair values of the derivative instruments are measured each quarter, which resulted in a gain of $2,892,291 and derivative expense of $1,284,704 during the period ended September 30, 2017. As of September 30, 2017, the fair market value of the derivatives aggregated $821,834 using the following assumptions: estimated 0.1 to 4.58-year term, estimated volatility of 92.80% to 338.04%, and a discount rate of 0.00% to 1.47%.

Cash and cash equivalents include money market securities that are considered to be highly liquid and easily tradable as of September 30, 2017 and December 31, 2016. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

The carrying amounts of financial instruments, including accounts receivable, accounts payable and accrued liabilities, and promissory note, approximated fair value as of September 30, 2017 and December 31, 2016, because of the relatively short-term maturity of these instruments and their market interest rates. No instruments are carried at fair value.

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 September 30, 2017, and December 31, 2016, the balances were $213,268 and $193,934, 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.

8

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 September 30, 2017, and December 31, 2016, the Company exceeded FDIC limits by $0 and $0, respectively.

REVENUE RECOGNITION — The Company recognizes revenue, for all revenue streams, when it is realized or realizable and estimable in accordance with ASC 605, *"Revenue Recognition"*. The Company will recognize revenue only when all of the following criteria have been met:

- Persuasive evidence for an agreement exists;
- Service has been provided;
- The fee is fixed or determinable; and,
- Collection is reasonably assured.

ACE MARKETING — Ace Marketing's revenue is recognized when title and risk of loss transfers to the customer and the earnings process is complete. In general, title passes to our customers upon the customer's receipt of the merchandise. Revenue is recognized on a gross basis since Ace Marketing has the risks and rewards of ownership, latitude in selection of vendors and pricing, and bears all credit risk. Advance payments made by customers are included in customer deposits. Ace Marketing records all shipping and handling fees billed to customers as revenues and related costs as cost of goods sold, when incurred. Additional source of revenue, derived from emails/texts directly to consumers are recognized under contractual arrangements. Revenue from this advertising method is recognized at the time of service provided.

MOBIQUITY NETWORKS – Revenue is recognized with the billing of an advertising contract or data licensing 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 reported usage, which is usually 30 days from 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 September 30, 2017, and December 31, 2016, allowance for continuing operations doubtful accounts were $0.00 and $0.00, respectively.

INVENTORY - Inventory is recorded at cost (First In, First Out) and is comprised of finished goods. The Company maintains an inventory on hand for its largest customer's frequent order items. All items held are branded for the customer, therefore are not available for public distribution. The Company has an agreement with this customer, for cost recovery, if vendor relationship is terminated. There have been minimal reserves placed on inventory, based on this arrangement. As of September 30, 2017, and December 31, 2016, the Company has reserved against $0.00 and $0.00, 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 $223,487 impairment losses for the period ended December 31, 2016 and $12,127 for the nine months ended September 30, 2017.

9

WEBSITE TECHNOLOGY - Website technology 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 nine months ended September 30, 2017 and September 30, 2016, there were advertising costs of $0 and $3,129, respectively.

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 6 "Stock Option Plans" in the Notes to Consolidated Financial Statements *in* this report for a more detailed discussion.

BENEFICIAL CONVERSIONS - 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.

FOREIGN CURRENCY TRANSLATIONS - The Company's functional and reporting currency is the U.S. dollar. We owned a subsidiary in Europe. Our subsidiary's functional currency is the EURO. All transactions initiated in EUROs are translated into U.S. dollars in accordance with ASC 830-30, *"Translation of Financial Statements,"* as follows:

(i) Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.

(ii) Fixed assets and equity transactions at historical rates.

(iii) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders' equity as a component of comprehensive income or loss. Therefore, translation adjustments are not included in determining net income (loss) but reported as other comprehensive income. The subsidiary has since been closed down with foreign operations now being conducted back in the United States.

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.

10

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

We have reviewed the FASB issued Accounting Standards Update ("ASU") accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation's reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

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 100,796,390 because they are anti-dilutive as a result of a net loss for the three and nine months ended September 30, 2017.

NOTE 3: CONVERTIBLE PROMISSORY NOTES

Summary of Convertible Promissory Notes:

	September 30, 2017	**December 31, 2016**

Arnost Note	$–	$322,000
Cavu Notes net of $0 for 2017 and $8,379 for 2016	100,000	241,621
Berg Notes (a)	50,000	3,722,000
Investor Note, net of discounts	100,000	6,546,654
Secured Debt (b) net of $425,311 for 2017 and $0 for 2016	2,326,189	-0-
Total Debt	2,576,189	10,832,275
Current portion of debt	2,576,189	10,832,275
Long-term portion of debt	$–	$–

(a) Between August and December 2015, the Company borrowed $3,675,000 from accredited investors. These loans are due and payable the earlier of December 31, 2016 or the completion of an equity financing of at least $2,500,000. Upon the sale of the unsecured promissory notes, the Company issued $1 of principal, one share of common stock and a warrant to purchase one share of common stock at an exercise price of $0.40 per share through August 31, 2017. Accordingly, an aggregate of 3,675,000 shares of common stock and warrants to purchase a like amount were issued in the last six months of 2015. Each noteholder has the right to convert the principal of their note and accrued interest thereon at a conversion price of $0.30 per share or at the noteholder's option, into equity securities of the Company on the same terms as the last equity transaction completed by the Company prior to each respective conversion date.

(b) On February 28, 2017, the Company entered into an agreement with two non-affiliated persons to provide $1.6 million of short term secured debt financing in three 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 3,200,000 warrants. Alexander Capital L.P. acted as Placement Agent and Advisor for this transaction. In August and September 2017, the noteholders exchanged their $1,100,000 of notes that were coming due in August 2017 plus a 30% premium and accrued interest for new six-month notes in the principal amount of $1,501,500. As additional consideration for the exchange, the Company issued 366,667 shares of common stock. The loss recognized on the extinguishment of debt is $960,177.

The Company has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 12 convertible notes issued totaling $2,136,500 which included a ratchet provision in the conversion price of $.05 or $.30 or a price equal to the last equity transaction completed by the Company as part of a subscription agreement. The notes have maturity dates ranging from July 31, 2017 – February 27, 2018. The Company also has financial instruments that are considered derivatives or contain embedded features subject to derivative accounting related to 500,000 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 September 30, 2017. The fair values of the derivative instruments are measured each quarter, which resulted in a gain of $2,892,291 and derivative expense of $1,284,704 during the period ended September 30, 2017. As of September 30, 2017, the fair market value of the derivatives aggregated $821,834 using the following assumptions: estimated 0.1 to 4.58-year term, estimated volatility of 92.80% to 338.04%, and a discount rate of 0.00% to 1.47%.

