FORM 10KSB

Annual and transition reports of small business issuers [Section 13 or 15(d), not S-B Item 405]

Filing Date: **2007-04-17** | Period of Report: **2006-12-31**
SEC Accession No. 0001144204-07-019311

(HTML Version on secdatabase.com)

FILER

AskMeNow,Inc.

CIK:**1104538**| IRS No.: **710876952** | State of Incorp.:**DE** | Fiscal Year End: **1205**
Type: **10KSB** | Act: **34** | File No.: **000-49971** | Film No.: **07771622**
SIC: **6162** Mortgage bankers & loan correspondents

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549
FORM 10-KSB

☒ Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended December 31, 2006

☐ Transition report under Section 13 or 15(d) of the Securities Exchange Act of 1934
For the transition period from_______ to_______

Commission file number 000-49971

AskMeNow, Inc.
(Name of small business issuer in its charter)

Delaware	71-0876952
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

26 Executive Park, Suite 250
Irvine, CA 92614
(Address of principal executive offices)
Issuer's telephone number: (949) 861-2590

Securities registered under Section 12(b) of the Exchange Act:

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

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, $0.01 par value per share

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ☐

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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☐

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

The issuer's revenues for its most recent fiscal year ended December 31, 2006 were $27,846.

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the $.65 closing price of such common equity on April 9, 2007 was $20,404,076.

The number of shares of the issuer's common stock outstanding as of April 9, 2007 was: 33,299,887.

Documents Incorporated by Reference: None

Transitional Small Business Disclosure Format: Yes ☐ No ☒

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PART I

Item 1. Description of Business.

Organizational History

AskMeNow, Inc. (the "Company") was originally formed in Delaware on August 15, 2000 under the name Ocean West Holding Corporation with negligible assets and liabilities. In March 2002, the Company acquired all of the issued and outstanding shares of Ocean West Enterprises, Inc. ("OWE") in an exchange of shares. OWE was formed in California in 1988 and engaged in the business of mortgage banking/ brokering, operating under the name of Ocean West Funding.

Pursuant to the terms and conditions of the Securities Exchange Agreement and Plan of Reorganization dated as of April 14, 2005 (the "Exchange Agreement"), the Company agreed, among other things, to spin-off or otherwise dispose of OWE. As of May 23, 2005, OWE assumed and Consumer Direct of America ("CDA"), then the Company's principal shareholder, jointly indemnified and held harmless the Company from, all liabilities of the Company pursuant to an Assignment and Assumption of Liabilities Agreement. Notwithstanding the completion of the Exchange Agreement as described below, the Company was unable to spin-off the assets of OWE. Therefore, pursuant to a Stock Purchase Agreement dated as of December 30, 2005, Container/ITW, Inc. purchased 100% of the capital stock of OWE for $1.00 and acknowledged that pursuant to the Exchange Agreement, OWE had previously assumed all liabilities and obligations of the Company.

The closing of the Exchange Agreement occurred on June 6, 2005 (the "Closing"). Effective shortly thereafter, the Company also acquired InfoByPhone, Inc. ("InfoByPhone" or "IBP"), a Delaware corporation, in a reverse merger pursuant to which InfoByPhone became a wholly-owned subsidiary of the Company. InfoByPhone was originally organized as an Ohio limited liability company in January 2004 and became a Delaware corporation via merger in June 2004 in a transaction treated for accounting purposes as a recapitalization by the accounting acquirer, InfoByPhone, LLC.

In connection with the Reverse Merger, (i) the Company acquired all of the issued and outstanding shares of IBP in exchange for 5,586,004 shares of authorized but unissued shares of common stock, par value $.01, of the Company that, with 500,000 shares issued to Vertical Capital Partners, Inc. (n/k/a Arjent Ltd.) as a finder's fee, constituted approximately 56% of the then-outstanding capital stock of the Company, (ii) the then-existing directors of the Company, Marshall Stewart and Daryl Meddings, agreed to resign and the two director designees of IBP joined the Company, (iii) the existing officers of the Company resigned and were replaced by the officers of IBP, (iv) neither IBP nor the Company had any debt or liability, and IBP had no less than $750,000 cash or cash equivalents, and (v) the Company agreed to dispose of OWE. The transaction was treated for accounting purposes as a reverse merger by the accounting acquirer, InfoByPhone, Inc.

InfoByPhone is the sole operating business of the Company, and provides information services and content through its AskMeNow™ service to mobile devices that permits mobile users to ask questions and receive answers via text messaging/SMS and email. The Company also has a foreign subsidiary, AskMeNow, Inc., a Philippines corporation.

Unless the context requires otherwise or as otherwise indicated, references in this Annual Report to "we," "us," "our" and the "Company" refer to AskMeNow, Inc., which was formerly Ocean West Holding Corporation and, unless the context indicates otherwise, include our wholly-owned subsidiaries InfoByPhone, Inc., InfoByPhone, LLC and AskMeNow, Inc. (Philippines).

Recent Developments

Expert System S.p.A. Acquisition Letter of Intent

On April 12, 2007, the Company announced that it had entered into a non-binding letter of intent to acquire 100% of the capital stock of Expert System S.p.A., a company organized under the laws of Italy. The transaction is subject to the Company obtaining required financing for the combined entity, preparation and delivery of audited financial statements, execution of employment agreements with management, necessary due diligence, the execution of a definitive acquisition agreement, third party and governmental consents and other customary closing conditions. This acquisition is contemplated to close within the next three to four months so long as the funding is in place to meet the terms of the letter of intent.

Preferred Stock Financing

Beginning in April 2006, the Company began an offering of preferred stock, $0.01 par value, to accredited investors in exchange for cash. In connection with this preferred stock offering, the Company granted each investor the right to receive 200% warrant coverage. Between January 1, 2007 and February 26, 2007, the Company raised an aggregate $725,000 for 72,500 shares of Series B preferred stock, convertible into 1,450,000 common shares, and issued warrants to purchase 1,450,000 shares of common stock. The Company paid $99,000 in placement fees and issued 140,000 shares of common stock to the placement agent in connection with such sales of preferred stock. As of February 27, 2007 this offering was closed to any new funding.

Bridge Loan Financing

Beginning in February 2007, the Company commenced a bridge loan offering of up to $3 million principal amount of 12% Senior Promissory Notes due and payable 90 days from the date of issuance unless extended by the Company for up to an additional 90 days. The Company will issue warrants to purchase four shares of common stock for every $1.00 principal amount of notes issued. As of April 9, 2007, the Company had borrowed $375,000 and issued warrants to purchase 750,000 shares of common stock. The Company paid $12,250 in placement fees in connection with such issuance of bridge notes.

Issuance of Common Stock for Services

Beginning in January 2007, the Company entered into an agreement for investor relations and marketing services through March 31, 2007 and issued 165,000 shares of unregistered restricted common stock.

Series C Convertible Preferred Stock Conversions

On January 10, 2007, holders of Series C preferred stock converted 400,000 shares into 4,000,000 shares of unregistered restricted com stock.

Short-term Liquidity Problems

During the first quarter of fiscal 2007, the Company continued to experience liquidity problems and had insufficient cash on hand to effectively manage its business. During such period, the Company raised $725,000 through a preferred stock offering and $375,000 through bridge loan financing to accredited investors. The Company has continued to raise operating cash through additional bridge loan financing, and our management is in the process of negotiating additional financing.

Corporate Income Taxes

The Company is delinquent in filing certain federal and state income tax returns for 2005 and 2004 and is working to complete and file such returns. The Company does not anticipate any tax liability due to the losses incurred to date and the net operating loss carryforwards available to the Company.

Our Company and Business

AskMeNow is a communications technology company, dedicated to optimizing the use of mobile cellular devices to improve individual productivity and efficiency and providing users with easier access to information regardless of location.

The Company's primary offering is the AskMeNow™ service, a new mobile information content service that provides the answer to virtually any question one can ask from anywhere and at any time. AskMeNow presently enables users of any mobile device with text messaging/short message service ("SMS") or email capability to email, or text message us with questions. The answer is text messaged or e-mailed back to the consumer's mobile device, usually within a matter of minutes. Unlike similar existing services, we believe AskMeNow provides users a nearly effortless means of obtaining a concise answer to almost any question. We are currently working to develop delivery of answers through a process known as SMS to WAP. The Wireless Application Protocol ("WAP") is an open (non-proprietary) specification that empowers mobile users with wireless devices to easily access and interact with information and services. We expect that the use of WAP will provide users with a richer experience, as answers can be shown on one screen, as opposed to multiple SMSs, and will take advantage of advertisers' desire to offer more compelling advertisements that can be shown not only in text but in graphics as well.

We believe the AskMeNow service has the research capability to answer virtually any information-based question, including current news and events, sports scores, historical statistics, weather, entertainment, real time stock quotes and market data, driving directions, travel schedules and availabilities, emergency disaster information, comparison shopping, restaurant information and reservations, directory assistance, and random trivia (literature, history, science, etc.), provided the information is available on the Internet at no fee to access, or we are already licensed to access the data. All information is researched on the Internet or from one of our licensed content providers. Once information is accessed from third party content partners or the Internet, it is refined to a format suitable for easy reading on the screen of a user's mobile device and emailed or text messaged back to the user. Our content partners include leading companies such as Cinema-source.com, Flytecomm.com, W3 Data for 411information, Hotels.com, Comtex, Maps.com, Shopping.com, SportsNetwork, Astrology.com, StubHub.com, Custom Weather, Alpha Trade, Distributive Networks, Mobile Streams, and Baseball-Reference .com. In some cases, we pay a small monthly fee for access to information; in others, the access to the content is free. We also may have arrangements to share in advertising revenue generated from responses using content from one of our contract partners. Further, these contracts are generally automatically renewable annually and include termination clauses.

We currently provide two platforms for asking questions: SMS/text messaging and through a downloaded application. In the United States, we are charging $.25 per question answered or a basic monthly fee of between $1.99 and $4.99 for unlimited use. Users simply text a question to our SMS code (27563) and the service will begin providing answers to questions. Alternatively, users can go to our website or one of our partner websites to download our application. We also expect to generate revenue from our customers purchasing ring tones, wallpaper, games and other items.

We provide the same question answering service in Canada through a licensed relationship with Rogers Cellular, whereby Rogers is currently charging $.25 per question. Depending upon the country where our service is offered, charges may vary.

In the near future we intend to eliminate charges for asking questions, first with our SMS product and eventually with our downloadable applications. This will have a small impact on revenue as we will no longer be charging to answer questions; however, we anticipate a greater volume of questions due to the elimination of per query charges, enabling a greater revenue source through advertisements placed per answer. We do not expect that this change in revenue model in the short term will substantially impact our current operations, as the revenue from the current charges is not significant. Since we are eliminating the $.25 cent charge, we expect to be able to provide almost all cell phone users in the United States with access to our SMS product; the only limitations are for users that cannot SMS on their current phones because of the phones' limitations or because they do not pay for access to text messaging. Currently, we are integrated through a carrier billing aggregator that provides automated billing for the $.25 cents for all tier one carriers (Alltel, Verizon, Sprint, T-Mobile, Cingular) and some tier two carriers. This charge is automatically reflected on an end user's monthly statement. We share the revenue with the aggregator, generally on a split of 50/50.

We typically have over 25,000 individual users in any given month, most of whom are using our service for free. We answered over 300,000 questions for a fee during fiscal 2006, and estimate answering over 2 million questions for a fee during the 2007 fiscal year.

During 2006, we entered into an arrangement with ESPN pursuant to which the Company generated approximately $14,000 revenue answering questions asked by users of the ESPN Mobile phone. ESPN discontinued the ESPN Mobile phone as of December 31, 2006. We are negotiating with ESPN to continue offering the AskMeNow service on a new mobile ESPN platform, as well as other possible channels of distribution of their content. Discontinuing this service in the short term will not have an adverse affect on operations as the revenue was relatively small and the costs associated with supplying the service was significant. We expect to reduce costs associated with ESPN in the coming months, offsetting the revenue loss.

The Company's subsidiary InfoByPhone has entered into an exclusive worldwide (exclusive of Italy) license agreement with Expert System S.p.A., d/b/a Cogito Italia, a leading company in the market of semantic intelligence. The technology license is for the mobile communications industry, and will enable us to access, through a natural language query, information that comes from structured and unstructured sources. Cogito leverages advanced linguistic analysis and semantics to facilitate the understanding of text, and its technology aims to provide an effective answer to problems encountered during research, filtering, classification, mining and discovery. Expert System has developed partnerships with companies seeking to provide their services with technological added value.

The contract with Expert System requires the Company to pay an upfront license fee of $150,000 for the exclusive rights, preset integration fees for integrations into designated content, ongoing monthly maintenance fees for minimum amounts of technology integration, and license fees for server usage. The monthly minimum fees will range from $60,000 to as much as $500,000 as we generate advertising revenue and share in that revenue. We anticipate obtaining revenue from the use of Expert System's technology in the second quarter of 2007, through licensing fees and advertising revenue. We believe there will be minimal operational costs associated with the implementation of the Expert System software into our content; most of the work will be done by Expert System.

Our current relationships with Rogers Wireless in Canada and Alltel in the United States are based upon distribution agreements with the carriers to distribute the AskMeNow products, both the SMS and downloadable applications. Both carriers charge fees for customer usage and split those fees with AskMeNow. When a customer uses the AskMeNow service, fees of either $.25 cents per question or $4.99 a month are charged to the end user, depending upon the type of service used.

We are currently working with Mobile Streams, a ringtone provider, and we anticipate integrating our service into their product delivery system sometime in the second quarter of 2007; however, we may chose to create our own ringtones through revenue share arrangements with independent artists. In this case, we would share revenue generated by a particular ringtone with the artist and have no product development costs since such costs will be the responsibility of the artist. Real time stock quotes can be provided to end users; however, they require a substantial fee of approximately $19.99 per month to offset the charges from the content provider, which generally run about $10.00 per month.

As indicated above, much of our licensed content requires minimum payments, although we anticipate that most of this content will be provided free after we generate advertising revenue once substantial volume has been reached. The text charges we pay for sending and receiving text messages varies per carrier and can be mitigated by volume; such charges may be offset by advertising revenue. Billing aggregators can be paid one monthly fee for unlimited text messaging, once volume has increased substantially.

During fiscal 2007, we anticipate releasing products designed to provide easier access to large databases, such as social networks. These products will cost substantial amounts to develop and may not be available until the Company has sufficient capital to invest in research and development.

We are beginning to drive demand for our service from the consumer side utilizing media, including a television advertising campaign and third party distributors such as cellular resellers, Internet service providers, and content partners. We are currently in discussions with cellular phone manufacturers and cellular carriers in North America and elsewhere to provide distribution of our service. Efforts are underway to expose the AskMeNow™ product via a strong public relations and marketing campaign that will launch in unison with our TV campaign. We have completed a co-marketing campaign with Avis Car Rental and anticipate additional opportunities to distribute our service through similar co-marketing and affiliate programs.

We also have announced a formalized relationship with Kyocera, a handset manufacturer, that will provide a co-marketing effort to distribute the AskMeNow product through Kyocera's carrier relationships and to make available the AskMeNow product on Kyocera handsets. There is a revenue share provision in the contract.

Our Industry

The growth of new technologies in recent years has resulted in a shift in our rapidly changing society as the need and desire for accessibility to information expands. It is no longer acceptable to make an airline reservation from 9am-5pm by calling a travel agent; nowadays we expect to have access at all times to multiple media that will provide us with all of the necessary info for booking a flight. This is a trend that is not limited to the travel industry. Sports fans do not wait for their local news to broadcast the score of their favorite teams' game; rather, they see it scrolling across the bottom of the television screen, or posted on their favorite websites, or have the score alerts sent to their mobile device. Investors do not wait for the morning paper to check stock quotes, but expect to see them streaming across CNBC or showing up in real time on their computer screens.

Fueled by technology's impact on the hunger for information, the Internet is now being surfed by millions of people at any given time, with over 51% of Americans signing on daily.[1] Millions of people perform searches each hour and millions more send emails each day, and these numbers continue to grow, as nearly 75% of American households now have Internet access at home, a 7% growth since October 2003.[2] To be able to stay in constant contact, over 200 million Americans now own cell phones, with nearly four out of five American households now having a wireless phone. Wireless users are expected to send over 50 billion text messages in 2007, making mobile SMS an estimated $2 billion industry, with thousands more purchasing new phones daily.[3]

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[1] *2005 Media Comparison Study*. MediaCenter, 22 March 2005.

[2] Kelsey Group - Constat Inc Research Study, 23 March 2005.

[3] *Local Mobile Search - Hold the Phone*. C-Net, 10 March 2005.

The move from the television screen to the computer screen is taking the obvious progression to the cell phone, sometimes referred to as the "third screen", and AskMeNow seeks to be at the forefront of this shift. The competition among cellular carriers has resulted in a near saturation and a bottom line for offerings and pricing of mobile phone calling, which is highly evident in the heightened carrier concentration experiencedrecently. The newest trend for mobile device makers and distributors is data and content. Ring tones, wallpaper, email, and mobile web browsers have all seen great rises in users and monetary value in recent times as the market sees a shift from simple cell phones to fully portable multi-media mobile devices. Over 58% of mobile subscribers use their device for something other than making phone calls, with users utilizing their device to play games, take and share pictures, download ring-tones, and enter web browsers. Of those who used their device to go online, 57% sought weather info, 41% accessed maps and directions, 44% looked up news and sports scores, and 40% checked movie and entertainment listings. A large percentage of users are communicating through text messages - 52% subscribers age 25-34, 37% of subscribers age 35-44 and 68% of subscribers age 18-24 sent or received text messages regularly.[4]

As a cutting edge technology that has become common place, mobile phones reach an audience that crosses all demographics and age groups, although research shows that early adoption of new mobile applications and devices is heaviest amongst younger age groups that are highly sought after by marketers. Nearly half of 12-14 year olds own a cell phone, up almost 300% since February 2002, and almost 75% of 15-18 year olds carry a mobile device. A majority of these younger users are interested in multifunction cell phones that offer greater access to different types of media, including cameras and MP3 players.[5] Americans in general are searching for more ways to access more information at all times, as consumers' spending for online content grew by 14% to $1.8 billion in FY2004.[6]

Marketers are already starting to see the potential for getting their message out in highly targeted ways through new emerging media. As total U.S. advertising spending rose 9.8% in 2004 to $141.1 billion,[7] online advertising saw its highest ever yearly spend of $9.6 billion, and an unparalleled 32% increase year-to-year.[8] The strongest growth amongst the online advertising sector has been in advertiser paid-search, which now makes up 36% of all U.S. online advertising, and is expected to grow by 24% per year over the next five years.[9] Prices for a paid search[10] have also seen a significant rise, up approximately 20%. Where only a few years ago advertisers would have paid an average of $.50 to $2.00 for top of the page listings for key search terms, prices have escalated to approximately $25.00 per click.[11] Marketers are beginning to realize the value of contextually supplying messages and furthering it with the ability to reach their highly targeted users anywhere and anytime via their mobile devices. One out of four college students has reported receiving an advertisement on their mobile device,[12] which is a number that is expected to grow exponentially in the coming months and years.