In April 2016 through the filing date of this Form 10-Q, the Company issued and sold 12% unsecured promissory notes in the principal amount of $1,025,000, convertible at $0.20 per common share. Upon conversion, the note holders would receive 100% warrant coverage, exercisable at $0.20 per common share over a period of five years with cashless exercise provisions. These notes automatically convert in the event at least $5 million is raised in an equity financing. Prior to the mandatory conversion date, note holders have the option to convert the principal and accrued interest also on the same terms as the mandatory conversion and the Company has the option to prepay. The fair values of the derivative instruments are measured each quarter, which resulted in a gain of $2,892,291 and initial derivative expense of $1,284,704. As of December 31, 2016, the fair market value of these derivatives aggregated $126,275, using the following assumptions: estimated 0.3 year term, estimated volatility of 279%, and a discount rate of 0.51%. As of September 30, 2017, the fair market value of the derivatives aggregated $1,152,499 using the following assumptions: estimated 0.1

to 4.58-year term, estimated volatility of 92.80% to 338.04% and the discount rate of 0.00% to 1.47%

The Company raised $700,000 in the third quarter of 2016 from the sale of secured promissory notes in the principal amount of $700,000 from six accredited investors. Each Note was scheduled to be repaid on October 31, 2016, extended to December 15, 2016 but payment was not made. In lieu of interest on the Note, 4,900,000 restricted shares of common stock were issued to the Note Holders. At the option of the Note Holder, each Note shall be convertible at the lower of $.20 per common share or into securities on the same terms of the next completed equity offering of at least $10 million in gross proceeds. In the event the Note is converted into common stock, 100% warrant conversion shall be provided to the Note Holder for each share of common stock issued upon conversion. These warrants will have a term of three years and shall be exercisable at $.20 per common share. Prior to this offering, Thomas Arnost, Executive Chairman, has a secured interest in the amount of $322,000 in the assets of the Company and its subsidiaries. Mr. Arnost has agreed that the investors in this offering will have a pari passu first secured interest with Mr. Arnost in all assets of the Company and its subsidiaries. The fair values of the derivative instruments are measured each quarter, which resulted in a gain of $11,071. As of December 31, 2016, the fair market value of these derivatives aggregated $42,945, using the following assumptions: estimated volatility of 279.0%, and a discount rate of 0.51%. As of September 30, 2017, the fair market value of these derivatives aggregated $1,152,499, using the following assumptions: expected volatility of 92.80% to 338.04% and a discount rate of 0.00% to 1.47%.

In February 2017, The Company debt holders converted $3,672,000 of notes being converted at 0.05 per share into 73,440,000 shares of common stock.

In February 2017, the Company reported that all of its Series AA preferred stock and substantially all of its outstanding debt both secured and unsecured (approximately $12.1 million) have been converted into equity securities of the Company as outlined below. It should be noted that the capital transactions below were based on a premium to the average closing sale price of $0.045 per share during the 60 day period prior to February 08, 2017. The Company had outstanding 1,122,588 shares of newly designated Series AAA preferred stock and $1,350,000 of convertible notes. The convertible notes consist of $1,200,000 of secured notes and $150,000 of unsecured notes. Of the 1,122,588 shares of Series AAA preferred

stock outstanding, 240,000 Series AA preferred stock with an original cost basis of $2.4 million were converted into Series AAA preferred stock. The remaining 882,588 shares of Series AAA preferred stock were issued in exchange for the conversion of principal and accrued interest of approximately $11,854,038 of unsecured debt. This conversion resulted in a loss on extinguishment of debt of $2,706,197. The terms of the Series AAA preferred stock can be summarized as follows:

The price of each preferred share shall be, at the option of the holder, convertible into 100 shares of Common Stock. If the preferred shares are converted, the subscriber will then receive 100% warrant coverage, with each warrant exercisable at $.05 per share with a cash payment to the Company through the close of business on December 31, 2019. The preferred shares have no voting or other preferences except as required by law other than the right of conversion described above and a liquidation preference equal to $.01 per share.

In February 2017, Thomas Arnost, our Executive Vice Chairman, and another principal stockholder agreed to convert letters of credit in the principal amount of $2,700,000 and $322,000 of secured debt into shares of common stock at the then marketing price of $.05 per share. Accrued interest on these obligations were either previously converted into our common stock or were upon conversion of the principal, converted into common stock at the fair market value of our common stock at each interest accrual date.

Between August and September 2017, the Company issued $750,000 of secured notes due in six months to various investors. The notes are convertible at $.05 per share through the maturity date, subject to adjustment in the event of default. A total of 750,000 origination shares of common stock were issued to the noteholders. Thomas Arnost, Chairman of the Company, invested $100,000 in the loan transaction.

NOTE 4: STOCKHOLDERS' DEFICIT

In December 2015, the Company sold 200,000 shares of its Series AA Preferred Stock at a purchase price of $10 per share and raised $2 million. Each share of Preferred Stock is convertible into 50 shares of Common Stock at an effective conversion price of $.20 per share of Common Stock. The Preferred Stockholder has anti-dilution protection rights through December 31, 2016. In the first quarter of 2016, the Company sold an additional 40,000 shares of its Series AA Preferred Stock and raised $400,000. In 2017, the Company exchanged 240,000 shares of AA preferred stock for AAA preferred stock. Also in 2017, the Company issued an additional 882,588 shares of AAA preferred stock in exchange for outstanding debt and accrued interest. The AAA Preferred shares at a purchase price of $10 per share shall be, at the option of the holder, convertible into 100 shares of Common Stock. If the preferred shares are converted, the subscriber will then receive 100% warrant coverage, with each warrant is exercisable at $0.05 per share with an expiration date of December 31, 2019. The preferred shares have no voting or other preferences except as required by law other than the right of conversion described above and a liquidation preference equal to $.01 per share. During the six months ended June 30, 2017, 5,000 AAA Preferred shares were converted to 500,000 shares of common stock.

Between February 2017 and September 30, 2017, preferred stockholders owning 15,000 shares of Series AAA Preferred Stock have exchange their preferred shares for 1,500,000 common shares and Warrants to purchase an equivalent amount of shares.

Shares issued for services

During the quarter ended March 31, 2017, the Company issued 3,800,000 common shares, at $0.06 to $0.13 per share, valued at $314,310. During the second and third quarters of 2017, the Company issued no common shares for services.

Shares issued for accrued interest

During the quarter ended March 31, 2017, the Company issued 3,919,620 common shares, at $0.04 to $0.05 per share, valued at $194,790 and AAA preferred shares of 47,588, at $10.00 per share, valued at $475,841. No shares were issued for interest during the quarter ended June 30, 2017. During the quarter ended September 30, 2017 the Company issued 32,544 common shares, at $0.09 per share, valued at $3,074.

During the year entered December 31, 2016, the Company issued 1,000,000 common shares in satisfaction of back rent owed the landlord in the sum of $57,157. The shares were valued at $20,000 and a gain on settlement of debt was recorded of $36,177.

During the year ended December 31, 2016, the Company issued 11,908,335 common shares, at $0.05 per share, valued at $594,417 for the exercise of outstanding warrants. During the quarter ended March 31, 2017, the Company issued 1,916,667 shares, at $0.05 per share, valued at $95,834 for cash for the exercise of outstanding warrants.

See Note 3 above for a discussion of certain stock transactions.

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 months ended September 30, 2017 and 2016 include employee share-based compensation expense totaling $91,300 and $163,500, respectively. The Company’s results for the nine-month periods ended September 30, 2017 and 2016 include share based compensation expense totaling approximately $516,600 and $512,900, 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.

The following table summarizes stock-based compensation expense for the three and nine months ended September 30, 2017 and 2016:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
Employee stock-based compensation - option grants	$91,271	$142,040	$394,129	$437,699
Employee stock-based compensation - stock grants	–	–	–	–
Non-Employee stock-based compensation - option grants	–	21,500	11,500	75,250
Non-Employee stock-based compensation - stock grants	–	–	–	–
Non-Employee stock-based compensation-stock warrant	–	–	111,000	–
Total	$91,271	$163,540	$516,629	$512,949

NOTE 6: STOCK OPTION PLAN

During Fiscal 2005, the Company established, and the stockholders approved, an Employee Benefit and Consulting Services Compensation Plan (the "2005 Plan") for the granting of up to 2,000,000 non-statutory and incentive stock options and stock awards to directors, officers, consultants and key employees of the Company. On June 9, 2005, the Board of Directors amended the Plan to increase the number of stock options and awards to be granted under the Plan to 4,000,000. During Fiscal 2009, the Company established a plan of long-term stock-based compensation incentives for selected Eligible Participants of the Company covering 4,000,000 shares. This plan was adopted by the Board of Directors and approved by stockholders in October 2009 and shall be known as the 2009 Employee Benefit and Consulting Services Compensation Plan (the "2009 Plan"). In September 2013, the Company's stockholders approved an increase in the number of shares covered by the 2009 Plan to 10,000,000. In

February 2015, the board approved, subject to stockholder approval within one year, an increase in the number of shares under the 2009 Plan to 20,000,000 shares. (The 2005 and 2009 Plans are collectively referred to as the "Plans" and the Company has a combined 14,000,000 shares, which will increase to 24,000,000 shares upon stockholder approval of the increase in the 2009 Plan, available for issuance under the Plans.)

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 nine months ended September 30, 2017 and 2016 are as follows:

	Three Months Ended September 30		Nine Months Ended June 30	
	2017	2016	2017	2016
Expected volatility	0.00%	131.39%	146.77%	134.23%
Expected dividend yield	–	–	–	–
Risk-free interest rate	0.00%	0.97%	1.89%	1.24%
Expected term (in years)	0.00%	5.00	5.00	5.00

14

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2017	18,315,001	0.41	5.14	$ 5,625
Granted	250,000	0.05	4.3	–
Exercised	–	–	–	–
Cancelled & Expired	(1,050,000)	–	–	–
Outstanding, September 30, 2017	17,515,001	0.39	4.68	$ 2,000
Options exercisable, September 30, 2017	17,037,918	0.39	4.65	$ 2,000

The weighted-average grant-date fair value of options granted during the nine months ended September 30, 2017 and 2016 was $0.05 and $0.10, respectively.

The aggregate intrinsic value of options outstanding and options exercisable at September 30, 2017 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 $0.04 closing price of the Company's common stock on September 30, 2017.

As of September 30, 2017, the fair value of unamortized compensation cost related to unvested stock option awards was $290,783.

The weighted average assumptions made in calculating the fair value of warrants granted during the three and nine months ended September 30, 2017 and 2016 are as follows:

	Three Months Ended September 30	Nine Months Ended September 30

	2017	2016	2017	2016
Expected volatility	0.00%	0.00%	151.49%	0.00%
Expected dividend yield	–	–	–	–
Risk-free interest rate	0.00%	0.00%	1.88%	0.00%
Expected term (in years)	0.00	–	4.75	–

	Share	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding, January 1, 2017	21,252,734	$ 0.48	1.40	$ –
Granted	5,700,000	$ 0.07	3.50	–
Exercised	(1,916,667)	–	–	–
Expired	(3,492,221)	–	–	–
Outstanding, September 30, 2017	21,543,846	$ 0.37	1.51	–
Warrants exercisable, September 30, 2017	21,543,846	$ 0.37	1.51	$ –

15

NOTE 7: COMMITMENTS AND CONTINGENCIES

COMMITMENTS –

In April 2011, we entered into our agreement with Simon Property Group, which agreement was amended first in September 2013 and then in July 2014. This second amendment provides for us to expand our location-based mobile mall network footprint to about 195 current Simon malls across the United States. Our agreement with Simon currently expires December 31, 2017. Simon is entitled to receive fees from us equal to the greater of a pre-set per mall fee or a percentage of revenues derived from within the Simon Mall network. The revenue share agreement in which Simon participates will exceed the minimum annual mall fees if the Company has generated revenues within the Simon network of about $15 million or more in a calendar year. Our agreement with Simon requires the company to maintain letters of credit for each calendar year under the agreement represented by the minimum amount of fees due for such calendar year. For 2015, the minimum fees of $2.7 million has been secured through two bank letters of credit, one of which was issued in the amount of $1,350,000 utilizing the funds of a non-affiliated stockholder and the second letter of credit was obtained in the same amount through the funds of Thomas Arnost, our Executive Chairman. In the event Simon draws down upon either letter of credit, we have until the next minimum payment due date (approximately 90 days) after the draw down to obtain replacement letters of credit. Each person who secured our letters of credit has the opportunity to notify us that they wish to turn the cash funds securing the letters of credit over to us and to convert such funds into Common Stock currently at a conversion price of $.20 per share. Also, each person who issued the letter of credit is receiving quarterly, while the letters of credit are outstanding, options to purchase 125,000 shares of Common Stock, exercisable at the prevailing market price per share on the date of grant and interest at the rate of 8% per annum on the monies that they have had to set aside in their bank accounts and are unable to have access to such monies. In April, July and October 2016 and January and April 2017, Simon drew down on each bank letter of credit for an aggregate of $1,350,000 owed to each letter of credit provider, prior to terminating the agreement in September 2017 for failure to pay their agreed upon fees. During the first quarter of 2017, the Letter of Credit holders converted the entire $2,700,000 into 54,000,000 shares of Common Stock.