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4 *'Mobile phones are for more than phoning' (M:Metrics Benchmark Report)* - Center For Media Research, 23 March 2005.

5 *NOP MKids Study*. NOP World Technology, 10 March 2005.

6 Online Publishers Association / ComScore Media Metrix, 10 March 2005.

7 TNS Media Intelligence Report, 8 March 2005.

8 Interactive Advertising Bureau Report, 22 February 2005.

9 Merrill Lynch Equity Research, 21 March 2005

10 A "paid search" refers to the method of buying and selling advertising space that is sold as an attachment to Internet searching.

11 *Search Advertising's Success Finds Rates Rising Rapidly*. Yahoo! News, 24 March 2005.

We believe that the industry of technology and information is on the rise and at a point where media convergence and shifts in thought paradigm necessitate individuals' ability to access vast arrays of information with the simple push of a button while on the move in a matter of moments. We believe that the convergence of increasingly sophisticated, data-enabled cellular phones and the demand for useful content will be a unique opportunity to create our niche within the market and establish our company as the industry standard.

Our Products & Services

We believe that this societal paradigm shift and reliance on technology to make greater amounts of information more readily accessible opens the door for a mobile application like the AskMeNow service. We are a services based company, focused on increasing the productivity of individuals by enhancing the functionality of mobile devices. Our AskMeNow service allows consumers to easily use their mobile device to access a world of information by email or text message. In today's world, there is a direct correlation between access to information and productivity, and AskMeNow seeks to provide more information to the mobile user, with the goal of making them more productive than ever before.

In our opinion, AskMeNow is the only service that combines the basic products and services already offered by online search engines, mobile carriers, and wireless applications into one concise product. We believe AskMeNow surpasses each of the other offerings by creating a synergy that empowers the consumer with the ability to access a world of information through a text message or email, thus providing an effective and comprehensive resource for the busy mobile individual.

We believe the AskMeNow servicecan be offered currently to any country where English is the spoken language and, when available in other languages, to users in other countries in which we have developed the service. Further, we believe our service will be suited to countries that have significant cellular penetration in the population, and substantial enterprise usage.

AskMeNow™ Basic

AskMeNow provides two ways to access our service, text message or through a downloaded application. We currently offer applications for most Blackberry devices and many other popular handsets, including models by Motorola, Kyocera, Palm, Nokia, and others. The applications provide templates to ask basic questions and offer an opportunity for the user to pose an AskMeAnything question in natural language. The template creates a framework for questions in the most commonly asked information verticals. Verticals are companies who are partners because they offer extensions of similar products. A vertical partner would be someone that distributed a similar product into a particular market segment. Verticals include directory assistance, weather, stock quotes, directions, sports scores, movie times, dictionary, flight information, shopping, restaurants, horoscopes and news. Under each category the user is prompted to enter the exact information needed to give them an accurate response. For example, weather requires a zip code or city & state, stock quotes requires a ticker symbol and the traded market, and sports scores require the league and the team name. Once the correct information is entered into the template, the user simply pushes send and an email or text message (depending on the user's device) is sent to our research queue The answers to these AskMeNow™ Basic questions will be automatically culled from our content partner's databases through the unique Extensible Markup Language (or "XML") feeds we have established. The answers are correctly formatted, then paired with an appropriate contextually based paid advertisement or marketing message and sent directly back to the end user's device. We are currently expanding our template to offer additional categories.

[12] *Ball State University Study on Wireless Messaging*. Michael Hanley, February 2005.

AskMeNow™ Alerts

We have also developed an information alert service that will enable users to customize content that they would like to receive without having to submit a question to AskMeNow. Users could select from a range of information based on their personal interests, preferences, and availability from our content partners, and have content sent directly to their device at pre-arranged times. The content possibilities are wide-ranging and will offer information for all types of people and interests.

AskMeNow™ Premium Services

AskMeNow™ Premium will offer users the following:

- Real-time stock quotes sent directly to their mobile devices (stock quotes from AskMeNow™ Basic carry a 20 minute delay) for a flat monthly rate. Anticipated release will be in late 2007.

- Access to a full suite of concierge services, ranging from booking travel plans, making restaurant reservations, purchasing gifts, and more. Users will simply text message, email, or phone in their requests and a live operator will fulfill their desires and let them know once it has been completed. Anticipated release will be year end of 2007.

- Ringtones, games, and wallpaper.

AskMeNow™ Enterprise

Utilizing the licensed software from Expert System/Cogito, we anticipate offering an AskMeNow™ enterprise solution that will enable any business with a database of information to incorporate their information into our servers without an advanced technologist and at limited cost. We will provide a secure environment, from original database to end user, to permit controlled access to information. We envision that enterprises will be able to create their own icon in the AskMeNow service that is accessible by either their own employees or customers at large. For a monthly fee, companies will be able to provide their own database to employees in the field for real time access to vital information. Further, we anticipate being able to provide an enterprise with an ability to share its database of information with the AskMeNow customer base through a simple text message request or application. We are currently in a beta test with a handset manufacturer to utilize our technology to deliver customer service and product help information to end users.

AskMeNow™ Content Portal

Our ability to create repetitive usage with our customers will depend in great part on the selection of content we provide. We are attempting to create a technology that will enable “easy to integrate” tools for any content. Our goal is to offer any preexisting content provider on the Internet the ability to share its realm of information to our end users at a minimal charge. By satisfying the end user’s demand for information, we will generate far more queries into the AskMeNow system, helping to generate more and better advertising placements.

ConTEXTual™ Marketing / Ad Services

AskMeNow™ Ad Services offers marketers and advertisers a platform for messaging potential customers. Taking advantage of our relationship with our customers, we are able to extend the reach of an advertiser directly to the end consumer. Our customers are mobile; our messages are targeted and reach our users while on the go.

One goal of advertisers is to provide their specific offering at the moment a potential user is ready to use a product or service. AskMeNow supports this goal by connecting advertisers with potential customers when those customers inquire about relevant products. Our customer base is developed with personal demographic information, interests and location depending upon the phone. All questions are categorized, enabling a targeted end consumer that has been decoded for subject matter, past inquiries, personal interests, and location. This means an advertiser or marketer who places a ConTEXTual Marketing Message through our service is reaching a large audience of targeted potential customers when their message means the most. Advertisers therefore can limit or eliminate the need to pay for unnecessary impressions at inopportune times amongst individuals with a low chance of ever using their product or service.

Since every company and product/service is different, we offer currently offer advertisers and marketers a variety of ways to ConTEXTually Market through the AskMeNow™ Ad Services:

- ***Brand Texting*** - Corporate or product brand names can be positioned for awareness on a cost per message basis and sent to targeted users.

- ***Vertical Texting*** - Advertisers can bid on keywords and information categories (verticals) so that their product or service can be marketed exclusively to users who ask questions that concern their desired vertical, use particular keywords, etc. Vertical texting is the third screen equivalent of paid search and allows marketers to relay their brand’s message directly to those interested in their vertical.

- ***Performance Texting -*** Pay per performance (inquiry) based program - text messaging targeted users with message to contact advertiser. Based on cost per call to unique 800 number, cost per click (not available on all consumer devices), cost per request for additional info, cost per use of coupon code at website, etc.

- ***Coupon Texting*** - Electronic coupons text messaged back to users and redeemable at a given location. Sent to highly individualized users at time of decision and point of purchase.

The richness of the media impression delivery differs depending upon the end user's device. With a BlackBerry™ and other smart-phones that receive email, we have the ability to make marketers' messages theoretically infinite in size, and to include graphics, text, pictures, click-through links, etc. On newer cell phones we also have the ability to send media impressions via MMS (meta-messages) or a WAP gateway (a mini website link). On older cell phones we have the ability to stay within the 160 text only character limit of the SMS format. As current and new mobile users adopt more modern, improved devices, we expect that AskMeNow's ability to deliver marketer's media impressions in increasingly rich format will continue to grow.

As technology progresses and greater numbers of new, more sophisticated devices are adopted by the cell phone using public, we will be able to take advantage of our content partners existing relationships to allow for much greater targeting and local advertising. We anticipate that new avenues of potential advertisers and marketers will help allow us to evolve our advertising services offerings and garner depth amongst users, making our service more valuable to marketers.

Premium Services; Enterprise Fees

We anticipate recurring revenue to be generated from enterprise fees as we establish relationships with companies positioned to share access to their databases with either employees or the general public. Cellular carriers have shown enormous interest in sampling this product for their own internal needs, in the United States and abroad. We believe that it is of vital interest to carriers to provide easy data integration for businesses of all sizes, potentially creating a strategy for reducing churn.

Local Yellow Pages: Smart Ads

As part of our ability to provide users simple access to information without having to search the web on their phone, we plan to introduce an innovative process for businesses to provide basic information, as well as advertisements, directly to our end users. For the millions of businesses in the United States that have no means to advertise on the Internet, we will be offering a free listing in the AskMeNow™ Smart Ads directory. Businesses can create their own messages that can be changed at any time. The fees for messages created beyond the free listing will range from $3.00 per month to $25.00 per month. Customers will have easy access to a listing of all businesses in their area by category.

Billing

While we believe that our pricing structure is attractive, to maximize our revenues the use of our services must be seamless, including the payment methods. We are currently integrated with Simple Wire, an SMS code integrator, which provides us the ability to seamlessly bill customers of the major carriers in the United States. In Canada, we are integrated with Rogers Wireless and can bill directly through Rogers for all of their customers. Over time, we hope to establish relationships direct with cellular carriers that will provide retention of a greater percentage of our revenue.

Sales & Marketing

Like the introduction of any new product or service, the success of our marketing is preeminent to our success as a company. Our business model provides for the marketing of our AskMeNow service through two overlapping but distinct channels, retail and wholesale. Retail channels involve using our own resources to directly target end-users and create avenues for them to become AskMeNow customers. Wholesale channels include leveraging our relationships and co-marketing efforts directed at handset makers, third party distributors, wireless carriers, content providers and advertisers.

Retail Marketing - Direct to the End User

For AskMeNow to become a viable business and competitor in the mobile content and information world, we believe its initial service launch to the general public of over 200 million mobile device users nationwide will have to be supported by a substantial direct-to-consumer marketing push. To coincide with the launch and to garner a sizeable user base in America and Canada, the Company plans a large national television advertising campaign. In support of this goal, in the fourth quarter of 2006 we test marketed the advertisements nationally and received positive results. These advertisements will be supplemented by strategic media placements and publicity/promotional support. All retail marketing, directed at the end user, will be intended to increase sign up at www.askmenow.com or through our one of our partner relationships and to strengthen brand awareness.

The television campaign will include 30 second spots designed to display the product and brand as easy to use, informative, and available for free to all mobile device users. The ads will be positioned towards our heaviest users - young adults, business professionals, and technology early adopters. We expect that the campaign will run in heavy rotation on the leading cable television networks in the top 100 markets nationwide. Our current television spot is available for viewing on our website in our Press Room and appeared in the top 100 markets in the United States on local cable channels for the months of October and November, 2006.

Wholesale Channels

The growth of AskMeNow is dependent upon distribution of our products and services, henceforth we have a concentrated effort to partner with as many companies that are interested in sharing revenue from distribution of our products and services.

Manufacturers

- Research in Motion - Research In Motion Ltd. is a leading designer, manufacturer and marketer of innovative wireless solutions for the worldwide mobile communications market. RIM has agreed to promote the AskMeNow service with us, and in 2004 we were accepted as a BlackBerry ISV Alliance Program Member. The initial term of this agreement was one year, with automatic one-year renewals unless earlier terminated. Being a BlackBerry Alliance Program Member means that AskMeNow will be featured within the BlackBerry™ Partner Newsletter that is accessed by RIM’s reseller community and the BlackBerry Connection™ email newsletter that is distributed to BlackBerry customers.

- Kyocera - In 2006, we signed a distributor agreement with Kyocera, which we believe will provide the potential to have Kyocera promote the AskMeNow service to its customer base, which is made up of cellular carriers and Mobile Virtual Network Operators (“MVNOs”).

Mobile Carriers

- Canadian Carriers - We are currently under contract with the largest Canadian carrier, Rogers Wireless, and in the proposal stage with two of the next largest carriers in Canada. Rogers Wireless has launched our product as an application for Blackberry devices and we will soon be releasing new applications for more of their handsets. We anticipate co-marketing our service with Rogers in the coming months as more applications become available. Rogers has recently lowered the price for using our service to $.25 Canadian per inquiry.

- U.S. Carriers - Currently, we have a distribution agreement with Alltel Wireless, a leading cellular carrier with over 10 million users. Alltel is promoting our downloadable applications for a variety of phones and our text messaging product. Alltel charges $3.99 a month for unlimited use for the downloadable applications and $1.99 for unlimited use of our text messaging product. It also is promoting these products through a marketing campaign that directs users to a specific site that provides a signup offering.

Resellers

- Handango - We have a distributor relationship with Handango, a large online reseller of applications for mobile devices. Handango began selling our application in the fourth quarter of 2004, and has sold over 2,000 customers the AskMeNow downloadable application for variety of phones for a price of $4.99 a month. We continue to utilize Handango and intend to increase the applications to be sold to include many popular brands of phones.

Content Providers

We have developed a number of content and distribution relationships with a variety of online portals that utilize the AskMeNow service to distribute their content, via a mobile platform, while at the same time using their resources to promote the shared service and acquire new AskMeNow customers.

Development & Production

During 2005, we created AskMeNow, Inc. (Philippines), our wholly-owned foreign subsidiary with over 100 employees that provides our back-end research for queries, engineering to help develop and manage our software and hardware, and an accounting department to manage both our American and offshore operations.

Technology

We have filed for provisional patents for our proprietary systems and software and have currently developed/implemented the following technology:

- The current hardware configuration is comprised of seven servers that house the Microsoft 2000 Web Service. We operate on two Linux Servers that house our Java applications.
- The AskMeNow™ Call Center Application has been developed in .Net framework. The backend or relational database management system that is currently being utilized is Microsoft's SQL Server. We believe that the combination of .Net and SQL Server permits us to extend the functionality of the application efficiently and rapidly.
- The AskMeNow™ Call Center Application is used by our web-researchers, and the graphical user-friendly interface allows for all researchers to answer questions accurately as well as efficiently.
- We have developed a website, http://www.askmenow.com, that offers users insight into the AskMeNow service and provides valuable information about the products we offer, how to use them, product benefits and features, answers to FAQ's, contact information, and the ability to sign up for the service.

We have developed the software codes that are used in the AskMeNow service. To protect our proprietary rights, we currently rely on copyright, trademark and trade secret laws, confidentiality agreements with employees and third parties, and agreements with consultants, vendors and customers, although we have not signed such agreements in every case. Despite such protections, a third party could, without authorization, copy or otherwise obtain and use our intellectual property. We can give no assurance that our agreements with employees, consultants and others who participate in development activities will not be breached, or that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by competitors. We have filed for a provisional process patent for our software that covers our methodology for processing questions and answers through our Manila facility and a provisional patent for the delivery of advertisements on a mobile device, both of which are based upon using natural language. In general, there can be no assurance that our efforts to protect our intellectual property rights through copyright, trademark and trade secret laws will be effective to prevent misappropriation of our intellectual property. Our failure or inability to protect our proprietary rights could materially adversely affect our business, financial condition and results of operations.

Content

We have established relationships with leading content providers in a variety of information verticals that our integral to AskMeNow's success.

Currently we have the following strategic relationships:

- Custom Weather
- Sports Reference
- Maptuit
- W3Data for 411 information
- Hotels.com
- Alpha Trade
- StubHub.com
- FlyteComm.com
- Cinema Source
- Shopping.com
- Astrology.com
- Distributive Networks
- Comtex

AskMeNow's ability to access already existing, quality content in major information verticals is critical to our success as it greatly reduces the time and costs associated with researching and answering users' questions. The content strategy is to acquire the most widespread amount of data and information feeds from industry leaders, beginning in the verticals that are most frequently the subject of questions. The more content in different areas that we have to offer, we believe the more attractive we become as a service. Eventually we aim to have content on direct feeds that covers anyone who carries a mobile device, providing content specific to their interests, gender, age, location, and more. While content deals are not a necessity for answering all of our user's questions, we feel that as we move forward and garner a larger customer base, our ability to quickly and effectively access a vast array of information will greatly enhance the service and make it far more desirable to the end user.

Competition

To our knowledge, AskMeNow is the first product of its kind to be offered and downloaded to cell phone users. The only companies that could be considered in 'like' businesses are OnStar, telephone-carrier supported 411, and Google SMS™. There are also a number of start-up companies offering automated content, some for a fee and some for free, such as 4Info and Jump Tap. Based on our research, none of these services offer the ability to answer any question and therefore we believe that the AskMeNow service stands out as the only source for answers to any question on a cell phone without getting links.

OnStar

- 2.5 million subscriptions with the target audience in-vehicle systems
- Majority owned by General Motors
- Single Button press on vehicle console connects driver to OnStar operator
- Monthly fees range from $16.95 for minimum service to $69.95 for full service, including concierge service that provides driving directions, restaurant reservations and movie times lookup
- Of the top seven categories of inquiries, all are related to the automobile and driving directions.

Carrier Supported 411

- Limited to simple directory assistance for phone number and address look-up, and simple directions.
- Some of the services are beginning to offer answers to wider content subjects, such as driving directions and closest business to a specified location.

Google and Others

- Google also has just released its new SMS service that receives questions via text messaging and responds via text messaging. Based on our research, the service is limited in its range of categories answered, does not provide live operators, and appears to be somewhat inaccurate and slow.
- In 2002, former executives of Symbian and Psion PLC, two U.K. telecommunications companies, formed Issue Bits, an Internet-based question-answer service that operates only in a text messaging format and is currently available only to selected U.K. mobile phone users.
- 4Info is a venture-funded startup company that offers an SMS messaging service with much of the same content as AskMeNow or Google SMS. Our research shows, however, that the company is only able to offer shallow amounts of information and does not have the capability to answer natural language questions that require accessing unstructured data.
- Jump Tap is a search engine dedicated to mobile phones which tries to provide relevant answers with popular key word requests. Our research shows, that their service is similar to Google and Yahoo mobile search and is being offered to carriers and MVNO's as a white label mobile search platform.

Research and Development

Research and development activities are undertaken by the Company on its own initiative to improve our existing products and to develop new products using the latest technology that can satisfy customer requirements. During the years ended December 31, 2006 and December 31, 2005, the Company spent $222,005 and $338,998, respectively, on research and development activities.