Pursuant to a master agreement effective August, 2015, we entered into an agreement with PREIT pursuant to which we have the right to install our Mobi-Beacons and to send information across the air space of the common areas of our PREIT mall network, which will include approximately 27 malls in select states in the United States. Our right to install our Mobi-Beacons to market and sell third party paid advertising in the interior common areas of these malls is exclusive. Under our agreement between us and PREIT, PREIT is entitled to an agreed upon revenue share over the four-year term of the agreement. In the event the net revenue share as defined in the agreement is not attained for any measurement period, also as defined in the agreement, either party may terminate the agreement upon 90 days prior written notice. PREIT may also terminate the agreement if it determines that Mobiquity's installed equipment is not adequate and/or provides a negative user experience for the visitors to the PREIT malls. The agreement also provides for PREIT to adjust the number of malls subject to the agreement from time-to-time based upon changes in its beneficial ownership in the malls.

Pursuant to a master agreement entered into in 2015, we entered into an agreement with Rouse pursuant to which we have the right to install our Mobi-Beacons to send information across the air space of the common areas of our Rouse mall network, which will include approximately 30 malls in select states in the United States. Our right to install our Mobi-Beacons to market and sell third party paid advertising in the interior common areas of these malls is exclusive. Under our agreement between us and Rouse, Rouse is entitled to an agreed upon revenue share over the four-year term of the agreement. In the event the net revenue share as defined in the agreement is not attained for any measurement period, also as defined in the agreement, either party may terminate the agreement upon 90 days prior written notice. Either party may also terminate the agreement due to a material breach which is not cured within 30 days of written notice. Also, Rouse upon at least 60 days written notice to us prior to the end of the second contract year, may terminate the agreement with respect to any participating property for any reason at the end of the second contract year. The agreement also provides for Rouse to adjust the number of malls subject to the agreement from time-to-time based upon changes in its beneficial ownership in the malls.

In February 2012, the Company entered into a lease agreement for new executive office space of approximately 4,200 square feet located at 600 Old Country Road, Suite 541, Garden City, NY 11530. The lease agreement was for 63 months, commencing April 2012 and expired in June 2017. The annual rent under this office facility for the first year was about $127,000, including electricity, subject to an annual increase of 3%. The Company owes approximately $57,504 under this lease

which is currently in collections.

Our lease for approximately 2,000 square feet of space at an annual cost of approximately $30,100 (inclusive of taxes) at 1105 Portion Road, Farmingville, NY 11738 expired in November 2013. We currently lease this property on a month to month basis for approximately $2,500 per month beginning December 2014, with a 5% increase in rent each year.

16

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 $7,500 per month.

In June of 2017, we entered into a month-to-month lease agreement for approximately 1,600 square feet of office space located in Uniondale New York at a monthly cost of $6,500 for the months of July and August 2017.

Minimum future rentals under non-cancelable lease commitments are as follows:

YEARS ENDING DECEMBER 31,	
2017	–
2018	–
2019 and thereafter	–
	$–

Rent and real estate tax expense was approximately $1,090,118 and $2,801,090 for the nine months ended September 30, 2017 and 2016, of which $969,521 and $2,634,837 were related to mall rents, respectively. Rent and real estate tax expense was approximately $36,499 and $886,312 for the three months ended September 30, 2017 and 2016, of which $0.00 and $825,218 were related to mall rents, respectively.

EMPLOYMENT CONTRACTS –

Michael D. Trepeta and Dean L. Julia

On March 1, 2005, the Company entered into employment contracts with two of its officers, namely, Dean L. Julia and Michael D. Trepeta. The employment agreements provide for minimum annual salaries plus bonuses equal to 5% of pre-tax earnings (as defined) and other perquisites commonly found in such agreements. In addition, pursuant to the employment contracts, the Company granted the officers options to purchase up to an aggregate of 400,000 shares of common stock.

On August 22, 2007, the Company approved a three-year extension of the employment contracts with two of its officers expiring on February 28, 2011. The employment agreements provided for minimum annual salaries with scheduled increases per annum to occur on every anniversary date of the contract and extension commencing on March 1, 2008. A signing bonus of options to purchase 150,000 shares granted to each executive were fully vested at the date of the grant and exercisable at $1.20 per share through August 22, 2017. Ten year options to purchase 50,000 shares of common stock are to be granted at fair market value on each anniversary date of the contract and extension commencing March 1, 2008. Termination pay of one year base salary based upon the scheduled annual salary of each executive officer for the next contract year, plus the amount of bonuses paid (or entitle to be paid) to the executive for the current fiscal year of the preceding fiscal year, whichever is higher.

On April 7, 2010, the Board of Directors approved a five-year extension of the employment contract of Dean L. Julia and Michael D. Trepeta to expire on March 1, 2015. The Board approved the continuation of each officer’s current salary and scheduled salary increases on March 1st of each year. The Board also approved a signing bonus of stock options to purchase 200,000 shares granted to each officer which is fully vested at the date of grant and exercisable at $.50 per share through April 7, 2020; ten-year stock options to purchase 100,000 shares of Common Stock to be granted to each officer at fair market value on each anniversary date of the contract and extension thereof commencing March 1, 2011; and termination pay of one year base salary based upon the scheduled annual salary of each executive officer for the next contract year plus the amount of bonuses paid or entitled to be paid to the executive for the current fiscal year or the preceding fiscal year, whichever is higher. In the event of termination, the executives will continue to receive all benefits included in the employment agreement through the scheduled expiration date of said employment agreement prior to the acceleration of the termination date thereof.

In July 2012, the Company approved and in January 2013 the Company implemented amending the employment agreements of Messrs. Julia and M. Trepeta to expire on February 28, 2017, subject to an automatic one- year renewal on March 1, 2013 and on each March 1st thereafter, unless the Employment Agreement is terminated in accordance with its terms on or before December 30th of the prior calendar year. In the event of termination without cause, the executives will continue to receive all salary and benefits included in the employment agreement through the scheduled expiration date of said employment agreement prior to the acceleration of the termination date thereof, plus one-year termination pay.