Employees

As of April 9, 2007, we employed 12 full-time employees in the United States, including 9 members of management. Our Philippines subsidiary employs approximately 100 persons.

Item 2. Description of Property.

The Company's principal operating offices are located at 26 Executive Park, Suite 250, Irvine, California 92614. The lease is for approximately 2,641 square feet under a 3-year lease ending in 2008, at a current monthly rental rate of $5,779. We lease approximately 1,100 square feet of office space under a month-to-month lease in Deerfield Township, Ohio at a monthly rent of $2,523. We lease approximately 300 square feet on Long Island, New York at a monthly rent of $1,455.

We also lease approximately 1,100 square meters of office space under a one-year lease in Makati City, Manila, Philippines at a monthly rent of $6,130, which lease expires September, 2007. There is an option for a second year on this lease at a rent that may be increased by a maximum ten percent for the renewal term.

The Company evaluates on a continuing basis the suitability and adequacy of all of its branch office locations. The Company believes its present facilities are adequate for its operating purposes, in good operating condition and well maintained.

Item 3. Legal Proceedings.

The Company has been advised that there are 448,420 outstanding warrants to purchase common stock of the Company, a portion of which may still be exercisable despite former management's representation and warranty that there were no outstanding warrants at the time of the Reverse Merger. Included in these warrants are 300,000 claimed to be exercisable at $0.25 per share through August 15, 2007. The alleged holder of these warrants, a former consultant of the Company, has filed a lawsuit in the United States District Court for the Southern District of New York (06 CV 609) seeking specific performance of an agreement which provided for "piggyback" registration rights and seeking to have the Company include the 300,000 shares underlying the warrants in its pending registration statement on Form SB-2. Notwithstanding the fact that the subject matter of the lawsuit is still in dispute, the Company has agreed to register the shares. The Company has answered the complaint, denied the claims and the court has given the plaintiff until April 13, 2007 to amend its complaint or the Company will be given the opportunity to have the complaint dismissed.

In December 2005, the Company received a claim from an attorney for Marshall Stewart, the former CEO of the Company. Mr. Stewart was employed by the Company under an employment agreement dated September 1, 2004. Mr. Stewart was to be compensated $180,000 per year in base salary plus bonuses through August 31, 2007. Mr. Stewart's claim is for a breach of contract alleged to have occurred in late 2004 when the Company was under the control of Consumer Direct of America, the Company's principal shareholder ("CDA"), and for CDA's failure to advise the Company's stockholders of the sale of the Company until after the Reverse Merger. As of December 31, 2006, the Company has not accrued any expense related to the claim and no further developments have occurred regarding this claim.

On May 5, 2006, a judgment by default in the amount of $604,391 was entered in favor of IndyMacBank, F.S.B., in the Los Angeles Superior Court against Ocean West Holding Corporation, OWE and CDA and Does 1 through 100, inclusive. The underlying complaint brought by a federal bank alleged a default by OWE under settlement agreements with the plaintiff bank, which had purchased certain loans from OWE, however the complaint did not state a cause of action against the Company. Pursuant to Section 13.3 of the Securities Exchange Agreement and Plan of Reorganization dated as of April 14, 2005, the Company gave CDA notice of a breach of the representations and warranties set forth in, among other things, Section 5.5 of the Exchange Agreement. In addition, CDA assumed and agreed to indemnify the Company from any and all liabilities as of May 23, 2005, whether known or unknown, pursuant to the Assignment and Assumption of Liabilities Agreement of the same date. Personal service upon the Company's registered agent was claimed; however, the Company was never served and will seek to remove the judgment.

The Company has been advised by Pioneer Credit Recovery, Inc. that the U.S. Department of Treasury has placed with Pioneer an account owed to it by Ocean West Enterprises, Inc., a former OWE subsidiary of the Company. The former principals of OWE did not disclose that they and OWE had guaranteed three HUD loans in the aggregate amount of $151,980. In the event a claim is made against the Company by Pioneer, the U.S. government or any agency or instrumentality thereof, or any other party, the Company will seek indemnification from the former principals of OWE, CDA and their respective affiliates under both the Exchange Agreement and an Assignment and Assumption of Liabilities Agreement dated May 23, 2005 that the Company entered into with the former principals in connection with the Reverse Merger. As of December 31, 2006, the Company had not accrued any amount for this guarantee.

The Company will pursue all avenues to make sure it is made whole for the above misrepresentations and omissions; however, there can be no assurance the Company will not be adversely affected by such breaches. In the event a claim is made against the Company by any of the above-mentioned parties, or by any others, the Company will seek indemnification from the former principals of OWE, CDA, and their affiliates under both the Exchange Agreement and the Assignment and Assumption of Liabilities Agreement.

The Company may also be subject to routine litigation in the ordinary course of business.

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

On November 27, 2006, we filed a Definitive Information Statement with the Securities and Exchange Commission, notifying our stockholders of: (i) the amendment to our Certificate of Incorporation to change our name from Ocean West Holding Corporation to AskMeNow, Inc., (ii) the amendment to our Certificate of Incorporation to increase the number of shares of authorized common stock from 30,000,000 to 100,000,000 shares and (iii) the amendment to our Certificate of Incorporation to eliminate the provisions allowing for cumulative voting, all of which are contained in the Company's Amended and Restated Certificate of Incorporation. We obtained the written consent to effectuate each of the foregoing items without a meeting from the holders of more than a majority of our issued and outstanding shares of common stock on March 4, 2005, and filed the Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on December 18, 2006.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities.

The Company's common stock is traded on the Over-The-Counter Bulletin Board under the symbol "AKMN.OB" The following table sets forth the high and low bid information for the Company's common stock for each quarter during the last two fiscal years, as reported by OTCBB. The quotations listed below reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

	Common Stock	
Year Ended December 31, 2006:	High	Low
Quarter Ended March 31, 2006	$2.28	$0.96
Quarter Ended June 30, 2006	$1.39	$0.77
Quarter Ended September 30, 2006	$0.97	$0.23
Quarter Ended December 31, 2006	$0.87	$0.25
Year Ended December 31, 2005:		
Quarter Ended March 31, 2005	$0.15	$0.07
Quarter Ended June 30, 2005	$1.30	$0.18
Quarter Ended September 30, 2005	$3.62	$0.65
Quarter Ended December 31, 2005	$5.00	$1.91

On April 9, 2007, the closing price of our common stock as reported on the OTCBB was $0.65 per share.

Stockholders

As of April 9, 2007, there were approximately 1,180 holders of record of our common stock.

Dividends

In the fiscal year ended December 31, 2006, we did not pay any cash dividends on any shares of our common stock. We do not anticipate paying any dividends on our common stock in the foreseeable future. The decision to pay dividends on our common stock will depend on our situation with regard to profitability and cash availability.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth, as of December 31, 2006, certain information regarding the securities authorized for issuance under the Company's equity compensation plans and programs. For more information on these plans, please see Note 10 to the Consolidated Financial Statements included herewith.

Equity Compensation Plan Information Table

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders			
2005 Management and Director Equity Incentive Stock Option Plan	1,920,000	$0.82	80,000
Equity compensation plans not approved by security holders	1,702,000	$0.50	1,298,000
Options issued under 2006 Employee Stock Incentive Plan	4,100,000	$0.50	-0-
(1)	8,335,000	$0.50	-0-
Options issued to Officer/Directors (2)	483,123	$2.00	-0-
Warrants issued with Preferred Stock (3)	848,420	$0.46	-0-
Warrants issued with Common Stock (4)	1,000,000	$0.50	-0-
Warrants issued for services (5)	200,000	$0.50	-0-
Warrants issued for financial services (6)	52,500	$2.00	-0-
Warrants issued for IR services (7)			
Warrants issued in settlement of debt (8)			
Total	18,641,043		1,378,000

(1) The 2006 Employee Stock Incentive Plan was approved and adopted by the Board of Directors on August 4, 2006, and is scheduled to become effective upon the approval of the Company's stockholders either at an annual or special meeting held within on year from the date of adoption by the Board of Directors.

(2) The Company has and will likely continue to provide non-qualified stock options to officers and directors as part of their annual compensation. (See Item 10. Executive Compensation)

(3) The Company has and will most likely continue to attach warrants to issuances of preferred stock as additional consideration to preferred holders in order to attract equity investment. These warrants are necessary based on the significant level of risk involved in such an investment and the financial condition of the Company.

(4) The Company has and will most likely continue to attach warrants to issuances of common stock as additional consideration to common holders in order to attract equity investment. These warrants are necessary based on the significant level of risk involved in such an investment and the financial condition of the Company.

(5) From time to time, the Company has issued warrants to providers of legal and consulting services in lieu of cash payments for those services.

(6) The Company has and will most likely continue to issue warrants to financial advisors who assist with the placement of the Company's debt or equity instruments. The issuance of warrants to these advisors reduces the cash costs that would otherwise be associated with raising capital.

(7) The Company has generally included warrants in compensation agreements for providers of investor relations and/or public relations services. This practice significantly reduces the cash costs to the Company in order to obtain these services.

(8) During 2006, the Company issued warrants as part of the final payment of an outstanding note payable.

Recent Sales of Unregistered Securities

Preferred Stock

On April 25, 2006, the Company designated 1,500,000 shares of 10% (PIK) Series A preferred stock, $0.01 par value. Each share has a face value of $10.00 and a 10% dividend rate, or $1.00 per share payable in-kind. The Series A preferred stock ranks senior to the Company's common stock and each share has a $10 per share liquidation preference. The Series A preferred stock has no voting rights except as provided by the Delaware General Corporation Law.

The Series A preferred stock was originally offered in the form of a Unit, with each Unit consisting of (i) 5,000 shares of Series A preferred stock, and (ii) warrants to purchase 50,000 shares of the Company's common stock, exercisable for a period of three years at a price of $1.00 per share. On July 20, 2006, a supplement to the private placement memorandum used in connection with the offering of such Units was approved, which supplement re-priced the offering and modified the preferred stock offered. All investors that had invested in the Series A private placement were offered an opportunity to exchange their shares of Series A preferred stock into shares of Series B preferred stock that were identical in all respects to the Series A shares except for the conversion price, which was reduced to $.50 per share. In addition, the number of warrants issued per Unit was increased from 50,000 to 100,000 warrants while the exercise price remained at $0.50 per share. The number of warrants issued to the placement agent also increased from 1,000,000 to 2,000,000, exercisable at $.50 per share of common stock rather than $1.00 per share (or such proportionately smaller number if less than the maximum offering amount was raised). As of December 31, 2006, there were 362,500 shares of Series A preferred stock issued and outstanding, with accrued dividends of $224,027 due on such shares.

On July 20, 2006, the Company designated 1,600,000 shares of Series B preferred stock, $0.01 par value. Each share has a face value of $10.00 and a 10% dividend rate, or $.50 per share payable in-kind. The Series B preferred stock ranks senior to the common stock and on parity with the Series A preferred stock, and each share has a $10 per share liquidation preference. The Series B preferred stock is convertible into common stock at a price of $.50 per share. The Series B preferred stock has no voting rights except as provided by the Delaware General Corporation Law. As of December 31, 2006, there were 235,500 shares of Series B preferred stock issued and outstanding, with accrued dividends of $98,287 due on such shares.

As of December 31, 2006, the Company had completed the sale of a total of 120 Units of the Series A and B preferred stock offering for gross proceeds of $5,980,000 ($3,625,000 from the sale of 362,500 shares of Series A preferred stock, and $2,355,000 from the sale of 235,500 shares of Series B preferred stock). The placement agent in connection with such offering received at the initial closing warrants to purchase, with a cashless exercise feature, 1,000,000 shares of common stock of the Company, exercisable at $.50 per share, as well as (1) an aggregate of $608,000 sales commissions, (2) $162,000 in non-accountable expenses, and (3) 1,060,000 shares of common stock.

On September 7, 2006, the Company designated 400,000 shares of Series C preferred stock, $0.01 par value. The Series C preferred stock is not entitled to receive dividends, ranks senior to the common stock, and each share has a $.01 per share liquidation preference. The terms of the Series C preferred stock provided that such shares would automatically be converted on a one for ten basis into ten shares of common stock of the Company at such time as the Company's Certificate of Incorporation was amended to increase the number of authorized shares of common stock. The Company's Amended and Restated Certificate of Incorporation became effective on December 18, 2006, which provided for an increase in the number of authorized shares of common stock from 30,000,000 to 100,000,000 shares. On January 10, 2007, the Series C preferred stock was converted into 4,000,000 unregistered restricted common shares. The Series C preferred stock has no voting rights except as provided by the Delaware General Corporation Law. As of December 31, 2006, there were 400,000 shares of Series C preferred stock authorized, all of which were issued and outstanding. Such shares were issued to financial advisors of the Company in connection with negotiations with Expert System for an exclusive software license agreement.

Common Stock

Between January and July 2006, the Company issued 87,900 shares of unregistered restricted common stock to a non-employee professional services firm for past investor relations services. The Company calculated a fair value of $71,875 for these shares based on the value of the shares on the date of issuance and recorded the amount as an administrative expense as of December 31, 2006.

Between April and December 2006, the Company sold the placement agent 537,500 shares of unregistered restricted common stock at a price of $.001 per share in connection with the agent's placement of shares of the Company's Series A preferred stock. The shares issued to the placement agent were in accordance with the offering agreement. The Company recorded the amount as a direct offering cost.

In April, 2006, the Company issued 60,000 shares of unregistered restricted common stock as additional interest to a note holder, with a fair market value of $68,400 on the date of issuance. The value was recorded as debt discount and amortized over the life of the debt. As of December 31, 2006 the discount was fully amortized.

In April, 2006, the Company issued 200,000 shares of unregistered restricted common stock to the Company's Chief Executive Officer as a bonus valued at $208,000, the fair market value on the date of issuance. The Company recorded the entire amount as employee compensation in the second quarter of fiscal 2006.

In August, 2006, the Company sold the placement agent 522,500 shares of unregistered restricted common stock at a price of $.001 per share in connection with the agent's placement of shares of Series A preferred stock. On July 20, 2006, a supplement to the private placement memorandum provided for, among other things, a re-pricing of the offering and the compensation to be paid in shares to the placement agent. The additional shares issued to the placement agent were in accordance with the restructured offering. The Company recorded the amount as a direct offering cost.

In August, 2006, the Company issued 150,000 shares of unregistered restricted common stock to a vendor in lieu of payment for services provided. The Company determined a value for the shares of $48,000 based on the fair market value of the stock at the time the services were performed. The Company recorded the entire amount as general and administrative expense in the third quarter of fiscal 2006.

In August, 2006, the Company sold to various financial advisors an aggregate 1,000,000 shares of unregistered restricted common stock at a price of $.001 per share as compensation for services rendered in connection with negotiations with Expert System S.p.A. The Company determined a value for the shares of $300,000, with $299,000 recorded as professional fees and $1,000 recorded as a subscription receivable in the third quarter of fiscal 2006. The subscription receivable was offset as an administrative expense due to reimbursable costs incurred by the financial advisors as of December 31, 2006.

In September, 2006, the Company issued an aggregate 470,375 shares of unregistered restricted common stock to certain stockholders in accordance with a lock-up agreement entered into by such stockholders with the Company. Holders of shares of common stock of the Company who agreed not to sell their common shares until three months after the effective date of the registration statement covering the underlying shares of the July 20, 2006 amended preferred stock offering were given a 5% stock fee as compensation. The Company determined a value for the shares of $371,596 based on the fair market value of the stock upon issuance of the stock fee. The Company recorded the entire amount as general and administrative expense in the third quarter of fiscal 2006.

Options and Warrants

Between April and December 2006, the Company issued warrants in accordance with the Series A and Series B preferred stock offering. The Series A holders received 3,625,000 warrants to purchase the Company's common stock, exercisable for a period of three years at a price of $1.00 per share. The Series B holders received 4,710,000 warrants to purchase the Company's common stock, exercisable for a period of three years at a price of $0.50 per share. The placement agent in connection with such offering received warrants to purchase, with a cashless exercise feature, 1,000,000 shares of common stock of the Company, exercisable at $.50 per share.

In March, 2006, the Company issued 52,500 common stock warrants to a note holder with an exercise price of $2.00 per share for financing fees on $350,000 of notes expiring in five years. The Company recorded the fair market value of the warrants based on the fair value of the warrants estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 172%, risk-free interest rates of 4.50%, and expected lives of five years. The Company recorded $108,622 in financing fees in the first quarter of fiscal 2006.

In July, 2006, the Company issued 200,000 common stock warrants to a vendor with an exercise price of $0.50 per share for past services rendered. The Company recorded the fair market value of the warrants based on the fair value of each warrant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219%, risk-free interest rates of 4.84%, and expected lives of five years. The Company recorded a $69,000 professional fee expense in the third quarter of fiscal 2006.

In August, 2006, the Company issued warrants to purchase 200,000 shares of common stock to a vendor with an exercise price of $0.50 per share for past services rendered. The warrants vest with respect to 100,000 shares three months after the date of grant and with respect to the second 100,000 shares six months after the date of grant. The Company recorded the fair market value of the 183,333 vested warrants based on the fair value of each warrant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219%, risk-free interest rates of 4.84%, and expected lives of five years. The Company recorded $21,000 and $37,000 in general and administrative expense for the fiscal 2006 third and fourth quarters, respectively.

The securities described above were offered without registration under the Securities Act of 1933, as amended (the "Securities Act"), or state securities laws, in reliance on the exemptions provided by Sections 4(2) and 4(6) of the Securities Act, Rule 506 of Regulation D promulgated thereunder and Regulation S promulgated thereunder and in reliance on similar exemptions under applicable state laws. The facts relied upon to make the exemption available in certain cases were those provided to the Company by the accredited investors in their subscription agreements. Except as otherwise indicated, there was no underwriter or placement agent compensation in these transactions.

Repurchases by Issuer and Affiliated Purchasers

There were no purchases made by or on behalf of the Company or any affiliated purchaser of any shares of common stock of the Company during the fourth quarter of fiscal year 2006.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The following discussion of the Company's financial condition and results of operations should be read in conjunction with the Company's audited ocnsolidated financial statements and notes thereto contained in this Annual Report on Form 10-KSB.

Forward-Looking Statements

Certain statements contained in this discussion and analysis that are not related to historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are predictive or that depend upon or refer to future events or conditions, or that include words such as "believes," "anticipates," "expects," "intends," "estimates," "plans, " "hopes," or similar expressions consitute forward-looking statements. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates), ongoing business strategies or prospects, or possible future actions by us are also forward-looking statements.

These forward-looking statements are based on beliefs of our management as well as information currently available to the Company and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated or implied by such forward-looking statements. These risks are described more fully under the caption "Risk Factors" herein and include our ability to raise capital; our ability to settle litigation; our ability to retain key employees; economic conditions; technology advances in the moble search field; demand and market acceptance risks for new and existing technologies, and mobile information content services; the impact of competitive services and pricing; U.S. and international regulatory, trade, and tax policies; product development risks, including technological difficulties; and foresseable and unforseeable foreign regulatory and commercialization factors.

Should one or more of such risks or uncertainties materialize or should underlying expectations, projections or assumptions prove incorrect, actual results may vary materially from those described. Those events and uncertainties are difficult to predict accurately and many are beyond our control. We believe that our expectations with regard to forward-looking statements are based upon reasonable assumptions within the bounds of our current business and operational knowledge, but we cannot be sure that our actual results or performance will conform to any future results or performance expressed or implied by an forward-looking statements. We assume no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date of these statements except as specifically requried by law. Accordingly, past results and trends should not be used to anticipate future results or trends.

General

AskMeNow, Inc., formerly Ocean West Holding Corporation, is a holding company and parent of InfoByPhone, Inc., a Delaware corporation. InfoByPhone is a communications technology company that provides users of handheld cellular devices with access to information regardless of location through its AskMeNow™ Service. The service is a new mobile information content service that enables users of any mobile device, with text messaging/SMS or email capability, to email, or text message questions. An answer is then text messaged or emailed back to the consumer’s mobile device, usually within a matter of minutes.

The Service is accessible virtually anytime and anywhere, through virtually every current way that wireless technology allows people to communicate via a mobile device. Using proprietary software and proprietary methods, the service has the research capability to answer information-based questions, including questions regarding current news and events, sports scores, historical statistics, weather, entertainment, stock quotes and market data, driving directions, travel schedules and availabilities, emergency disaster information, comparison shopping, restaurant information and reservations, director assistance, and random trivia (literature, history, science, etc.). Once information is accessed from third party strategic partners, it is refined to a format suitable for easy reading on the screen of a user’s mobile device and emailed or text messaged back to the user.

The service was launched from beta in November of 2005. The release has been directed primarily to cell phone users in the United States and Canada. We currently generate fees from user inquiries. In the future, we expect to generate revenues through fees generated from advertisers utilizing our ad space to promote products and by charging customers that ask questions that are not able to be asked in our templated formats. We also expect to generate revenue from affiliate partnerships that provide our customers with the opportunity to purchase ring tones, wallpaper, games and other items.

Reverse Merger

Effective June 6, 2005, pursuant to a Securities Exchange Agreement and Plan of Reorganization dated as of April 14, 2005, by and among the Company, InfoByPhone, Inc. and the shareholders of InfoByPhone, the Company acquired InfoByPhone in a reverse merger (the “Reverse Merger”). In connection with the transaction, InfoByPhone became a wholly-owned subsidiary of the Company, as the Company acquired all of the issued and outstanding shares of common stock of InfoByPhone and issued for an aggregate of 5,586,004 shares of authorized but unissued shares of common stock, par value $0.01, of the Company, that with 500,000 shares issued to Vertical Capital Partners, Inc. (n/k/a Arjent Ltd.) as a finder's fee, constituted approximately 56% of the capital stock of the Company.

Critical Accounting Policies

We have identified the policies outlined below as critical to our business operations and an understanding of our results of operations. The list is not intended to be a comprehensive list of all of our accounting policies, many of which are described in greater detail in the notes to the consolidated financial statements included herewith. In many cases, the accounting treatment of a particular transaction is specifically dictated by accounting principles generally accepted in the United States, with no need for management’s judgment in their application. The impact and any associated risks related to these policies on our business operations is discussed throughout Management’s Discussion and Analysis or Plan of Operation where such policies affect our reported and expected financial results. Note that our preparation of the financial statements requires us to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of our financial statements, and the reported amounts of revenue and expenses during the reporting period. There can be no assurance that actual results will not differ from those estimates.

Revenue Recognition. The Company recognizes revenue for all submitted questions at the time of the inquiry. For advertising space sold, the company recognizes revenue over the period the advertisement is displayed.

Research and Development. Research and development expenses include payroll, employee benefits, and costs associated with product development. The Company has determined that technological feasibility for its software products is reached shortly before the products are released. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

Stock Based Compensation. Effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123 (revised), “Share-Based Payment”, which replaces SFAS No. 123, “Accounting for Stock-Based Compensation”, and supersedes Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees”, and related interpretations. SFAS No. 123(R) requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within SEC Staff Accounting Bulletin No. 107, which provides the views of the staff of the SEC regarding the interaction between SFAS No. 123(R) and certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

In adopting SFAS No. 123(R), the Company applied the modified prospective approach to transition. Under the modified prospective approach, the provisions of SFAS No. 123(R) are to be applied to new awards and to awards modified, repurchased, or cancelled after the required effective date. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date shall be recognized as the requisite service is rendered on or after the required effective date. The compensation costs for that portion of awards shall be based on the grant-date fair value of those awards as calculated for either recognition or pro-forma disclosures under SFAS No. 123.

For a more detailed discussion, see Note 2 - Summary of Significant Accounting Policies in the Notes to our Consolidated Financial Statements included herewith.

Results of Operations

Fiscal Year Ended December 31, 2006 as compared to Fiscal Year Ended December 31, 2005

Revenue

Revenues for the fiscal year ended December 31, 2006 were $27,846, an increase of $17,003, or 157%, over revenues of $10,838 for the year ended December 31, 2005.

The increase in our sales was due to the Company rolling out its AskMeNow service on a per use basis to new subscribers of SMS service during the fiscal year ended 2006. During the year ended December 31, 2006, the Company also generated revenue from ESPN cellular and other customers on a per use basis, although the Company has been notified that ESPN terminated their mobile service as of December 31, 2006. The potential impact from the loss of the ESPN revenue approximates $13,600 based on the revenue received in fiscal 2006. Despite this development the Company expects sales to increase as the service is deployed with Rogers Wireless and a rollout of our SMS product occurs on a national scale. In addition, the Company anticipates an increase in sales in the United States as it expands its current marketing program during 2007.

Revenues for the year 2005 were $10,838, an increase of $7,990, or 281%, over revenues of $2,848 for the period January 7, 2004 (Inception) to December 31, 2004. The increase in our sales was due to the Company rolling out its AskMeNow service on a subscription basis in its mobile services division.

Costs and Operating Expenses

Cost of Revenue

Cost of revenue for the year ended December 31, 2006 amounted to $1,679,307, an increase of $726,942 or 76%, over cost of revenue of $952,365 for the same period ended December 31, 2005. The increase relates primarily to an increase in payroll costs incurred by the Company as it implemented its mobile services. The Company expects to continue to incur significant costs in its mobile services division as it continues to expand its services offering. Most of the costs are derived from its call center in the Philippines and fixed amounts paid to third-party content providers.

Cost of revenue for 2005 amounted to $952,365, an increase of $877,431, or 1,171% over the period January 7, 2004 (Inception) to December 31, 2004. The Company has incurred significant costs in its mobile services division as it implements its services. Most of the costs are derived from its call center in the Philippines and amounts paid to third party content providers.

Research and Development

For the year ended December 31, 2006, our research and development expenditures were $222,008, a decrease of $116,993, or 35%, over research and development expenses of $338,998 for the same period ended December 31, 2005. This decrease was primarily the result of a reduction in payroll expenses for product development activities as the Company worked to deploy its SMS product on a national scale. The Company expects to incur additional research and development expenses as it enhances its services and features.

In 2005, our research and development expenses were $338,998, an increase of $305,966, or 926%, over expenses of $33,032 for the period January 7, 2004 (Inception) to December 31, 2004. This increase was a result of the Company's continued development of its services and products in its mobile services division.

General and Administrative

General and administrative expenses for the ended December 31, 2006 amounted to $2,906,843, an increase of $370,863, or 15%, over general and administrative expenses of $2,535,980 for the year ended December 31, 2005. The increase primarily resulted from $371,596 of shareholder lockup fees paid in the form of shares of common stock. In addition, for the year ended 2005, the Company reclassified $1,582,275 in stock compensation expenses paid to various financial and investor relations consultants as general and administrative expense. Without the effect of this change, the 2006 amount would have resulted in an increase of $1,953,138, or 205%, over the originally recorded amount of $953,705 for fiscal year 2005. During 2006, the Company added additional employees and incurred increased rent, travel, and office expenses as it implemented its business plan. The Company’s significant general and administrative costs are for travel costs, consulting fees, insurance premiums, facilities and office expenses, public and/or investor relations services, marketing-related costs, and amortization/depreciation charges.

General and administrative costs, before an adjustment for the above reclassification, increased to $953,705 for the year ended December 31, 2005, an increase of $673,778, or 241% compared to $279,927 for the period January 7, 2004 (Inception) to December 31, 2004. The Company incurred these additional expenses as it implemented the rollout of its business plan in its mobile services division during fiscal 2005.

Professional Fees

Professional fees for the year ended December 31, 2006 were $2,622,590, an increase of $1,971,823, or 303%, over professional fees of $650,767 for the year ended December 31, 2005. The increase is in part related to a financial advisory fee of $1,450,000 paid through the issuance of common stock and preferred stock, and in part to an overall increase in financings, SEC filings, and agreements negotiated during the year ended December 31, 2006. Professional fees consist of legal and accounting fees associated with the Company’s SEC reporting obligations and attorney fees associated with various contracts and agreements prepared on behalf of the Company.

Professional fees increased $522,922, or 409%, to $650,767 for the year ended December 31, 2005, as compared to $127,845 for the period January 7, 2004 (Inception) to December 31, 2004. The increased professional fees generally related to legal and accounting costs associated with the Company's reverse merger transaction and SEC reporting obligations.

Salaries and Compensation

Salaries and compensation expense during the year ended December 31, 2006 increased by $3,643,222 to $3,947,217, or 1,200%, over expenses of $303,995 for the same period ended December 31, 2005. This increase is primarily related to the $2,453,523 of compensation expense taken pursuant to SFAS No. 123(R) for employee stock option plan and other officer and director compensation. Due to a change in accounting treatment under SFAS No. 123(R), the Company was required to record the employee stock compensation over the period in which the employees are required to provide services. In addition, in anticipation of increased operations, the Company hired several new executives, as well as expanded Philippines call center operations, both of which contributed to the overall increase in payroll costs during the fiscal year ended December 31, 2006.

Payroll expense increased $105,130, or 53%, to $303,995 for the year ended December 31, 2005, as compared to $198,865 for the period January 7, 2004 (Inception) to December 31, 2004. The Company had begun to staff up its operations during fiscal 2005 in anticipation of increased operations in its mobile services division.

Other Income / Expense

Derivative Warrant Expense

The derivative warrant expense during the year ended December 31, 2006 was $1,004,571, compared to $0 during the year ended December 31, 2005. This expense is the result of insufficient authorized shares being available for delivery under existing commitments to convertible preferred shareholders, warrant holders and stock options holders that were exercisable during the year ended December 31, 2006. The Company’s amended and restated Certificate of Incorporation became effective on December 18, 2006, which provided for an increase in the number of authorized shares of common stock from 30,000,000 to 100,000,000 shares. The increase in authorized shares provided the Company with sufficient authorized and unissued shares to settle any outstanding contracts for common shares and, therefore a net loss of $1,004,571 was recorded on the re-calculation of the conversion features at December 18, 2006.

Interest Expense

Interest expense during the year ended December 31, 2006 was $206,483, an increase of $202,297over interest expense of $4,186 for the year ended December 31, 2005. The increase was a result of the interest paid in connection with the Company's bridge loans and included the issuance of warrants and common stock as interest paid.

Interest expense increased to $4,186 for the year ended December 31, 2005, as compared to $0 for the period January 7, 2004 (Inception) to December 31, 2004. Interest expense increased primarily as a result of the debt associated with a bridge loan that was repaid during 2005.

Discontinued Operations

We incurred a net loss from discontinued operations in the year ended December 31, 2005 of $4,044,267, resulting primarily from impairment of goodwill of $6,338,357 and a loss of $906,787 from June 6, 2005 to December 30, 2005, which were offset in part from a gain of $3,200,877 on the sale of a subsidiary. The Company did not record any loss from discontinued operations for the fiscal year ended December 31, 2006.

Income Taxes

The income tax expense during the year ended December 31, 2006 was $12,832, compared to $0 during the year ended December 31, 2005. This expense is the result of a deferred foreign tax accrued on behalf of the Company's Philippine subsidiary.

Net Loss

The net loss for the year ended December 31, 2006 before discontinued operations and taxes totaled $12,561,170, compared with $4,775,453 for the same period in 2005, an increase of $7,785,717 or 163%. The increase resulted primarily from the non-cash charges for derivative warrant expense as well as other non-cash stock, warrants and options which were issued for services. The net loss applicable to common shareholders for the year ended December 31, 2006 was $12,574,002, or $0.46 per share, on 27,228,935 weighted average common shares outstanding. This compared with the net loss applicable to common shareholders for the year ended December 31, 2005 of $8,819,720, or $0.59 per share, on 15,028,793 weighted average common shares outstanding.

Liquidity and Capital Resources

Product development, the national rollout of our SMS product, initial sales, financial advisors, expansion of service offerings, call center operational staffing in the Philippines, and administrative and executive personnel are and will continue to be the principal basis for our cash requirements. We have provided operating funds for the business since its inception through private offerings of debt and equity to U.S. accredited and foreign investors. We will be required to make additional offerings in the future to support the operations of the business until our products and services reach profitability and are fully introduced into the market. We used $5,241,050 and $2,042,741 for the years ended December 31, 2006 and 2005, respectively, in operating activities.

We were able to raise $5,209,796 in net proceeds from the sale of convertible preferred stock during the year ended December 31, 2006, compared to $3,502,033 from the sale of common stock for the same period in 2005. The proceeds of the preferred stock and common stock offerings were used to continue product development, introduce the product into the market, and pay current operational expenses.

The Company's plans for additional capital include the possibility of raising convertible equity or debt in order to continue the funding of operations until such operations provide a positive cash flow. Between January 1, 2006 and February 26, 2007, the Company raised an aggregate $725,000 in subscriptions for 72,500 additional shares of Series B preferred stock. The Company paid $99,000 in placement fees and issued 140,000 shares of common stock to the placement agent in connection with such sales of preferred stock. As of February 27, 2007 this offering was closed to any new funding.

Beginning in February, 2007, the Company commenced a bridge loan offering of up to $3 million principal amount of 12% Senior Promissory Notes due and payable 90 days from the date of issuance unless extended by the Company for up to an additional 90 days. The Company will issue warrants to purchase four shares of common stock for every $1.00 principal amount of notes issued. As of April 9, 2007, the Company had borrowed $375,000 and issued warrants to purchase 750,000 shares of common stock. The Company paid $12,250 in placement fees in connection with such issuance of bridge notes.

At December 31, 2006, the Company had $61,279 cash on hand, a decrease of $98,343, or 62% compared to $159,622 as of December 31, 2005. This cash position results from our loss from operations and our inability to raise sufficient new capital, due in part to unfavorable financial market conditions for small mobile content search companies such as ours. We were unable to raise sufficient funds during the 2006 fiscal year to maintain adequate cash reserves and to meet the ongoing operational needs of the business.

We incurred approximately $20,036 and $241,651 in capital expenditures for the years ended December 31, 2006 and 2005, respectively. Capital expenditures are defined as disbursements for computer equipment, office furniture and leasehold improvements with a purchase price in excess of $1,000 per item and a useful life in excess of one year. The decrease in expenditures was due to a conservation of capital and the adequate supply of capital items within the Company. To the extent available, we intend to use approximately $150,000 of our financing proceeds for additional computer equipment, servers and office furnishings as our market expansion continues and additional staffing is required.

In addition, the Company announced on April 12, 2007 that it had entered into a letter of intent to acquire 100% of the capital stock of Expert System S.p.A. The transaction is subject to the Company obtaining required financing for the combined entity, audited financial statements, execution of employment agreements with management, necessary due diligence, the execution of a definitive acquisition agreement, third party and governmental consents and other customary closing conditions. This acquisition is contemplated to close within the next three to four months, so long as the funding is in place to meet the terms of the letter of intent. The Company's plans for satisfying the terms of the financing required and funding operations include the possibility of offering convertible equity or debt, as well as the issuance of shares of common stock. The Company's funding requirements and the ability to obtain such funding are continuously subject to uncertain financial market conditions for an early-stage company as well as uncertain geo-political and global economic conditions.

We incurred $150,000 in the purchase of a software license and services agreement with Expert System S.p.A., which grants the Company an exclusive worldwide perpetual license (exclusive of Italy) for the mobile communications industry to use the Cogito® Contact Mobile Product and the Expert System Technology of Text Mining for structured and unstructured databases, natural language query and answer capability. The Company had previously signed a letter of intent with Expert System on August 22, 2006 that summarized the scope of the agreement with regard to license, service and payment provisions. At the signing of the letter of intent, the Company paid $150,000 as a start-up phase initial payment. Additional payments required will include payment upon integration of each content database with a commitment of at least ten databases in the first 150 days after signing the agreement. Further, a license fee per single computer server is due in twelve monthly installments each commencing the month following the installation of the software. The on-going technical support commences upon integration of the tenth database and requires a per month fee for twelve months. Subsequent to completion of the twelve month start-up phase Expert will receive a percentage of the net revenue through year seven. The term of the agreement starts upon the commencement date for installation and continues until the seventh anniversary date of the conclusion of the start-up phase. The first database integration was completed in December 2006 and the fee of $39,000 was accordingly recorded as an expense.

Our operations have been, and will continue to be, dependent upon management's ability to raise operating capital in the form of equity or debt securities. We have incurred significant operating losses totaling $22,188,567 since inception of the business and the Company estimates that it may require up to $500,000 per month to launch its product through 2007. We expect that on-going operating expenditures will be necessary to successfully implement our business plan and develop, manufacture and market our products. Specifically, we anticipate that our total operating expenses will continue to increase in future periods as our sales increase. Included in these anticipated increases are salaries and benefits for additional employees, and increased marketing and advertising expenses. We also anticipate that our professional fees will continue to increase as we seek to raise additional capital. We cannot, however, at this time predict the amount of any of these increases. Our revenues are not expected to be sufficient to fund our operations for the next twelve months and we anticipate that we will incur losses for the foreseeable future until such time as we can significantly increase our revenues. Because of the early stage of our business, the highly competitive nature of our industry and our lack of sufficient working capital, it is unlikely that we will be able to increase our revenues in the near future to a level which will sustain our operations and enable us to report a profit. There can be no assurance that we will be able to obtain additional capital to meet our current operating needs or to complete licenses of technologies. If we are unable to raise sufficient adequate additional capital or generate profitable sales revenues, we may be forced to substantially curtail product development and other activities, and may be forced to cease operations. These factors as well as our net loss to date and net cash used in operations raise substantial doubt about our ability to continue as a going concern. The report of our independent registered public accounting firm on our consolidated financial statements as of December 31, 2006 contains an explanatory paragraph expressing uncertainty with respect to our ability to continue as a going concern as a result of our net losses, working capital deficiency, stockholders' deficiency and cash used in operations.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

RISK FACTORS

You should carefully consider the following risk factors in evaluating our business. There are a number of risk factors that could cause our actual results to differ materially from those that are indicated by forward-looking statements. Some of the risks described relate principally to our business and the industry in which we operate. Others relate principally to the securities market and ownership of our common stock. The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties that we are unaware of, or that we currently deem immaterial, also may become important factors that affect us. If any of the following risks occur, our business, financial condition or results of operations could be materially and adversely affected. You should also consider the other information included in this Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006.