On May 28, 2013, the Company approved amending the employment agreements of Messrs. Julia and Trepeta to provide that each officer may choose an annual bonus equal to 5% of pre-tax earnings for the most recently completed year before deduction of annual bonuses paid to officers or, in the event majority control of the Company is acquired by a person or a group of persons during the prior fiscal year, the officer may choose to receive the aforementioned bonus or 1% of the control consideration paid by acquirer(s) to acquire majority control of the Company.

Separation Agreement

In April 2017, Michael Trepeta entered into a separation agreement with the Company pursuant to which he resigned as an executive officer and director. There is currently a vacancy in the Board of Directors of the Company. After his resignation, the Board changed Dean Julia's title from Co-Chief Executive Officer to Chief Executive Officer.

Pursuant to Michael Trepeta's separation agreement, Mr. Trepeta is entitled to the following benefits:

- Six months' coverage under the Company's existing director/officer insurance policy;
- Indemnification per existing employment agreement;
- Expense reimbursement through May 31, 2017;
- All options vested shall continue until their normal expiration date; and
- Mutual releases.

Thomas Arnost

In December 2014, we entered into a three-year employment agreement with Thomas Arnost serving as Executive Chairman of the board. Mr. Arnost receives a monthly salary of $10,000 plus an annual grant of options for serving on the board of directors. In the event of

his termination, by Mr. Arnost or by the company for cause, Mr. Arnost will receive his pay through the termination date. In the event that Mr. Arnost is terminated without cause, he shall be entitled to receive his salary paid through the end of the term of his agreement. Mr. Arnost may terminate the agreement at any time by giving three months' prior written notice to our board of directors. Mr. Arnost will also be entitled to indemnification against all claims, judgments, damages, liabilities, costs and expenses (including reasonably legal fees) arising out of, based upon or related to his performance of services to us, to the maximum extent permitted by law.

Sean Trepeta

In December 2014, Mobiquity Networks entered into an employment agreement with Sean Trepeta, to serve as President of Mobiquity Networks as an employee at will. Mr. Trepeta, as a full-time employee, is to be paid a salary at the rate of $20,000 per month. Upon the execution of the agreement, he received 10-year options to purchase 1,500,000 shares of our common stock vesting quarterly over a period of three years. For calendar 2015, he will be entitled to a bonus of $125,000 upon revenues of Mobiquity Networks achieving a minimum of $6 million in revenues and a further bonus of $125,000 for a total of $250,000 at such time as Mobiquity Network's revenues achieve a minimum of $12 million, it being understood that any revenues which do not have a 30% margin shall not count toward these totals. All options granted to Mr. Trepeta will become immediately vested in the event of a change in control of our Company or sale of substantially all of our assets. In the event we terminate Mr. Trepeta without cause, after six months of continued employment under the employment agreement, Mr. Trepeta is entitled to receive three months' severance pay.

Paul Bauersfeld

In December 2014, we entered into an employment agreement with Paul Bauersfeld, our Chief Technology Officer, who is an employee at will. Mr. Bauersfeld, as a full-time employee, is to be paid a salary at the rate of $25,000 per month. Upon the execution of the agreement, he received 10-year options to purchase 1,000,000 shares of our common stock vesting quarterly over a period of three years. For calendar 2015, he will be entitled to a bonus of $125,000 upon revenues of Mobiquity Networks achieving a minimum of $6 million in revenues and a further bonus of $125,000 for a total of $250,000 at

such time as Mobiquity Network’s revenues achieve a minimum of $12 million, it being understood that any revenues which do not have a 30% margin shall not count toward these totals. The foregoing compensatory arrangements with Mr. Bauersfeld is in addition to the non-statutory stock options to purchase 2,600,000 shares of our common stock previously granted to Mr. Bauersfeld. All options granted to Mr. Bauersfeld will become immediately vested in the event of a change of control of our company or sale of substantially all of our assets. In the event we terminate Mr. Bauersfeld without cause. Mr. Bauersfeld is entitled to receive six months’ severance pay.

Sean McDonnell

Sean McDonnell, our Chief Financial Officer, is an employee at will and is currently receiving a salary of $132,000 per annum.

TRANSACTIONS WITH MAJOR CUSTOMERS —

The Company sells its branded merchandise to a geographically diverse group of customers, performs ongoing credit evaluations of its customers and generally does not require collateral. During the three and nine months ended September 30, 2017 two customers accounted for approximately 41% and 40%, respectively, of net revenues and for the three and nine months ended September 30, 2016, a customer accounted for approximately 41% and 41%, respectively, of net revenues. The Company holds on hand certain items that are ordered on a regular basis.

NOTE 8: DISCONTINUED OPERATION

In October 2017, the Company sold its Branded Merchandise segment. Management committed to a plan to sell this segment early September 2017, following a strategic decision to place greater focus on the Group's key competencies – i.e. next generation mobile location data. By providing precise unique, at-scale location based data insights on consumer's real-world behavior and trends for use in marketing and research.

A. Results of discontinued operation

	September 30, 2017	September 30, 2016
Revenue	$1,764,513	$1,042,790
Expenses	2,001,757	1,645,453
(Loss) from discontinued operation, net	$(237,244)	$(602,663)

B. Cash flows from (used in) discontinued operation

	September 30, 2017	September 30, 2016
Net cash used in operating activities	$(237,244)	$(602,663)
Net cash from investing activities	$–	$–
Net increase (decrease) cash flows for the period	$(202,470)	$(650,177)

C. Effect of disposal on the financial position of the Group

	September 30, 2017	December 31, 2016
Property, equipment and intangibles, net	$(3,043)	$(5,933)
Inventories, net	(107,960)	(79,291)
Token liabilities	276,853	314,643
Net assets and liabilities	$165,850	$229,419
Consideration received, satisfied in cash	$150,000	$150,000

NOTE 9: SUBSEQUENT EVENTS

There are no subsequent events required to be disclosed in the Notes to Financial Statements through the date of the report, except as follows: On October 17, 2017, the Company received relief of certain liabilities and cash consideration of $150,000 from the sale of specific assets fixed and intangibles of Ace Marketing & Promotions, Inc. relating to its promotional products distribution company. These assets were sold to a group represented by a principal of one of Ace’s customers. The sale also included various unpaid inventory, which was offset by certain liabilities. As a result of the asset sale of Ace, the Company is able to focus all of its management and employee effort and financial resources in developing the business of Mobiquity Networks, Inc., its wholly-owned subsidiary.