RISKS RELATING TO THE COMPANY

Qualified financial statements question the Company's ability to continue in business.

The Company's independent registered public accounting firm issued a unqualified report with an explanatory paragraph on the Company's audited financial statements as of and for the year ended December 31, 2006. Their report raised substantial doubt about the Company's ability to continue as a going concern. In addition, Note 13 of our Notes to Consolidated Financial Statements for the year ended December 31, 2006 states that the Company's continued existence is dependent upon its ability to raise capital and successfully market and sell its products. We have had an extensive history of losses and may continue to incur losses as we pursue our business model. See "Report of Independent Registered Public Accounting Firm" and Note 13 of Notes to Consolidated Financial Statements.

AskMeNow has only limited revenue to date and is dependent on a single product.

AskMeNow currently offers only one product, the AskMeNow™ service, and anticipates that this product will account for substantially all of the Company's revenues, if any, for the foreseeable future. All of the proceeds of our July 2005 offering were used to launch and commercialize our AskMeNow service and the proceeds of our 2006-2007 preferred stock offering were also used to commercialize our product. Therefore, the prospects for our initial services are entirely dependent upon the future performance of a single product and a single business. We do not have the resources to re-introduce our product or to diversify our business if our initial product launch is unsuccessful.

We were recently organized and have a limited operating history.

AskMeNow organized its first operating company in January 2004, completed our reverse merger and became a public reporting company in June 2005, and has a limited operating history upon which we can accurately forecast future sales. You should, therefore, consider us subject to all of the business risks associated with a new business. The likelihood of our success must be considered in light of the expenses, difficulties and delays frequently encountered in connection with the formation and initial operations of a new and unproven business.

The loss of our CEO's services or the departure of key personnel could have a detrimental effect on the Company.

Our success depends on identifying, hiring, training, and retaining qualified professionals. If a significant number of our current employees or any of our senior managers resign, we may be unable to complete or retain existing projects or bid for new projectsof similar scope and revenue. The Company's success is highly dependent on the retention of existing management and technical personnel, particularly Darryl Cohen, the Company's President, Chief Executive Officer and sole executive officer. Although the Company has entered into a three-year employment agreement with Mr. Cohen, at this stage in the Company's history, the loss or unavailability of his services could seriously impede its ability to complete the development of the AskMeNow service. Stockholders could lose a substantial portion of their investment, if not their entire investment if the Company was to lose the services of Darryl Cohen for any extended period of time.

We require work for hire agreements with substantially all of our technical and professional employees. The invention and confidentiality provisions contained in the work for hire agreements may not be enforced by a court if the Company were to seek to enforce its rights under these provisions. Even if we retain our current employees, our management must continually recruit talented professionals for our business to grow. These professionals must have skills in software development, business strategy, marketing, branding, technology, and creative design. We compete intensely for qualified personnel with other companies. If we cannot attract, motivate, and retain qualified professionals, our business and results of operations will be materially and adversely affected. The Company also risks being unable to timely attract the highly skilled, experienced and motivated employees necessary to execute its business strategy.

If we cannot establish sufficient usage of the AskMeNow service among cell phone and hand-held device users, our business will fail.

We will be successful only if a significant number of cell phone and hand-held device users adopt our service as a method of making inquiries over their cell phones and hand-held devices. Cell phone and hand-held device users have a variety of other search techniques, including other search engines and subject-matter directories, available to them to obtain information. It is difficult to predict the rate at which users will sample our services and the extent to which they will adopt them as their search technology. Even in the case of repeat users, it is difficult to know whether they return to our service because they are satisfied with our offerings or because they are dissatisfied with the alternatives. At any time, users of our services might revert to prior search techniques or choose new search techniques altogether. It is possible that sufficient acceptance of our search technologies and services will not occur in order to maintain our viability, based upon the current alternative options available to cell phone users and the potential of cell phone users not having any interest in the services we provide.

Our growth will depend on our ability to attract and retain new users through effective promotional campaigns.

We believe that favorable consumer and business community perceptions of the Company's brands are essential to our future success. Accordingly, we intend to continue pursuing brand-enhancement strategies, which may include mass market and multimedia advertising, promotional programs and public relations activities. As with any public awareness campaign, we face the risk that our expenditures might not lead to the desired result; that is, we might not experience any net increase in our brand recognition, brand loyalty or number of new users. Furthermore, even if such increases occur, they might not be sufficiently large to justify the accompanying expenditures. If we are unable to promote brand awareness and loyalty in a cost-effective manner, it will be unlikely that we will attract new users and our existing user base might shrink through attrition. We intend to allocate approximately $250,000 in 2007 to promotions geared toward increasing customer usage. This assumes we will be able to raise sufficient capital to pay for these promotions through debt and equity financings, combined with revenue generated from advertising sales and enterprise licensing fees; however, we may be unable to support this level of promotion without the required capital.

Our success is dependent on our ability to develop and expand our customer base and expand into new markets and industries.

Our success will depend on our ability to market the AskMeNow service, and to continue to develop and introduce new products and professional services that keep pace with competitive introductions and technological developments, satisfy diverse and evolving customer requirements, and otherwise achieve market acceptance. Any failure by us to anticipate or respond adequately to changes in technology, or any significant delays in our development efforts, could make our services unmarketable or obsolete. We may not be successful in developing and marketing quickly and effectively. In addition, we may not be able to offer future versions or upgrades of our products that respond to technological advances or new market requirements.

Our future success depends on our ability to continue to improve our existing products and to develop new products using the latest technology that can satisfy customer requirements. We cannot be certain that we will successfully complete these enhancements within the necessary time period or that customers will accept our new products, or any future products. Our failure to complete the enhancement of these products or the failure of our current or future products to gain or maintain market acceptance could have a material adverse effect on our business, financial condition and results of operations.

Our future success will depend on our ability to respond to the rapid technological change in the markets in which we compete.

The market for the AskMeNow service is characterized by rapid technological developments and frequent new product introductions, enhancements and modifications. Our success will depend in large part on our ability to develop new technologies that anticipate changing customer requirements. We may need to make substantial capital expenditures and incur significant research and development costs to develop and introduce new products and enhancements. If we fail to timely develop and introduce new technologies, our business, financial condition and results of operations would be adversely affected.

If we cannot obtain additional financing we may have to delay or suspend our operations.

As of January 1, 2006, the Company had limited cash on hand. Since then, additional financing has been needed to ensure our ability to fund our operations. The Company has received interim loans aggregating approximately $927,500, all but approximately $102,000 of which has been repaid as of December 31, 2006. On February 27, 2007, the Company completed its private offering of preferred stock, which had commenced on March 21, 2006, and pursuant to which the Company received total gross proceeds of $5,980,000 and total net proceeds of $5,209,796. The Company used all of such proceeds to implement its business plan and is in the business of seeking additional financing.

If we are to fully implement our business plan, we anticipate that our use of cash will be substantial for the foreseeable future, and will exceed our cash flow from operations during the next 12 months and thereafter, absent a significant increase in sales. To fully implement our business plan, we will require additional working capital for increasing our infrastructure, salaries and wages, and increased marketing and advertising. Unless funds from operations significantly increase over the next 12 months, we will not have significant working capital to hire additional employees, marketing or otherwise pursue our business plan.

Any additional equity financing may be dilutive to stockholders, and any debt financing, if available, may involve restrictions on the Company's ability to pay dividends on its capital stock or the manner in which the Company conducts its business. The inability to obtain sufficient funds may require the Company to delay or suspend its operations.

The Company is dependent on third-party providers and consultants.

The Company relies on a number of third-party providers to obtain information necessary to answer queries posed by users, deliver advertisements, and build applications for the AskMeNow service. The Company has obtained agreements from the parties whom the Company deems necessary; however, the Company does not have agreements with every such party, and the agreements it does have may be terminated and may therefore deny AskMeNow access to certain providers. Should the Company be unable to enter into satisfactory arrangements with these parties or in the event of the failure of any third-party supplier, consultant, or other provider to timely perform their obligations or commitments, the AskMeNow service would be unable to operate in an efficient manner which could result in the loss of customers or a curtailment of its operations. Our content providers are either paid a small monthly fee for access to content, ranging from $1,000 - $2,000 per month, or are free with a revenue share based upon advertising revenue. We have signed contracts with advertising promoters that are primarily revenue sharing agreements based upon volume and other factors. We have had relationships with consultants that provide technology assistance; such consultants are paid by either a prearranged fee for specific work or are paid by the hour.

The operating performance of computer systems and cell phone provider infrastructure is critical to our business and reputation.

Any system failure, including network, software or hardware failure due to a computer virus or otherwise, that causes an interruption in our service or a decrease in our responsiveness could result in reduced cell phone and hand-held user traffic and reduced revenues for our business. In addition, any disruption to our customers' use of our service due to problems with cell-phone or hand-held networks may result in a reduction in the use of our service, which would decrease our revenues.

Our international operations expose us to additional risks and additional international expansion efforts might lose money.

Our main facility for the AskMeNow service is located in the Philippine Islands. We employ most of our full time employees in the Philippines and we intend to increase the size of that staff to handle increased volume of inquiries. Our foreign operations are subject to various risks associated with international operations, including:

- the impact of business cycles and downturns in foreign economies;
- political and economic instability and armed conflicts;
- longer payment cycles and greater difficulty in accounts receivable collections;
- time and resources required to comply with foreign regulatory requirements;
- unexpected changes in regulatory requirements;
- difficulties and costs of staffing and managing foreign operations;
- potential tax liabilities if our transfer-pricing practices are successfully challenged by the tax authorities of the nations in which we operate;
- reduced protection for intellectual property rights in some countries;
- unanticipated tax costs associated with the cross-border use of intangible assets;
- fluctuations in currency exchange rates;

- difficulty in maintaining effective communications with employees and customers due to distance, language and cultural barriers; and

- competition in international markets from a broad range of competitors.

Existing or new competitors may develop competing or superior technologies.

We have developed and are continuing to develop our AskMeNow service. The Company is aware of several similar products that will likely compete with the AskMeNow service. Larger companies such as Google have the capital, technology, personnel, and marketing strength to support their existing products and develop new products to compete with the AskMeNow service. It is possible that competing services will emerge that may be superior and/or less expensive than the Company's AskMeNow service, or that similar technologies may render the AskMeNow service obsolete or uncompetitive and prevent the Company from achieving or sustaining profitable operations.

All of these factors result in greater challenges from our existing competitors as well as increasing competition from new competitors and require us to continue to invest in, and focus on, research and development and new product innovation. Therefore, we may not be able to compete effectively in the future, which would have a material adverse effect on our business, financial condition and results of operations

If the protection of our intellectual property is inadequate, our competitors may gain access to our content and technology.

We seek to develop and maintain the proprietary aspects of our products and technology. To protect our proprietary content and technology, we rely primarily on a combination of contractual provisions, confidentiality procedures, trade secrets, and patent, copyright, and trademark laws. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products and intellectual property or to obtain and use information that we regard as proprietary. We will seek to avoid disclosure of our trade secrets through a number of means including, but not limited to, requiring those persons with access to our proprietary information to execute work for hire agreements and restricting access to our source codes. We seek to protect our software, documentation, and other written materials under trade secret and copyright laws, which afford only limited protection. We do not currently have patents for proprietary products or technologies, and other parties may have dominating patent claims**.** However, we have applied for patent protection for two different areas of our processes.

Other parties may have patent rights relating to the same subject matter covered by our products or technologies, enabling them to prevent us from operating without obtaining a license and paying royalties. The validity and enforceability of our proprietary technology, if any, may also be affected by future legislative actions or judicial decisions. We have received no trademark registrations, and may not receive any. Potential trademarks may not provide us with any competitive advantages. None of our trademarks may be registrable, and other parties may have priority of use of such trademarks or variants thereof. Policing unauthorized use of our products is difficult, and while we are unable to determine the extent to which piracy of our intellectual property exits, piracy can be expected to be a persistent problem. In addition, the laws and enforcement mechanisms of some foreign countries do not protect our proprietary rights as much as do the laws of the United States. Our means of protecting our proprietary rights may not be adequate and our competitors may independently develop similar technology, duplicate our products or design around patents issued to us or our content or other intellectual property.

Any claims, with or without merit, could be time-consuming, result in costly litigation, cause delays in implementation of our services or require us to enter into license agreements. Licenses, if required, may not be available on terms acceptable to us, the absence of which could seriously harm our business.

We may need to change our AskMeNow name if we are infringing upon a prior trademark.

The trademark of our AskMeNow name may not be registrable, as two other parties, to date, have asserted a priority of use of their marks. In this regard, the Company has been advised by two different companies that its AskMeNow name is infringing upon their service mark and trademark although no legal proceedings have been commenced. Although the Company believes that the names are different and the services provided are readily distinguishable, it may be forced to change its AskMeNow name. In such event, the Company will incur significant time and expense to change its name. It is possible that a change in name will cause significant harm to our company in branding that may have been created and by the difficulty in recreating a new brand under a different name. Stockholders may suffer adverse consequences in their investment as a result of any trademark infringement.

A breach of our security could damage our reputation and deter customers from using our services.

We attempt to protect our computer systems and network from physical break-ins, security breaches and other disruptive problems caused by the Internet or other users. Computer break-ins could jeopardize the security of information stored in and transmitted through our computer systems and network, which could reduce our ability to retain or attract customers, damage our reputation or subject us to litigation. We could be subject to denial of service, vandalism and other attacks on our systems by cell phone hackers. Although we intend to continue to implement security technology and establish operational procedures to prevent break-ins, damage and failures, these security measures might fail. Our insurance coverage might be insufficient to cover losses that result from such events.

In order to obtain market acceptance, we will need to expand our operations and we may not effectively manage any future growth.

As of April 9, 2007, we employed 12 persons in the U.S., including members of management, and approximately 100 in the Philippines. In the event our products and services obtain market acceptance, we will need to increase staffing and effectively train, motivate and manage our employees. We will need to scale up our operations in order to service our customers; however, there is significant risk due to these factors that may preclude us from ever operating profitably. If our systems, procedures, and controls are inadequate to support our operations, our expansion would be halted, and we could lose our opportunity to gain significant market share. Any inability to manage growth effectively would have a material adverse effect on our business, results of operations, and financial condition. In order to achieve and manage growth effectively, we must continue to improve and expand our operational and financial management capabilities. Failure to manage growth effectively could harm the Company’s business, financial condition, or results of operations.

A key part of our strategy is to grow, which may strain our resources, and we may not be able to manage our growth effectively. To manage future growth, we will be required to expand our management team and hire additional technical and skilled personnel, which we may not be able to do effectively. Our anticipated future growth in our operations will place a significant strain on our management systems and resources. We plan to add to our sales and marketing, customer support, and product development personnel. If we grow, we also will be required to continue to improve our operational and financial systems, procedures, and controls and expand, train, retain, and manage our employee base. Our future performance may also depend on the effective integration of acquired businesses. This integration, even if successful, may take a significant period of time and expense, and may place a significant strain on our resources.

Government regulation and legal uncertainties could harm our business.

Any new law or regulation pertaining to the cell phone usage and cell phone add-on services or the application or interpretation of existing laws could decrease the demand for our services, increase our cost of doing business or otherwise seriously harm our business. There is, and will likely continue to be, an increasing number of laws and regulations pertaining to the usage and cell phone add-on services. These laws or regulations may relate to liability for information retrieved from or transmitted over the cell phone, online content regulation, user privacy, taxation and the quality of products and services. Furthermore, the growth and development of electronic commerce may prompt calls for more stringent consumer protection laws that may impose additional burdens on electronic commerce companies as well as companies like us that provide electronic commerce services.

We file tax returns in such states as required by law based on principles applicable to traditional businesses. However, one or more states could seek to impose additional income tax obligations or sales tax collection obligations on out-of-state companies, such as ours, which engage in or facilitate electronic commerce. A number of proposals have been made at state and local levels that could impose such taxes on the sale of products and services through the cell phone or the income derived from such sales. Such proposals, if adopted, could substantially impair the growth of electronic commerce and seriously harm our profitability.

Legislation limiting the ability of the states to impose taxes on cell phone-based transactions was enacted by Congress. Legislation imposing a three-year moratorium on certain state taxes on electronic commerce transactions, known as the Internet Tax Freedom Act, was enacted by Congress in 1998, and subsequently extended to October 31, 2007. The moratorium applies to multiple or discriminatory taxes on electronic commerce, except for those in effect on the date of legislative enactment in 1998. It is unclear what action, if any, Congress might take next with respect to state taxation of electronic commerce and its failure to renew the current moratorium would allow states to impose new taxes on electronic and cell-phone based commerce. The imposition of such taxes on services such as ours could impair the growth of the electronic commerce marketplace and impair our ability to remain profitable.

In addition, we are not certain how our business might be affected by the application to cell phone commerce of existing laws governing issues such as property ownership, copyrights, encryption and other intellectual property issues, taxation, libel, obscenity and export or import matters. The vast majority of such laws were adopted prior to the advent of the cell phone. As a result, they do not contemplate or address the unique issues of the cell phone and related technologies. Changes in laws intended to address such issues could create uncertainty in the cell phone market. Such uncertainty could reduce demand for our services or increase the cost of doing business as a result of litigation costs or increased service delivery costs.

Due to the nature of the cell phone, it is possible that the governments of other states and foreign countries might attempt to regulate cell phone transmissions or prosecute us for violations of their laws. We might unintentionally violate such laws, such laws might be modified and new laws might be enacted in the future. Any such developments (or developments stemming from enactment or modification of other laws) could increase the costs of regulatory compliance for us or force us to change our business practices.

We may not be successful in our expansion efforts.

We have a strategy to expand our operations through strategic acquisitions. In the event that we are able to complete an acquisition, such an acquisition would present numerous challenges to us. These include the integration of the operations, technologies and management of the target with the Company. Any such acquisition also may result in special risks, including possible unanticipated liabilities, unanticipated costs, and diversion of management attention and loss of personnel. In the case of debt funding, there can be no assurance that we will have sufficient income from operations of such acquired companies to satisfy the interest payment, in which case, we will be required to pay them out of our operations, which may then be adversely affected.

Furthermore, there can be no assurance we will be able to successfully complete the integration of any future acquired business nor that such acquisition will be profitable and enable us to grow our business. Other than our recently announced letter of intent to acquire our software developer, Expert Systems S.p.A, we have no current plans, contacts, arrangements or understandings to acquire or merge with any entity.

We have discovered previously undisclosed liabilities associated with the Reverse Merger.

As disclosed under “Item 3 - Legal Proceedings” above, there were significant undisclosed liabilities that were either misrepresented to us or that we were unable to discover prior to the Reverse Merger. The indemnities and warranties which InfoByPhone received are not expected to fully cover such liabilities due to, among other things, the financial condition of OWE and the unresponsiveness of its principals to our demands. While we intend to fully pursue all legal recourse against such persons, our operations may be adversely affected by our failure to recover any such claims.

SECURITIES RISKS

***Investors may find it* difficult to trade or obtain quotations for our common stock.**

Although our common stock is quoted on the OTCBB, trading of our common stock is limited. There can be no assurance a more active market for our common stock will develop. Accordingly, investors must therefore bear the economic risk of an investment in our common stock for an indefinite period of time. Even if an active market develops, Rule 144 promulgated under the Securities Act, which provides for an exemption from the registration requirements under the Securities Act under certain conditions, requires, among other conditions, a one-year holding period prior to the resale (in limited amounts) of securities acquired in a non-public offering without having to satisfy the registration requirements under the Securities Act. We may not be able to fulfill our reporting requirements in the future under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or disseminate to the public any current financial or other information concerning us, as is required by Rule 144 as part of the conditions of its availability.

***Our common s*tock is considered "a penny stock" and as a result may be difficult to sell.**

Our common stock is subject to Rule 15g-9 under the Exchange Act. Our common stock is deemed to be a "penny stock" which is an equity security that has a market price of less than $5.00 per share or an exercise price of less than $5.00 per share, subject to specific exemptions. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our common stock and may affect the ability of investors to sell their shares. In addition, since our common stock is currently traded on the OTCBB, investors may find it difficult to obtain accurate quotations of our common stock and may experience a lack of buyers to purchase such stock or a lack of market makers to support the stock price or an adverse effect on our ability to raise additional capital.

***A significant number of* our shares are eligible for sale, and their sale could depress the market price of our stock.**

Sales of a significant number of shares of our common stock in the public market could harm the market price of our common stock. As additional shares of our common stock become available for resale in the public market pursuant to the registration of the sale of the shares issued in our recently completed preferred stock offering, and otherwise, the supply of our common stock will increase, which could decrease its price. We currently have a pending registration statement concerning the resale of 16,377,899 shares of our common stock and the holders of our issued and outstanding preferred stock have registration rights concerning the shares of underlying common stock. Some or all of the shares of our common stock may be offered from time to time in the open market pursuant to Rule 144, and these sales also may have a depressive effect on the market for the shares of our common stock. In general, a person who has held restricted shares for a period of one year may, upon filing with the SEC a notification on Form 144, sell into the market our common stock in an amount equal to the greater of 1% of the outstanding shares. Such sales may be repeated once each three months, and any of the restricted shares of our common stock may be sold by a non-affiliate after they have been held for two years.

***Our* authorized share capital may be used as an anti-takeover device.**

The Company currently has authorized for issuance 100 million shares of its common stock and 10 million shares of its preferred stock. The preferred stock may be issued in series from time to time with such designations, voting and other rights, preferences and limitations as the Board of Directors may determine. The Board of Directors will have the authority to issue a significant number of shares of both our common stock and preferred stock without further stockholder approval. This may have an anti-takeover effect of delaying or preventing a change of control without further action by our stockholders. Although the preferred stock is not designed to prevent a change in control, it could be used to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control of the Company and therefore protect the continuity of the Company's management.

***We do not anticipate paying dividends in the foreseeable future, and the lack of dividends m*ay have a negative effect on our stock price.**

We have never declared or paid any cash dividends or distributions on our capital stock. We currently intend to retain our future earnings to support operations and to finance expansion and therefore we do not anticipate paying any cash dividends on our common stock in the foreseeable future.

***We* may interpret or implement critical accounting policies incorrectly.**

We follow generally accepted accounting principles for the United States in preparing our financial statements. As part of this work, we must make many estimates and judgments about future events. These estimates affect the value of the assets and liabilities, contingent assets and liabilities, and revenue and expenses that we report in our financial statements. We believe these estimates and judgments are reasonable, and we make them in accordance with our accounting policies based on information available at the time. However, actual results could differ from our estimates, and this could require us to record adjustments to expenses or revenues that could be material to our financial position and results of operations in future periods.

Item 7. Financial Statements.

Our financial statements and notes thereto and the related report of our independent registered accounting firm following Item 14 of this Annual Report on Form 10-KSB are filed as part of this report and are incorporated herein by reference.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

On July 28, 2005, the Company engaged Webb & Company, PA to act as the independent public accountant to audit the Company's financial statements for the year ending December 31, 2005, replacing De Joya & Company. The Company made this change because InfoByPhone had become the sole operating company of the Company, and it was deemed desirable to use InfoByPhone's existing auditors, Webb & Company, on a going-forward basis. This change in the Company's independent public accountant was approved by the full Board of Directors of the Company on July 28, 2005. De Joya & Company did not audit the Company's financial statements for any fiscal year period. The firm was engaged on January 31, 2005 to replace Chavez & Koch, CPA, which firm resigned because it decided to no longer represent public companies and did not renew its certificate with the Public Company Accounting Oversight Board. Chavez & Koch was the Company's independent auditor and examined the financial statements of the Company for the fiscal year ending September 30, 2004. AskMeNow changed it's fiscal reporting year end to December 31 in 2004.

The audit report of Chavez & Koch on the financial statements of the Company as of and for the fiscal year ended September 30, 2004 did not contain an adverse opinion or disclaimer of opinion, nor were they modified as to uncertainty, audit scope or accounting principles, other than to contain an explanatory paragraph as to the Company's ability to continue as a going concern.

During the period from October 1, 2003 through July 28, 2005, there were no disagreements between the Company and De Joya & Company, or the Company and Chavez & Koch, whether or not resolved, on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to De Joya & Company's or Chavez & Koch's satisfaction would have caused either firm to make reference to the subject matter of the disagreement(s) in connection with its reports.

During the period from October 1, 2003 through July 28, 2005, the Company did not consult with Webb & Company with respect to any matters or reportable events listed in Item 304(a)(2)(i) and (ii) of Regulation S-B.

Item 8A. Controls and Procedures.

Evaluation of disclosure controls and procedures

The Company's chief executive officer, who is also the Company's chief financial officer, has reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this annual report. Based on that review and evaluation, the chief executive officer has concluded that the Company's current disclosure controls and procedures, as designed and implemented, are not sufficiently effective to ensure that such officer is provided with information relating to the Company required to be disclosed in the reports the Company files or submits under the Exchange Act and that such information is recorded, processed, summarized and reported in a timely manner. The Company's auditors have indicated that the accounts payable and accounts receivable systems were not completely effective at December 31, 2006. Effective January 1, 2007 the Company initiated a new accounts payable software system that was integrated with the general ledger that the Company believes addressed the auditors concerns. The Company has also addressed the accounts receivable procedures which it believes addressed the auditor concerns.

Changes in internal control over financial reporting

There were no changes in the Company's internal control over financial reporting that occurred during the fourth fiscal quarter ended December 31, 2006 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 8B. Other Information.

There have not been any material changes or events that during the fourth quarter ended December 31, 2006 that have not been described in a report on Form 8-K.

PART III

Item 9. Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance With Section 16(a) of the Exchange Act.

Executive Officers and Directors

The following are our current executive officers and directors and their respective ages and positions as of the date of this report:

Names	Ages	Positions
Darryl Cohen	54	Chief Executive Officer and Chairman of the Board of Directors
Alan Smith	53	Director
Sandro Sordi	46	Director

Darryl Cohen has been chief executive officer and chairman of the Board of Directors of the Company since June 2005 and of InfoByPhone since September 2004. Form September 2002 through April 2004, Mr. Cohen served as chairman and chief executive officer of Ramp Corporation (AMEX: RCO), a company that provides Internet-based communication, data integration, and transaction processing technologies designed to provide access to safer and better healthcare. On June 2, 2005, Ramp Corporation filed a voluntary petition under Chapter 11 of the Bankruptcy Code in the U.S. Bankruptcy Court for the Southern District of New York (Bankruptcy Petition #: 05-14006-alg).

Prior to becoming Ramp's chairman and chief executive officer in September 2002, Mr. Cohen invested in public and private companies, frequently working with management in the areas of marketing strategy and financing. Mr. Cohen also served as president of DCNL Incorporated, a privately-held beauty supply manufacturer and distributor he founded in 1988 and sold to Helen of Troy in 1998. During his tenure as president of DCNL, Mr. Cohen was also co-owner and president of Basics Beauty Supply Stores, a chain of retail stores in California, from 1985 to 1999. He has also owned businesses in the food-services and gift industries, and holds a BA in Political Science from the University of California at Berkeley.

Alan Smith has been a director of the Company since June 2005 and of InfoByPhone since April 2005. For the past two years, Mr. Smith has been involved in personal investments and new investment opportunities. Prior to this period, he was the owner/president of Aaron Kamhi Inc., an apparel manufacturing company specializing in private label products for chain and department stores, at which he worked for 25 years. Mr. Smith has been actively involved in community programs working with youth for the past 20 years.

Sandro Sordi became a director of the Company in July 2005. He currently serves as the General Counsel for the RS Group of Companies, Inc., a holding company for a group of insurance and finance related businesses and affinity program managers. Mr. Sordi joined the RS Group in 2003 where, as its General Counsel and a Director, he has taken a leading role in developing the company's growth strategy and engaging in negotiations of all types. From 1990 to 2003, Mr. Sordi was engaged in the private practice of law as a sole practitioner in addition to being involved in certain investment projects. Mr. Sordi has been a member of the Florida Bar since 1990, having earned his Juris Doctor from the University of Miami, Florida and his B.A. (Honors) from York University in Toronto, Canada.

There are no family relationships among the Company's directors or executive officers and other than as disclosed above there are no events or legal proceedings material to an evaluation of the ability or integrity of any director or executive officers of the Company.

Board of Directors Independence and Communications; Committees

Our Board of Directors is currently composed of three directors, each of whom the Board has determined is "independent" as that term is defined in Rule 4200(a)(15) of the listing standards for the Nasdaq Stock Market and Rule 10A-3 of the Exchange Act, with the exception of Mr. Cohen, who is currently employed by the Company.

The Board welcomes communications from stockholders, which may be sent to the entire Board or individual directors at the principal business address of the Company, AskMeNow, Inc., 26 Executive Park, Suite 250, Irvine, CA 92614, Attn: Sandro Sordi. Security holder communications are initially screened by the Company's Nominating and Corporate Governance Committee to determine whether they will be relayed to Board members. Once the decision has been made to relay such communications to Board members, the Committee will release the communication to the Board on the next business day. Communications that are clearly of a marketing nature, or which are unduly hostile, threatening, illegal or similarly inappropriate will be discarded and, if warranted, subject to appropriate legal action.

The Board currently has three standing committees: the Nominating and Corporate Governance Committee, the Compensation Committee and the Audit Committee.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee of the Board (the "Nominating Committee") currently consists of Sandro Sordi (Chairman) and Alan Smith, each of whom is independent as such term is defined in Rule 4200(a)(15) of the Nasdaq listing standards, as amended. The Nominating Committee evaluates the appropriate size of the Board, recommends any changes in the composition of members of the Board to reflect the needs of the business, interviews prospective candidates, makes recommendations to the Board as to the nominees for directors, and formally proposes the slate of directors to be elected at each Annual Meeting of the Stockholders.

The Nominating Committee will consider all director candidates recommended by stockholders. Any stockholder who desires to recommend a director candidate may do so in writing, giving each recommended candidate's name, biographical data, and qualifications, by mail addressed to the Chairman of the Nominating Committee, in care of AskMeNow, Inc.: Attention: Sandro Sordi. A written statement from the candidate consenting to being named as a candidate and, if nominated and elected, to serve as director, must accompany any stockholder recommendation. Members of the Nominating Committee will assess potential candidates on a regular basis.

Compensation Committee

The Compensation Committee of the Board currently consists of Alan Smith (Chairman) and Sandro Sordi, each of whom is independent as such term is defined in Rule 4200(a)(15) of the Nasdaq listing standards, as amended. The Compensation Committee makes recommendations to the Board as to the salaries of the chief executive officer, sets the salaries of the other elected officers and reviews salaries of certain other senior executives. It also is responsible for granting equity compensation to officers and other employees and reviewing guidelines for the administration of the Company's incentive programs. The Compensation Committee also reviews and approves, or makes recommendations to the Board on, any proposed plan or program which would benefit primarily the senior executive group.

Audit Committee

The Audit Committee of the Board currently consists of Alan Smith (Chairman) and Sandro Sordi, each of whom is independent as such term is defined in Rule 4200(a)(15) of the Nasdaq listing standards, as amended. The Board of Directors has determined that no member of the Audit Committee is an "audit committee financial expert," as that term is defined in Item 401(e) of Regulation S-B promulgated under the Securities Act, serving on the Audit Committee. Upon evaluating the Company's internal controls, the Board has determined that the Company's internal controls are adequate to insure that financial information is recorded, processed, summarized and reported in a timely and accurate manner in accordance with applicable rules and regulations of the SEC. Accordingly, the Board has concluded that the benefits of retaining an individual who qualifies as an "audit committee financial expert" would be outweighed by the costs of retaining such a person.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's executive officers, directors and persons who own more than ten percent of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the SEC. Executive officers, directors, and greater-than-ten percent stockholders are required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they file. Based solely on the Company's review of the copies of such forms received by it and written representations from the Company's reporting persons, the Company believes that all of the Company's reporting persons have filed their respective Section 16(a) forms for the year ended December 31, 2006, except for one Form 4 filed late by Sandro Sordi for January 26, 2006, reporting a bridge loan from Mr. Sordi to the Company**.**

Code of Ethics

The Company has adopted a Code of Ethics that applies to its principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions. A copy of the Company's Code of Ethics is available at the Company's website at www.askmenow.com. A copy of the Company's Code of Ethics will also be furnished, without charge, in print to any person who requests such copy by writing to the Corporate Secretary, AskMeNow, Inc., 26 Executive Park, Suite 250, Irvine, CA 92614.

Item 10. Executive Compensation.

The following table shows information concerning all compensation awarded to, earned by or paid to the Chief Executive Officer of the Company, who was the only named executive officer of the Company during the 2006 fiscal year, for all services rendered by such officer to the Company and its subsidiaries in all capacities during the periods presented.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Total ($)
Darryl Cohen Chief Executive Officer, Chief Financial Officer, and Chairman of the Board	2006	$245,384 (1)	$200,000 (2)	$208,000 (3)	$1,719,600 (4)	$2,372,984
	2005	$52,820	--	--	$139,400 (5)	$192,220

(1) Includes $46,154 of accrued but unpaid salary due the officer at December 31, 2006 and $6,840 in auto allowance.

(2) The entire bonus amount of $200,000 was accrued but unpaid at December 31, 2006 and will be paid upon the completion of funding of equity.

(3) The stock award represents 200,000 shares of common stock of the Company awarded in recognition of the Company entering into an agreement with Rogers Wireless. The dollar amount presented represents the fair value of such award on the date of grant, which share price was $1.04 on April 28, 2006.

(4) The option award represents the award of an aggregate 3,500,000 non-qualified stock options, of which 1,500,000 were not vested at December 31, 2006. The dollar amount presented represents the aggregate fair value of such awards on the date of grant. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219% to 229%, risk-free interest rates of 4.73% to 4.84%, and expected lives of ten years.

(5) The option award represents the award of an aggregate 200,000 non-qualified stock options, of which 165,000 were not vested at December 31, 2005. The dollar amount presented represents the aggregate fair value of such awards on the date of grant. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2005: dividend yield of zero, expected volatility of 172%, risk-free interest rates of 4.50%, and expected lives of ten years.

Employment Agreements

On July 19, 2005, InfoByPhone, our wholly-owned subsidiary, entered into a three-year employment contract with Darryl Cohen as President and Chief Executive Officer. Mr. Cohen was being compensated at the rate of not less than $110,000 until April 28, 2006, when his salary was increased to $250,000 per annum. Mr. Cohen was granted options to purchase 200,000 shares of AskMeNow common stock at $.70 per share under his employment agreement. Mr. Cohen also is entitled to an annual incentive bonus at each anniversary date of his agreement equal to (i) up to one-half of his then-current salary, plus (ii) up to 50,000 options and at the end of each 90 day period of employment (except that period coinciding with an anniversary date), up to 25,000 options.

In the event Mr. Cohen's employment is terminated for death, disability or for "good reason" (as defined in the employment agreement), Mr. Cohen or his estate shall be entitled to severance of 50% of his base salary plus bonuses for the prior year. During the term of the agreement or, if he is terminated for "cause" (as defined in the agreement), then for the balance of the term and for a period of 12 months after such termination, Mr. Cohen has agreed not to compete with the Company's current business or its business as conducted at any time during the term concluded. For a two-year period following termination of Mr. Cohen's employment, he also agreed not to solicit clients to discontinue their relationship with the Company or solicit any employee to discontinue employment with the Company.

Mr. Cohen's salary was increased by the Board of Directors during the 2006 fiscal year to more appropriately reflect his responsibilities and performance. In addition, the Board of Directors granted options and an award of restricted shares, each as discussed below, in recognition of the achievement by Mr. Cohen of significant milestones.

For information on equity incentive awards granted to Mr. Cohen, including re-priced options, see the disclosure below.

Outstanding Equity Awards at Fiscal Year-End

The following table sets forth information concerning unexercised options, unvested stock awards, and equity incentive plans awards outstanding as of December 31, 2006 for our Chief Executive Officer.

	Option Awards					**Stock Awards**			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)
Darryl Cohen	2,000,000 (1)	1,500,000 (2)	--	$0.50	2016	--	--	--	--
	200,000 (3)	--	--	$0.70	2015	--	--	--	--

(1) The option award represents the award of an aggregate 2,000,000 non-qualified stock options, all of which were vested at December 31, 2006. The options are exercisable for 10 years commencing September 20, 2006, the date of the grant, at $0.50 per share.

(2) The option award represents the award of an aggregate 1,500,000 non-qualified stock options, none of which were vested at December 31, 2006. The options are exercisable for 10 years commencing December 22, 2006, the date of the grant, at $0.50 per share.

(3) The option award represents the award of an aggregate 200,000 non-qualified stock options, none of which were vested at December 31, 2006. The options are exercisable for 10 years commencing July 20, 2005, the date of the grant, at $0.70 per share.