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, 2016 which includes our audited financial statements for the year ended December 31, 2016 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

Mobiquity Technologies, Inc., a New York corporation (the "Company"), is the parent company of two operating subsidiaries; Mobiquity Networks, Inc.("Mobiquity Networks") and Ace Marketing & Promotions, Inc. ("Ace Marketing"). The Company's wholly-owned subsidiary, Mobiquity Networks has evolved and grown from a mobile advertising technology company focused on Driving Awareness and Foot-traffic throughout its indoor mall-based beacon network, into a next generation mobile location data and marketing company. Mobiquity Networks provides precise unique, at-scale location-based data and insights on consumer's real world behavior and trends for use in marketing and research. With our combined data sets of beacon data, and first party location data via our advanced Software Development Kit ("SDK") utilizing multiple geo-location technologies, Mobiquity Networks provides one of the most accurate and scaled solution for mobile data collection and analysis. Mobiquity Networks is seeking to create several new revenue streams from the mobile data collection and analysis, including, but not limited to; Push Notification Campaigns, Mobile Audiences & Segments, real-time Data Licensing, Attribution Reporting and Custom Research. The Company has also reduced expenses due to the termination of certain Mall Developer Agreements.

Ace Marketing is our legacy marketing and promotions business which provided integrated marketing services to our commercial customers. On October 17, 2017, the Company received cash consideration of $150,000 from the sale of the intangible assets of Ace Marketing & Promotions, Inc. relating to its promotional products distribution company. These assets were sold to a group represented by a principal of one of Ace's customers. The sale also included various unpaid inventory, which was offset by certain liabilities. As a result of the asset sale of Ace, the Company is able to focus all of its management and employee effort and financial resources in developing the business of Mobiquity Networks, Inc., its wholly-owned subsidiary.

20

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 – 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. 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 of 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 seen on a monthly basis ("MAU"), and the second strategy is to increase the total number of locations (Places) available to see our MAU's visit over the same time period. We are currently seeing approximately 25,000,000 unique mobile devices (MAU) monthly. The ability to see and collect the data required from these unique devices comes from the installation of our proprietary Software Development Kit (SDK) or a direct server-to-server connection into third party mobile applications (Apps). To continue to grow the total number of unique devices we can see on a monthly basis, we need additional server-to-server connections have our SDK installed in more third party Apps. We believe our unique offering to potential App partners gives us a competitive advantage over others in the industry. The task of partnering with third party Apps for installation of our SDK is handled internally by our business development team.

As of March 31, 2017, we had approximately 200,000 Places in our proprietary Places database, and that number has increased to approximately 4,000,000 Places during the third quarter 2017, 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 through the use of 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 as working capital permits.

21

RESULTS OF OPERATIONS

The following table sets forth certain selected unaudited condensed statement of operations data for the periods indicated in dollars and as a percentage of total net revenues. The following discussion relates to our results of operations for the periods noted and is not necessarily indicative of the results expected for any other interim period or any future fiscal year. In addition, we note that the period-to-period comparison may not be indicative of future performance. (It should be noted that results of operations will be impaired in future operating periods by the fourth quarter sale of Ace assets as described above.)

	Three Months Ended September 30	
	2017	2016
Revenue	$202,020	$42,562
Cost of Revenues	$154,124	$34,603
Gross Profit	$47,896	$7,959
Selling, General and Administrative Expenses	$791,600	$1,773,670
(Loss) from Operations	$(743,704)	$(1,765,711)

We generated revenues of $202,020 in the third quarter of 2017 compared to $42,562 in the same period of the prior year. Revenues from our Mobiquity Networks devices consisted of $202,020, compared to $42,562 in the same period of the prior year, of our consolidated revenues, a 475% increase over the same period in 2016. In future reporting periods, we anticipate our revenues increasing in our Mobiquity Networks subsidiary due to the data that can be derived therefrom and the expectation that both marketers and researchers will begin to utilize our data. See “Plan of Operation.”

Cost of revenues was $154,124 or 76% of revenues in the third quarter of 2017 compared to $34,603 or 81% of revenues in the same fiscal period of the prior year. The increase in cost of revenues of $119,521 in 2017 is related to the establishment of our Mobiquity technology enhancement activities.

Gross profit was $47,896 for the third quarter of 2017 compared to $34,603 in the same fiscal period of the prior year. Gross profits will vary period-to-period depending upon a number of factors including the mix of items sold and the volume of product sold. Also, it is our practice to pass freight costs on to our customers with low to no profit margin. As revenue from Mobiquity Networks increases, it is expected that our margins will increase significantly.

Selling, general, and administrative expenses were $791,600 for the third quarter of 2017 compared to $1,773,670 in the comparable period of the prior year, a decrease of approximately $982,070. Reduction in such operating costs include payroll, and related expenses, non-cash stock based compensation costs and rents.

The net operating loss for the third quarter of 2017 was $(743,704) as compared to $(1,765,711) for the comparable period of the prior year. The decrease in operating loss is attributable to the increase in Mobiquity Networks revenue, reduction in payroll, and rents.

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 proximity marketing services.

Nine Months Ended September 30, 2017 versus Nine Months Ended 2016

	Nine Months Ended September 30	
	2017	2016
Revenue	$384,011	$113,484
Cost of Revenues	$560,155	$122,913
Gross Loss	$(176,144)	$(9,419)
Selling, General and Administrative Expenses	$3,816,557	$5,929,691
(Loss) from Operations	$(3,992,701)	$(5,939,110)

We generated revenues of $384,011 in the first nine months of 2017 compared to $113,494 in the same period of the prior year. As our data sales are now being expanded, at the current time, revenues from the use of Mobiquity data in the same period of the prior year, has increased 338% over the same period in 2016. In future reporting periods, we anticipate our revenues increasing in our Mobiquity Networks subsidiary due to the data that can be derived therefrom and the expectation that advertisers will begin to utilize our data. See "Plan of Operation."

Cost of revenues was $560,155 or 146% of revenues in the first nine months of 2017 compared to $122,913 or 108% of revenues in the same fiscal period of the prior year. The increase in cost of revenues of $437,242 in 2017 is related to the establishment of our Mobiquity technology enhancements.

Gross loss was $176,144 for the first nine months of 2017 or 146% of net revenues compared to $9,419 in the same fiscal period of the prior year or 108% of revenues. Gross profits will vary period-to-period depending upon a number of factors including the mix of items sold and the volume of product sold. Also, it is our practice to pass freight costs on to our customers with low to no profit margin. As marketing and research revenue from the use of our Mobiquity devices increases, it is expected that our margins will increase significantly.