2006 Employee Stock Incentive Plan

The Board of Directors has adopted the 2006 Employee Stock Incentive Plan (the "2006 Plan") in order to motivate participants by means of awards of stock options and restricted shares to achieve the Company's long-term performance goals and enable our employees, officers, directors and consultants to participate in our long-term growth and financial success. The 2006 Plan provides for the grant of any combination of stock options and restricted stock to our directors, officers, employees and consultants and those of our subsidiaries. The 2006 Plan, which is administered by our Board of Directors, authorizes the issuance of a maximum of 3,000,000 shares of common stock, which may be authorized and unissued shares or treasury shares. The stock options granted under the 2006 Plan shall be either incentive stock options, within the meaning of Section 422 of the Internal Revenue Code, or non-qualified stock options. Both incentive stock options and non-qualified stock options must be granted at an exercise price of not less than the fair market value of shares of common stock at the time the option is granted, and incentive stock options granted to 10% or greater stockholders must be granted at an exercise price of not less than 110% of the fair market value of the shares on the date of grant. If any award under the 2006 Plan terminates, expires unexercised, or is cancelled, the shares of common stock that would otherwise have been issuable pursuant thereto will be available for issuance pursuant to the grant of new awards. The 2006 Plan was adopted by the Board on August 4, 2006, and is subject to shareholder approval. If approved by stockholders, the 2006 Plan will terminate on August 4, 2016. Options to purchase an aggregate of 1,702,000 shares of common stock have been granted to 31 non-officer employees as of December 31, 2006.

2005 Management and Director Equity Incentive and Compensation Plan

The Company has adopted the 2005 Management and Director Equity Incentive and Compensation Plan (the "2005 Plan") in order to motivate participants by means of stock options and restricted shares to achieve the Company's long-term performance goals and enable our employees, officers, directors and consultants to participate in our long term growth and financial success. The 2005 Plan provides for the grant of any combination of stock options and restricted stock to our directors, officers, employees and consultants and those of our subsidiaries. The 2005 Plan, which is administered by our Board of Directors, authorizes the issuance of a maximum of 2,000,000 shares of common stock, which may be authorized and unissued shares or treasury shares. The stock options granted under the 2005 Plan shall be either incentive stock options or non-qualified stock options. Both incentive stock options and non-qualified stock options must be granted at an exercise price of not less than the fair market value of shares of common stock at the time the option is granted and incentive stock options granted to 10% or greater stockholders must be granted at an exercise price of not less than 110% of the fair market value of the shares on the date of grant. If any award under the 2005 Plan terminates, expires unexercised, or is cancelled, the shares of common stock that would otherwise have been issuable pursuant thereto will be available for issuance pursuant to the grant of new awards. The 2005 Plan will terminate on June 6, 2015.

2006 Grants

On April 28, 2006, the Board of Directors granted to each of Alan Smith and Sandro Sordi non-plan options to purchase 100,000 shares of common stock. These non-qualified stock options, which were exercisable at $1.01 per share, were cancelled and replaced in September 2006. The replacement options are exercisable for 10 years commencing on September 20, 2006 at $.50 per share, with 50,000 shares vested immediately for prior services and an additional 50,000 shares vested as of March 20, 2007.

On April 28, 2006, the Board of Directors granted Darryl Cohen non-plan options to purchase an aggregate of 2,000,000 shares of common stock. He was also awarded 200,000 restricted shares of common stock in recognition of the Company entering into an agreement with Rogers Wireless. The 2,000,000 options, which were exercisable at $1.04 per share, were cancelled and replaced in September 2006. The replacement options are exercisable for 10 years commencing on September 20, 2006 at $.50 per share. One million shares subject to the options were fully vested upon grant, as they were granted in connection with the Company's initial closing of its private placement with VC Argent Ltd. The second one million shares subject to the option, which were originally issued in connection with the proposed acquisition of Intelligate Ltd. and, upon the termination of the Intelligate transaction the option, were regranted in consideration of the Company entering into a letter of intent to acquire an exclusive license from Expert System S.p.A, vested upon the execution of a definitive license with Expert System in November 2006.

On December 22, 2006, the Board of Directors also granted each of Darryl Cohen, Alan Smith and Sandro Sordi non-plan options to purchase 1,500,000, 200,000 and 200,000 shares of common stock, respectively. These non-qualified options are exercisable for 10 years at $.50 per share, with 25% of each option vesting every three months starting March 31, 2007 until fully vested 12 months following the date of grant.

Director Compensation

The following table sets forth all compensation of the Company's directors for the year ended December 31, 2006. Mr. Cohen, our CEO and Chairman of the Board of Directors, did not receive any compensation for his services as a director during the 2006 fiscal year.

Name	Year	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Alan Smith	2006	--	$101,490 (1)	--	--	--	$101,490
Sandro Sordi	2006	--	$101,490 (1)	--	--	--	$101,490

(1) The option award represents the award of an aggregate 300,000 non-qualified stock options, of which 250,000 were not vested at December 31, 2006. The dollar amount presented represents the aggregate fair value of such awards on the date of grant. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219% to 229%, risk-free interest rates of 4.73% to 4.84%, and expected lives of ten years. Each director was also granted during fiscal year 2005 40,000 non-qualified stock options, of which 3,333 were not vested at December 31, 2005.

The Board of Directors received compensation commensurate with their responsibilities to the Company and the various board responsibilities of an early stage organization.

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

For information regarding securities authorized for issuance under the Company's equity plans, please see Item 5 "Market for Common Equity, Related Stockholder Matters and Small Business Issuer Purchases of Equity Securities" herein.

Persons and groups owning in excess of five percent of our common stock are required to file certain reports with the SEC disclosing such ownership pursuant to the Exchange Act. Based upon such reports, as of April 6, 2007 management knows of no persons other than those identified below who were beneficial owners of more than five percent of the outstanding shares of our common stock.

The following table sets forth information with respect to the beneficial ownership of our issued and outstanding common stock by each director, the Chief Executive Officer of the Company, all executive officers and directors as a group, and beneficial owners of more than five percent of the 33,299,887 outstanding shares of common stock as of April 9, 2007:

Name and Address of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percent of Class (1)	
Darryl Cohen	3,720,667(2)	10.3	%
Alan Smith	240,000(3)	*	
Sandro Sordi(4)	923,334(3)(4)	2.8	%
Yvon Cormier(5)	2,050,000	6.2	%
Total number of shares owned by directors and executive officers as a group (3 persons)	4,884,001	12.8	%

* Less than 1% of the issued and outstanding shares.

(1) Except as otherwise noted in the footnotes to this table, each of the persons named in the table owns the shares listed as beneficially owned by such person directly and exercises sole voting and investment power over such shares. With respect to each such person or group, percentages are calculated based on the number of shares beneficially owned, including any securities that such person has the right to acquire within sixty days pursuant to the exercise of options, warrants, conversion privileges or other rights, but not the exercise of such options, warrants, conversion privileges or other rights by any other person. The mailing address of each person shown other than Yvon Cormier is c/o AskMeNow, Inc., 26 Executive Park, Suite 250, Irvine, California 92614.

(2) Of this amount, 1,125,667 shares are held in the name of "Darryl Cohen & Nini Cohen, TTEE, The Cohen Family Trust." Also includes 2,595,000 shares of common stock issuable under currently exercisable options and warrants, but does not include 1,125,000 shares of common stock issuable under options not currently exercisable that vest over the 6 month period beginning June 30, 2007 and ending December 31, 2007.

(3) Includes 190,000 shares of common stock issuable under currently exercisable options, but does not include 150,000 shares of common stock issuable under options that vest over the 6 month period beginning June 30, 2007 and ending December 31, 2007.

(4) Includes 190,000 shares of common stock issuable under currently exercisable options, but does not include 150,000 shares of common stock issuable under options that vest over the 6 month period beginning June 30, 2007 and ending December 31, 2007. Mr. Sordi disclaims beneficial ownership of 733,334 shares of common stock beneficially owned by his wife.

(5) The mailing address of this reporting person is 59 Chandler Circle, Andover, MA 01810 based on information provided in a Schedule 13D filed on December 22, 2005.

Item 12. Certain Relationships and Related Transactions, and Director Independence

Except as set forth under Item 6 "Management's Discussion and Analysis or Plan of Operation" and Item 10 "Executive Compensation," during the 2006 fiscal year there were no transactions or proposed transactions involving or between the Company and its directors, executive officers, five percent or greater stockholders, or any immediate family member of any of the foregoing, nor did any such related person have any direct or indirect material interest in any such transaction or proposed transaction.

For information on our Board of Directors and director independence, please see Item 9 "Directors, Executive Officers, Promoters, Control Persons and Corporate Governance; Compliance with Section 16(a) of the Exchange Act" above. Item 13. Exhibits

Exhibit No.	Description of Exhibit	Location
3.1	Amended and Restated Certificate of Incorporation of AskMeNow, Inc.	Previously filed as an exhibit to the Registrant's Schedule 14C Information Statement, filed on November 27, 2006 (File No. 000-49971).
3.2	Bylaws of Ocean West Holding Corporation.	Previously filed as an exhibit to the Registration Statement of Ocean West Holding Corporation (File No. 333-95927), filed on February 1, 2000.
3.3	Amended and Restated Certificate of Designation, Preferences and Rights of Series B Preferred Stock of AskMeNow, Inc.	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).
3.4	Certificate of Designation, Preferences and Rights of Series C Preferred Stock of AskMeNow, Inc.	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).

Exhibit No.	Description of Exhibit	Location
4.1	Common Stock Purchase Warrant Agreement Between Ocean West Holding Corporation and Registrar and Transfer Company	Previously filed as an exhibit to the Registration Statement of Ocean West Holding Corporation, filed on April 13, 2002 (File No. 333-86484).
4.2	Form of Common Stock Purchase Warrant of Ocean West Holding Corporation, dated January 17, 2006 (one of two identical warrants each in the amount of $250,000).	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on January 31, 2006 (File No. 000-49971).
4.3	Form of 10% Subordinated Promissory Note, dated January 17, 2006 (one of two identical notes each in the amount of $250,000).	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on January 31, 2006 (File No. 000-49971).
4.4	Form of Common Stock Purchase Warrant, dated January 17, 2006.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on January 31, 2006 (File No. 000-49971).
4.5	Form of Secured Promissory Note of Ocean West Holding Corporation, dated March 1, 2006 (one of two identical notes except for names each in the amount of $100,000).	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on March 8, 2006 (File No. 000-49971).
4.6	Form of Affidavit for Judgment by Confession, dated March 1, 2006 (one of two identical affidavits, except for names).	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on March 8, 2006 (File No. 000-49971).
4.7	10% Subordinated Promissory Note due July 2, 2006.	Previously filed as an exhibit to the Registrant's Annual Report on Form 10-KSB, filed on April 19, 2006 (File No. 000-49971).
4.8	Form of Subscription Agreement.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K/A, filed on July 11, 2005.
10.1	Securities Exchange Agreement and Plan of Reorganization, dated as of April 14, 2005, by and among Ocean West Holding Corp., InfoByPhone, Inc. and certain stockholders of InfoByPhone, Inc.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on June 9, 2005 (File No. 000-49971).
10.2	Joint Marketing Program Agreement, dated as of October 5, 2005, between Avis Rent-A-Car System, Inc. and AskMeNow, Inc.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on October 11, 2005 (File No. 000-49971).
10.3	Web Linking Agreement - BlackBerry MDS Studio, dated as of September 22, 2005, between Research In Motion Limited and InfoByPhone, Inc.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on October 7, 2005 (File No. 000-49971).

10.4	InfoByPhone, LLC Ohio Lease.	Previously filed as an exhibit to the Registrant's Registration Statement on Form SB-2, filed on September 14, 2005 (File No. 333-128314).
10.5	Lease Agreement, dated on or around August 30, 2005, by and between AskMeNow, Inc. and Eastern Telecommunications Phils., Inc. ("Manila Lease")	Previously filed as an exhibit to Amendment No. 1 to the Registrant's Registration Statement on Form SB-2, filed on September 14, 2005 (File No. 333-128314).

Exhibit No.	Description of Exhibit	Location
10.6	Office Space Lease Between the Irvine Company and Ocean West Holding Corporation.	Filed herewith.
10.7+	Amended and Restated Employment Agreement, dated as of July 19, 2005, by and between Darryl Cohen and InfoByPhone, Inc.	Filed herewith.
10.8	Form of Exchange Agreement, dated as of November 30, 2005 by and between Ocean West Holding Corporation and the holders of Common Stock Purchase Warrants.	Filed herewith.
10.9	Stock Purchase Agreement, dated as of December 30, 2005, between Ocean West Holding Corporation and Container/ITW, Inc.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on January 3, 2006 (File No. 000-49971).
10.10	Stock Exchange Agreement, dated as of March 10, 2006, by and among Ocean West Holding Corporation, Karrell Pty Limited and certain Karrell shareholders.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on March 16, 2006 (File No. 000-49971).
10.11	Wireless Application Distribution Agreement, dated as of March 31, 2006, by and between InfoByPhone, Inc. and Rogers Wireless Partnership.	Previously filed as an exhibit to the Registrant's Audit Report on Form 8-K, filed on April 7, 2006 (File No. 00049971).
10.12	Assignment and Assumption of Liabilities Agreement dated as of May 23, 2005, by and among Ocean West Enterprises, Inc., Ocean West Holding Corporation, and Consumer Direct of America.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on August 15, 2005 (File No. 000-49971).
10.13	Services Agreement, dated June 1, 2006, between AskMeNow, Inc. and Mobile ESPN LLC.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on June 20, 2006 (File No. 000-49971).
10.14	Assignment and Assumption of Liabilities Agreement, dated May 23, 2005, between Ocean West Enterprises, Inc., Ocean West Holding Corporation and Consumer Direct of America.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K/A, filed on September 26, 2006 (File No. 000-49971).
10.15	Software License and Services Agreement, dated November 2, 2006, between Expert System S.p.A. and InfoByPhone, Inc.*	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on November 8, 2006 (File No. 000-49971).
10.16	Letter Agreement, dated August 1, 2006, between Ocean West Holding Corporation, BK Financial Services, LLC and Meyer Capital Corporation.	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).

10.17	Consulting Agreement, dated August 4, 2006, by and between Ocean West Holding Corporation and CJB Group, Inc.	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).
10.18	Warrant Agreement, dated July 26, 2006, by and between Ocean West Holding Corporation and Phillips Nizer LLP.	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).
10.19+	Ocean West Holding Corporation 2006 Employee Stock Incentive Plan	Previously filed as an exhibit to the Registrant's Quarterly Report on Form 10-QSB, filed on November 21, 2006 (File No. 000-49971).

Exhibit No.	Description of Exhibit	Location
10.20+	Consulting Agreement, dated January 29, 2007, by and between AskMeNow, Inc. and Dennis Bergquist.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on February 2, 2007 (File No. 000-49971).
10.21	Assignment and Assumption of Liabilities Agreement, dated May 23, 2005.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K/A, filed on August 11, 2005.
16.1	Letter from DeJoya & Company, dated August 1, 2005.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on August 2, 2005 (File No. 000-49971).
16.2	Letter from Chavez and Koch, CPA, dated January 31, 2005.	Previously filed as an exhibit to the Registrant's Current Report on Form 8-K, filed on February 4, 2005 (File No. 000-49971).
21.1	Subsidiaries of the Registrant.	Filed herewith.
31.1	Certificate of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith.
32.1	Certificate of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed herewith.

* Confidential treatment has been requested for certain portions of this document.
+ Denotes management contract or compensatory plan, contract or arrangement.

ITEM 14. Principal Accountant Fees and Services

Webb & Company, P.A. was the Company's independent auditor and examined the financial statements of the Company for the fiscal year ending December 31, 2006 and 2005.

Audit Fees

The aggregate fees billed by Webb & Company for professional services rendered for the audit of the Company's annual financial statements and review of the financial statements included in the Company's quarterly reports or services that are normally provided by the firm in connection with statutory and regulatory filings or engagements during fiscal 2006 and 2005 were $60,712 and $71,405, respectively.

Audit Related Fees

No fees were billed by Webb & Company for either of the fiscal years ended December 31, 2006 or 2005 for assurance and related services reasonably related to the performance of the audit or review of the Company's financial statements.

Pre-Approval Policies

It is the policy of the Audit Committee to pre-approve the audit and permissible non-audit services performed by the Company's registered independent public accountants in order to ensure that the provision of such services does not impair the firm's independence, in appearance or fact. In fiscal 2006, the Audit Committee did not pre-approve any audit or permissible non-audit services due to an administrative oversight; the Audit Committee intends to properly approve all such services in the future.

Tax Fees

No fees were billed by Webb & Company for professional services rendered for tax compliance, tax advice and tax planning during the fiscal years ended December 31, 2006 and 2005.

All Other Fees

No fees were billed by Webb & Company for products or services during the fiscal years ended December 31, 2006 and 2005 other than as disclosed above.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AskMeNow, Inc.

April __, 2007

By: ______________________________

Darryl Cohen, President, Chief Executive Officer
(Principal Executive Officer and Principal Financial Officer)

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

April __, 2007

By: ______________________________

Darryl Cohen,
(Principal Executive Officer, Principal Financial Officer and Director)

April __, 2007

By: / ______________________________

Alan Smith, Director

April __, 2007

By: ______________________________

Sandro Sordi, Director

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of:
AskMeNow, Inc. and Subsidiaries

We have audited the accompanying consolidated balance sheets of AskMeNow, Inc. formerly Ocean West Holding Corporation and subsidiaries as of December 31, 2006 and December 31, 2005(Restated), and the related consolidated statements of operations, changes in stockholders' equity and cash flows for the years ended December 31, 2006 and 2005(Restated). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AskMeNow Inc. and subsidiaries as of December 31, 2006 and 2005(Restated) and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a net loss of $12,574,002, a working capital deficiency of $1,375,068 and net cash used in operations of $5,241,050 as of December 31, 2006. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Note 3, the Company restated its consolidated financial statements for the year ended December 31, 2005.

WEBB & COMPANY, P.A.