Selling, general, and administrative expenses were $3,816,557 for the first nine months of 2017 compared to $5,929,691 in the comparable period of the prior year, a decrease of approximately $2,113,134. Such operating cost reductions include payroll and related expenses, and rents.

Loss from operations for the first nine months of 2017 was $(3,992,701) as compared to $(5,939,110) for the comparable period of the prior year. The decrease in operating loss is attributable to the focused effort in creating and streamlining the infrastructure required to move forward with our location-based mobile advertising network, to provide information technology support.

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 proximity marketing services.

Liquidity and Capital Resources

The Company had cash and cash equivalents of $213,268 at September 30, 2017. Cash used in operating activities for the nine months ended September 30, 2017 was $3,232,160 This resulted primarily from a net loss of $8,953,788 offset by stock based compensation of $516,629, depreciation and amortization of $17,694, decrease in accounts receivable of $205,026 initial derivative expense of $1,284,704 and an amortization of debt discounts of $2,061,307 and a change in derivatives of $2,892,291, gain on settlement of debt $3,666,374, increase in prepaid expenses and other assets of $7,654 and an increase of accounts payable and accrued expenses of $244,530. Cash flow from financing activities of $3,238,447 resulted from the proceeds from the issuance of the Company's convertible notes of $2,378,000 and the issuance of common stock $311,250, proceeds received from the exercise of warrants $95,834 and the proceeds from the collection of stock subscription receivable of $456,503.

The Company had cash and cash equivalents of $224,974 at September 30, 2016. Cash used in operating activities for the nine months ended September 30, 2016 was $4,742,828 This resulted primarily from a net loss of $7,521,794 offset by stock based compensation of $512,949, depreciation and amortization of $112,392, decrease in accounts receivable of $119,202 and a decrease in Inventory of $25,430 and an initial derivative expense of $565,780 and an amortization of debt discounts of $1,878,002 and a change in derivatives of $2,201,696, decrease in prepaid expenses and other assets of $574,108 and an increase of accounts payable and accrued expenses of $1,002,523. The Company had an increase in investing activities of $257,575 with the purchase of equipment and expansion to the network platform in new and existing mall and other locations. Cash flow from financing activities of $3,240,376 resulted from the proceeds from the issuance of the Company's preferred stock $400,000 and use of the letter of credit and securing promissory notes totaling $2,840,376.

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 or converted to equity. Since 1999, we have relied primarily on equity financing from outside investors to supplement our cash flow from operations.

We anticipate that our future liquidity requirements will arise from the need to finance our accounts receivable and inventories, hire additional sales persons, capital expenditures and possible acquisitions. The primary sources of funding for such requirements will be cash generated from operations, raising additional capital from the sale of equity or other securities and borrowings under debt facilities which currently do not exist. We believe that we can generate sufficient cash flow from these sources to fund our operations for at least the next twelve months. In the event we should need additional financing, we can provide no assurances that we will be able to obtain financing on terms satisfactory to us, if at all.

Recent Financings

In 2015, 2016, and 2017 we have completed the various financing summarized below.

Date	Dollar Amount	# of Securities Sold
January 2015	$500,000	Issued two-year promissory note in the principal amount of $500,000
February 2015	$850,000	Issued two-year promissory note in the principal amount of $850,000
March 2015	$500,000	Issued 1,666,667 common shares and a like number of warrants
April 2015	$1,710,000	Issued 5,700,000 common shares and a like number of warrants
May 2015	$510,000	Issued 1,700,000 common shares and a like number of warrants
August/October 2015	$3,675,000	Issued promissory notes in the principal amount of $3,675,000 and 3,675,000 shares of restricted common stock and warrants to purchase an additional 3,675,000 shares of restricted common stock
December 2015- March 2016	$2,400,000	Issued 240,000 shares of preferred stock convertible into 12,000,000 shares of common stock with anti-dilution protection for 2016
April – May 2016	$1,025,000	Issued convertible promissory notes in the principal amount of $1,025,000, convertible at $.20 per share with 100% warrant coverage.
Third Quarter 2016	$700,000	Issued short term convertible promissory notes in the principal amount of $700,000 and prepaid interest of 4,900,000 common shares.
Fourth Quarter 2016	$595,417	Exercise of outstanding warrants/options at $.05 per share and issuance of approximately 11,908,335 shares of common stock.
First Quarter 2017	$1,100,000	Issued six-month promissory notes in principal amount of $1,100,000.
Second Quarter 2017	$500,000	Issued six-month promissory note in principal amount of $500,000.
Third Quarter 2017	$750,000	Issued six-month promissory note in principal amount of $750,000 plus an additional $1,501,000 in notes issued in exchange for notes of the original principal amount of $1,100,000 issued in first quarter of 2017. Also issued an aggregate of 750,000 shares of common stock as origination shares in connection with issuances of said notes.

24

First Nine Months 2017 Loan Agreements and Certain Transactions

Prior to the February 28, 2017 sale of secured debt, the Company's holders of all of its Series AA preferred stock and substantially all of its outstanding debt both secured and unsecured (approximately $14.5 million) have been converted into equity securities of the Company as outlined below. It should be noted that the capital transactions below were based on a premium to the average closing sale price of $0.045 per share during the 60-day period prior to February 08, 2017.

On February 28, 2017, the Company entered into an agreement with a two non-affiliated persons to provide $1.6 million of short term secured debt financing in three monthly tranches, with the first monthly tranche in the amount of $600,000. The Company will issue in connection with each tranche, six-month secured convertible promissory note(s). Each note is initially convertible at $.05 per share. Any prepayment of the note requires the payment of a 25% premium and guaranteed interest for the entire six-month note. In the case of default, the amount owed by the Company will become 130% of the outstanding principal and accrued interest thereon. The Conversion Price will reset in the event that the note is unpaid and in default on the sixth month anniversary date of the issuance of the note. In connection with this transaction, the Company agreed to issue an origination fee of 1,600,000 shares of restricted common stock. Alexander Capital L.P. acted as Placement Agent and Advisor for this transaction.

As of June 30, 2017, the Company has outstanding 192,421,390 shares of common stock, 1,117,588 shares of newly designated Series AAA preferred stock and $1,850,000 of convertible notes. The convertible notes consist of $1,700,000 of secured notes and $150,000 of unsecured notes. Of the 1,117,588 shares of Series AAA preferred stock outstanding, 240,000 Series AA preferred stock with an original cost basis of $2.4 million were converted into Series AAA preferred stock. The remaining 877,588 shares of Series AAA preferred stock were issued in exchange for the conversion of principal and accrued interest of approximately $11,854,038 of unsecured debt. The terms of the Series AAA preferred stock can be summarized as follows:

The price of each preferred share may be convertible into common stock with an equivalent purchase price of $.10 per common share. If the preferred shares are converted, the subscriber will then receive 100% warrant coverage, with each warrant exercisable at $.05 per share with a cash payment to the Company through the close of business on December 31, 2019. The preferred shares have no voting or other preferences except as required by law other than the right of conversion described above and a liquidation preference equal to $.01 per share.

Between February and September 2017, 15,000 shares of Preferred Stock were converted into 1,500,000 shares of common stock and an equivalent number of warrants.

Thomas Arnost, our Executive Vice Chairman, and another principal stockholder agreed to convert letters of credit in the principal amount of $2,700,000 and $322,000 of secured debt into shares of common stock at the then marketing price of $.05 per share. Accrued interest on these obligations were either previously converted into our common stock or were upon conversion of the principal, converted into common stock at the fair market value of our common stock at each interest accrual date.

The Company also raised an additional $407,084 from the exercise of outstanding warrants and new subscriptions. For these transactions, the Company issued 8,141,667 shares of common stock.

In August and September of 2017, two non-affiliated noteholders, who purchased $1,600,000 of secured notes in February 2017, agreed to exchange $1,100,000 in principal notes plus accrued and unpaid interest and 30% premium for $1,501,500 of six-month secured notes. Between August 2017 and September 2017, the Company entered into agreements with Thomas Arnost, our Chairman, and various non-affiliated persons to provide an aggregate of $750,000 of six-month secured financing. The conversion price of the notes and other terms of these notes are substantially identical to the notes issued in February 2017, except for the maturity date. An aggregate of 750,000 shares of common stock was issued as an origination fee in connection with these loans. Alexander Capital L.P. acted as placement agent and advisor for this transaction. Thomas Arnost purchased $100,000 of the notes and received 100,000 shares of common stock.

25

Transactions with Thomas Arnost, Executive Chairman

In December 2013, Thomas Arnost, a director of Mobiquity, purchased from TCA Global Credit Master Fund, the Company's outstanding convertible promissory note in the amount of $350,000. Subsequently Mr. Arnost and the Company agreed to fix the conversion price of the note at $.30 per share, extend the due date of the Note to June 12, 2014, which was subsequently extended to December 22, 2014 and again extended to December 31, 2015, subject to Mr. Arnost's right to call the note at any time in his sole discretion, and increase the interest rate to 15% per annum. In December 2015, Mr. Arnost extended the due date of the note to December 31, 2016 and the Company agreed to lower the conversion price to $.20 per share.

Our agreement with Simon Properties requires us to maintain letters of credit for each calendar year under the agreement represented by the minimum amount of fees due for such calendar year. For 2015 and 2016, the minimum fees of $2.7 million has been secured through two bank letters of credit, one of which was issued in the amount of $1,350,000 utilizing the funds and the second letter of credit was obtained in the same amount through the funds of Thomas Arnost, our Executive Chairman. In the event Simon draws down upon either letter of credit, we have until the next minimum payment date (about 90 days) after the draw down to obtain replacement letters of credit. Each person who secured our letters of credit has the opportunity to notify us that they wish to turn the cash funds securing the letters of credit over to us and to convert such funds into our common stock. In February 2017, Thomas Arnost agreed to convert his $322,000 of secured debt and both Mr. Arnost and SNW JR Properties agreed to convert their letters of credit and any accrued interest at a conversion price of $.05 per share as to the principal amount and at market price for interest accrued at each respective interest accrual date. A total of 36,541,960 shares were issued to Mr. Arnost and 27,738,260 shares were issued to SNW JB Properties.

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.

27

ITEM 2. CHANGES IN SECURITIES.

(a) The Company filed a Form 8-K – date of earliest event February 28, 2017 to report various sales of unregistered securities. The aforementioned form 8-K filed with the SEC on March 1, 2017 is incorporated by reference. It should be noted that the number of Series AAA preferred shares reported in the Form 8-K of 1,142,538 should be corrected to 1,122,588 shares which agrees with the information provided in Note 3 of this Form 10-Q. From January 1, 2017 through September, 2017, 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. – Sept. 2017	Common Stock	3,800,000 shares	Services rendered; no commissions paid	Section 4(2)	N/A
Jan. – Sept. 2017	Series AAA Preferred Stock	867,588 shares	Exchange of notes and Series AAA Preferred Stock; no commissions paid	Section 3(a)(9)	(1)
Jan. – Sept. 2017	Common Stock	1,916,667 shares	$95,834 from Recent exercise of warrants; no commissions	Section 4(2)	N/A

			paid		
Jan. – Sept. 2017	Common Stock and warrants	1,500,000 shares; 1,500,000 warrants	Exchange of Series AAA Preferred Stock for common stock and warrants	Section 3(a)(9)	(1)
Feb. to April 2017	Convertible notes and common stock	$1,600,000 in principal notes and 1,600,000 common shares	$1,600,000 received; $160,000 in commissions	Rule 506	(2)
April to Sept. 2017	Convertible notes and common stock	$1,100,000 in principal notes exchanged for $1,501,500; 366,667 common shares	$1,100,000 of notes exchanged for $1,501,500;	Section 3(a)(9)	(2)
Aug. to Sept. 2017	Convertible notes And common stock	$750,000 in principal notes; $750,000	$750,000 Received; $107,000 in commissions paid	Rule 506	(2)

common
shares

(1) See Note __ in the Notes to financial statements regarding the conversion terms of the Series AAA Preferred Stock and terms of the Warrants.

(2) See Note __ in the Notes to financial statements for a description of the conversion terms of the notes and warrants.

(b) Rule 463 of the Securities Act is not applicable to the Company.

(c) In the three months and nine months ended September 30, 2017, there were no repurchases by the Company of its Common Stock.

28

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)
4.1	Registration Rights Agreement (18)
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 (11)
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)
10.28	Agreement - Sale of Ace Assets (25)
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 (9)
99.9	Form of Class F Warrant (9)
99.10	Form of Class G Warrant (9)
99.11	Form of Class H Warrant (9)
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 (*)

---

* 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 18, 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, 2010.
(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 19, 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 February 28, 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.

(25) Incorporated by reference to the Registrant's Form 8-K filed October 18, 2017.

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: November 14, 2017	By: /s/ Dean L. Julia Dean L. Julia, Principal Executive Officer
Date: November 14, 2017	By: /s/ Sean McDonnell Sean McDonnell, Principal Financial Officer