Boynton Beach, Florida
April 11, 2007

PART I. - FINANCIAL INFORMATION

Item 1. Financial Statements

ASKMENOW, INC AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2006

ASSETS

	December 31, 2006	December 31, 2005
CURRENT ASSETS		
Cash	$61,279	$159,622
Accounts receivable	13,860	-
Prepaid expenses and other current assets	79,151	47,592
Total Currents Assets	154,290	207,214
PROPERTY AND EQUIPMENT, NET	188,974	245,477
OTHER ASSETS		
License	150,000	-
Deposits	47,496	33,900
TOTAL ASSETS	$540,760	$486,591
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Account payable	$1,099,937	$197,368
Accrued expenses	326,797	84,077
Notes payable - related party	102,624	-
Deferred Tax Liability	16,786	-
Total Current Liabilities	1,546,144	281,445
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, $0.01 par value, 10,000,000 shares authorized at December 31, 2006 and December 31, 2005		
Series A Preferred Stock, $0.01 par value, 1,500,000 shares authorized, $10 face value, 362,500 shares issued and outstanding at December 31, 2006	3,625,000	-
Series B Preferred Stock, $0.01 par value, 1,600,000 shares authorized, $10 face value, 235,500 shares issued and outstanding at December 31, 2006	2,355,000	-
Series C Preferred Stock, $0.01 par value, 400,000 shares authorized, 400,000 shares issued and outstanding at December 31, 2006	4,000	-
Series E Preferred Stock, 680 shares authorized, none issued and outstanding	-	-
Series F Preferred Stock, 1,250 shares authorized, none issued and outstanding	-	-
Series G Preferred Stock, 2,000 shares authorized, none issued and outstanding	-	-
Series I Preferred Stock, 550 shares authorized, none issued and outstanding	-	-
Series L Preferred Stock, 1,000 shares authorized, none issued and outstanding	-	-

Common stock $0.01 par value, 100,000,000 shares authorized, 28,994,887 and 25,966,612		
shares issued and outstanding at December 31, 2006 and 2005, respectively	289,950	259,667
Class B common stock $0.01 par value, 5,000,000 authorized, none issued and outstanding	-	-
Class D common stock $0.01 par value, 600,000 authorized, none issued and outstanding	-	-
Additional paid-in-capital	14,907,308	9,793,915
Deferred compensation	-	(235,473)
Foreign currency translation	1,925	1,602
Accumulated deficit	(22,188,567)	(9,614,565)
Total Stockholders' Equity (Deficit)	(1,005,384)	205,146
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$540,760	$486,591

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

ASKMENOW, INC AND SUBSIDIARIES

Consolidated Statements of Operations

	Year Ended December 31, 2006	2005 Restated
REVENUE		
Revenue from mobile services	$27,846	$10,838
	27,846	10,838
COSTS AND OPERATING EXPENSES		
Cost of revenue	1,679,307	952,365
Research and development	222,005	338,998
General and administrative	2,906,843	2,535,980
Professional fees	2,622,590	650,767
Salaries and compensation	3,947,217	303,995
Total Operating Expenses	11,377,962	4,782,105
Operating Loss from Continuing Operations	(11,350,116)	(4,771,267
OTHER INCOME (EXPENSE)		
Derivative expense	(1,004,571)	-
Interest expense	(206,483)	(4,186
Total other expense	(1,211,054)	(4,186
Net Loss from Continuing Operations before Taxes and Discontinued Operations	(12,561,170)	(4,775,453
DISCONTINUED OPERATIONS, net of taxes		
Net Loss from discontinued operations	-	(7,245,144
Gain on sale of subsidiary	-	3,200,877
	-	
	-	(4,044,267
Net loss before income taxes	(12,561,170)	(8,819,720
Income taxes	(12,832)	-
Net loss	(12,574,002)	(8,819,720
Preferred stock dividends	(322,314)	-
Net loss applicable to common shareholders	(12,896,316)	(8,819,720
Basic and diluted net loss from continuing operations per common share	$(0.47)	$(0.32
Basic and diluted net loss from discontinued operations per common share	-	(0.27

Basis and diluted net loss per common share	$(0.47)	$(0.59
Basic and diluted weighted average number of common shares outstanding	27,228,935	15,028,793

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

ASKMENOW, INC. AND SUBSIDIARIES

Consolidated Statement of Changes in Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock		Additional Paid-in	Deferred	Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Capitial	Compensation	Income	Deficit	Total
January 1, 2005	-	$-	2,603,123	$26,031	$ 841,628	$ (178,125)	$ -	$ (794,845)	$(105,311
Net Loss	-	-	-	-	-	-	-	(8,819,720)	(8,819,72
Other comprehensive income							1,602		1,602
Total comprehensive loss									(8,818,11
Sale of common Stock	-	-	13,011,712	130,118	3,371,915	-	-	-	3,502,03
Shares issued for services	-	-	2,662,440	26,625	662,439	-	-	-	689,064
Shares issued for consulting	-	-	2,103,333	21,033	557,726	-	-	-	578,759
Shares issued in reverse merger	-	-	5,586,004	55,860	3,988,407	-	-	-	4,044,26
Warrants issued for consulting fees	-	-	-	-	371,800	(371,800)	-	-	-
Amortizarion of consulting contracts	-	-	-	-	-	178,125	-	-	178,125
Amortization of warrants	-	-	-	-	-	136,327	-	-	136,327
December 31, 2005	-	$-	25,966,612	$259,667	$ 9,793,915	$ (235,473)	$ 1,602	$ (9,614,565)	$205,146
Net Loss								(12,574,002)	(12,574,0
Other comprehensive income							323		323
Total comprehensive loss									(12,573,6
Amortization of warrants						235,473			235,473
2005 equity incentive stock option plan					1,902,440				1,902,44
2006 employee stock incentive plan					551,083				551,083
Series A preferred stock issued	362,500	3,625,000							5,225,00
Series B preferred stock issued for cash	235,500	2,355,000							755,000
Series C preferred stock issued for services	400,000	4,000			1,196,000				1,200,00
Shares issued for services			297,900	2,979	185,296				188,275
Shares issued to officer for services			200,000	2,000	206,000				208,000
Shares issued to placement agent for fees			1,060,000	10,600					10,600

Shares issued for financial advisory fees			1,000,000	10,000	290,000				300,000
Shares issued to common holders for lockup			470,375	4,704	366,892				371,596
Placement agent fees					(770,204)				(770,204
Fair market derivative liability adjustment					1,004,571				1,004,57
Placement agent shares value correction					(54,112)				(54,112
Warrants issued for financial fees					108,622				108,622
Warrants issued for consulting fees					126,805				126,805
December 31, 2006	998,000	$5,984,000	28,994,887	$289,950	$ 14,907,308	$ -	$ 1,925	$ (22,188,567)	$(1,005,38

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

ASKMENOW, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows

	Year Ended December 31, 2006	2005 Restated
OPERATING ACTIVITIES		
Net loss from continuing operations	$(12,574,002)	$(4,775,453
Net loss from discontinued operations	-	(4,044,267
	(12,574,002)	(8,819,720
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	76,539	18,819
Amortization of deferred compensation	235,473	-
Amortization of note payable discount	68,400	-
Subscription receivable	6,488	-
Increase in fair value derivative liability	1,004,571	-
Stock, warrants and options issued for services	4,521,800	1,582,275
Stock issued to officer for services	208,000	-
Warrants issued for financing fees	108,622	-
Changes in assets and liabilities		
Accounts receivable	(13,860)	1,350
Prepaid expenses	(31,560)	(47,592
Deposits	(13,596)	(32,400
Accounts payable	902,569	94,744
Accrued expenses	242,719	64,044
Deferred revenue	-	(5,712
Deferred taxes	16,787	-
Discontinued operations, net	-	5,101,451
Net Cash Used In Operating Activities	(5,241,050)	(2,042,741
INVESTING ACTIVITIES		
Purchase of license	(150,000)	-
Purchase of equipment	(20,036)	(241,651
Discontinued operations, net	-	719,990
Net Cash (Used In) Provided by Investing Activities	(170,036)	478,339
FINANCING ACTIVITIES		
Cash overdraft	-	(2,437
Proceeds from notes payable	721,500	100,000
Proceeds from notes payable - related party	205,000	-
Net proceeds from issuance of common stock	-	3,502,033
Net proceeds from issuance of preferred stock	5,209,796	-
Repayment of notes payable	(823,876)	(100,000
Discontinued operations, net	-	(1,777,174

Net Cash Provided By Financing Activities	5,312,420	1,722,422
EXCHANGE RATE GAIN	323	1,602
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(98,343)	159,622
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	159,622	-
CASH AND CASH EQUIVALENTS, END OF PERIOD	$61,279	$159,622
SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:		
CASH PAID DURING THE PERIOD FOR:		
Interest	$84,246	$2,140
NON-CASH TRANSACTIONS DURING THE PERIOD FOR:		
Financing costs	$692,375	$0
Reclassification of contracts from equity to liability	$2,581,817	$0

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

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

(A) Basis of Presentation and Organization

AskMeNow, Inc., formerly Ocean West Holding Corporation (the "Company"), was incorporated in Delaware in August 2000, and is a holding company and the parent company of InfoByPhone, Inc. ("InfoByPhone"). InfoByPhone provides information services and content through its AskMeNow™ service to mobile devices. This service allows mobile users to ask questions and receive answers through text messaging/SMS and email.

InfoByPhone was formed as a Delaware corporation in June 2004 and was acquired by the Company pursuant to the reverse merger transaction discussed below. The Company also has a foreign wholly-owned subsidiary, AskMeNow, Inc., a Philippine corporation formed in August 2005.

On June 6, 2005, pursuant to a Securities Exchange Agreement and Plan of Reorganization, dated as of April 14, 2005, by and among the Company, InfoByPhone and the shareholders of InfoByPhone (the "Exchange Agreement"), the Company acquired InfoByPhone in a reverse merger (the "Reverse Merger"), pursuant to which InfoByPhone became a wholly-owned subsidiary of the Company. In connection with the Reverse Merger, the Company acquired all of the issued and outstanding shares of common stock of InfoByPhone and issued an aggregate 6,000,000 shares of authorized but unissued shares of common stock, par value $0.01, of the Company, then constituting approximately 56% of the capital stock of the Company. The Reverse Merger was treated for accounting purposes as a recapitalization by the accounting acquirer, InfoByPhone.

Accounting principles applicable to the Reverse Merger have been applied to record the acquisition. Under this basis of accounting, InfoByPhone is the acquirer and, accordingly, the consolidated entity is considered to be a continuation of InfoByPhone, with the net assets of the Company deemed to have been acquired and recorded at their fair market value. The consolidated statements of operations for the years ended December 31, 2006 and December 31, 2005 included herewith include the results of InfoByPhone for the year ended December 31, 2005 and those of AskMeNow (formerly Ocean West Holding Corporation) from June 6, 2005 to December 31, 2006, and Ocean West Enterprises, Inc. ("OWE") from June 6, 2005 to December 30, 2005. OWE was a wholly-owned subsidiary of the Company until it was sold in connection with the Reverse Merger as discussed below. As of December 30, 2005 OWE was sold and therefore has not been included in operations in 2006.

Pursuant to the terms and conditions of the Exchange Agreement, the Company also agreed to spin-off or otherwise dispose of OWE, and for InfoByPhone to become the sole operating business of the Company. Pursuant to a Stock Purchase Agreement dated as of December 30, 2005, Container/ITW, Inc. purchased 100% of the capital stock of OWE for $1.00, and acknowledged that pursuant to the Exchange Agreement, OWE had previously assumed all liabilities and obligations of the Company.

OWE was a wholesale and retail mortgage banking company primarily engaged in the business of originating and selling loans secured by real property with one to four units. OWE's income was generated from loan origination fees and from gains from sales of mortgage loans on the secondary mortgage market and to private investors.

The Company has incurred significant operating losses since its inception. As reflected in the accompanying financial statements, the Company had a net loss of $12,574,002, a working capital deficiency of $1,375,068, and net cash used in operations of $5,241,050 as of December 31, 2006. Management expects that significant on-going operating expenditures will be necessary to successfully implement the Company's business plan and develop and market its services. The Company estimates that it may require up to $500,000 per month to launch its product through 2007. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. Implementation of the Company's plans and its ability to continue as a going concern depend upon its securing substantial additional financing. Management's plans include efforts to obtain additional capital, although no assurances can be given about the Company's ability to obtain such capital. If the Company is unable to obtain adequate additional financing or generate profitable sales revenues, it may be unable to continue product development and other activities and may be forced to cease operations.

During 2006 the Company received net proceeds from the issuance of convertible preferred stock of $5,209,796 and bridge loans of $926,500, and is in the process of seeking additional funding. The Company's continued existence is dependent upon its ability to raise capital and to successfully market and sell its products. The consolidated financial statements presented herein do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Principles of Consolidation

The consolidated financial statements for the year ended December 31, 2006 include the Company and its wholly-owned subsidiaries. The consolidated financial statements for the year ended December 31, 2005 include the former Ocean West Holding Company and its wholly-owned subsidiaries: (i) InfoByPhone, Inc., (ii) Ocean West Enterprises, Inc. for the period June 6, 2005 to December 30, 2005, (iii) AskMeNow, Inc., a Philippines corporation, and (iv) InfoByPhone, LLC. All significant inter-company accounts and transactions have been eliminated in consolidation.

On May 23, 2005, the Board approved the spin-off of OWE to stockholders of record of the Company on that date, subject to the spin-off being declared effective by the SEC. The Exchange Agreement permitted either the spin-off or sale of OWE. Since the Company could not complete the spin-off as of December 30, 2005, the Company sold OWE for $1.00 to Container/ITW, Inc. as discussed in Note 1 above. The operations of OWE have been included in discontinued operations as of December 31, 2005 in the accompanying consolidated statement of operations.

(B) Revenue Recognition

The Company recognizes revenue for all submitted questions at the time of the inquiry. For advertising space sold, the company recognizes revenue over the period the advertisement is displayed. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed or determinable, and collectibility is probable.

(C) Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. As of December 31, 2006 and 2005 there were no cash equivalents.

(D) Fair Value of Financial Instruments

The carrying amounts of the Company’s financial instruments, which include accounts receivable, accounts payable and loans payable, approximate fair value due to the relatively short period to maturity for these instruments.

(E) Concentrations of Risk

During 2005, the Company formed its AskMeNow, Inc. subsidiary in the Philippines. As of December 31, 2006 and 2005, 39% and 69% of the Company’s assets were located in the Philippines, respectively.

(F) Concentration of Credit Risk

The Company at times has cash in banks in excess of FDIC insurance limits. At December 31, 2006 and 2005, the Company had no amounts in excess of FDIC insurance limits. At December 31, 2006 and 2005, the Company had total cash of $18,282 and $141,051, respectively, in banks located in the Philippines.

During 2006, one customer accounted for 49% of the Company’s sales. During 2005, two customers accounted for 33% and 54% of the Company’s sales, respectively.

(G) Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

(H) Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the individual assets. The estimated useful life of the computer equipment is five years, estimated useful life of the office furniture is seven years and the estimated useful life of leasehold improvements is the term of the lease or the useful life of the improvement, whichever is shorter.

(I) Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs charged to operations for the years ended December 31, 2006 and 2005 were $42,700 and $268,591, respectively.

(J) Income Taxes

The Company accounts for income taxes under SFAS No. 109, "Accounting for Income Taxes". Under SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under SFAS No. 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(K) Other Comprehensive Income

The Company uses SFAS No. 130, "Reporting Comprehensive Income", which establishes standards for reporting and display of comprehensive income, its components and accumulated balances. The Company is disclosing this information in its consolidated statements of changes in stockholders' equity (deficit). Comprehensive income is comprised of a gain on foreign currency translation of the Company's Philippine subsidiary.

(L) Foreign Currency Translation

The functional currency of the Company is the United States Dollar. The financial statements of the Company's Philippines subsidiary are translated to U.S. dollars using the period exchange rates as to assets and liabilities and average exchange rates as to revenues and expenses. Capital accounts are translated at their historical exchange rates when the capital transaction occurred. Net gains and losses resulting from foreign exchange translations are included in the statements of operations and changes in stockholders' equity (deficit) as other comprehensive income (loss). As of December 31, 2006 and 2005, the translation adjustments were $1,925 and $1,602, respectively.

(M) Loss Per Share

The Company applies SFAS No. 128, “Earnings per Share” in calculating basic and diluted loss per share. Basic loss per common share is computed by dividing the net loss available to common shareholders by the weighted average number of common shares outstanding during the period. In computing diluted loss per share, stock options and similar instruments that are dilutive are included in the calculation. Stock options and warrants were not included in the computation of diluted loss per share for the periods presented because their inclusion is anti-dilutive. The total potential dilutive convertible preferred stock, warrants and stock options outstanding at December 31, 2006 and 2005 were 35,229,013 and 3,033,543, respectively.

(N) Business Segments

The Company operates in one segment, mobile devices. The Company’s mortgage services division had been disposed of as of December 30, 2005 and the amounts from its operations have been included in discontinued operations.

(O) Stock-Based Compensation

Effective January 1, 2006, the Company adopted the provisions of Statement of Financial Accounting Standards No. 123 (revised), “Share-Based Payment”, which replaces SFAS No. 123, “Accounting for Stock-Based Compensation”, and supersedes Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees”, and related interpretations. SFAS No. 123(R) requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within SEC Staff Accounting Bulletin No. 107, which provides the views of the staff of the SEC regarding the interaction between SFAS No. 123(R) and certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

In adopting SFAS No. 123(R), the Company applied the modified prospective approach to transition. Under the modified prospective approach, the provisions of SFAS No. 123(R) are to be applied to new awards and to awards modified, repurchased, or cancelled after the required effective date. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date shall be recognized as the requisite service is rendered on or after the required effective date. The compensation costs for that portion of awards shall be based on the grant-date fair value of those awards as calculated for either recognition or pro-forma disclosures under SFAS No. 123.

(P) Research and Development

Research and development expenses include payroll, employee benefits and costs associated with product development. The Company has determined that technological feasibility for its software products is reached shortly before the products are released. Costs incurred after technological feasibility is established are not material, and accordingly, all research and development costs are expensed when incurred.

(Q) Derivative Liabilities

The Company accounts for its embedded conversion features and freestanding warrants pursuant to SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities”, which requires a periodic valuation of the fair value of derivative instruments and a corresponding recognition of liabilities associated with such derivatives. The recognition of derivative liabilities related to the issuance of shares of common stock is applied first to the proceeds of such issuance, at the date of issuance, and the excess of derivative liabilities over the proceeds is recognized as other expense in the accompanying consolidated financial statements. The recognition of derivative liabilities related to the issuance of convertible debt is applied first to the proceeds of such issuance as a debt discount, at the date of issuance, and the excess of derivative liabilities over the proceeds is recognized as other expense in the accompanying consolidated financial statements. Any subsequent increase or decrease in the fair value of the derivative liabilities is recognized as other expense or other income, respectively. The reclassification of a contract is reassessed at each balance sheet date. If a contract is reclassified from permanent equity to an asset or a liability, the change in the fair value of the contract during the period the contract was classified as equity is accounted for as an adjustment to equity. If a contract is reclassified from an asset or liability to equity, gains or losses recorded to account for the contract at fair value during the period that contract was classified as an asset or a liability are not reversed but instead are accounted for as an adjustment to equity.

(R) Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, “Accounting for Certain Hybrid Financial Instruments-an amendment of FASB Statements No. 133 and 140”, to simplify and make more consistent the accounting for certain financial instruments. SFAS No. 155 amends SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities”, to permit fair value re-measurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 also amends SFAS No. 140, “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities”, to allow a qualifying special-purpose entity to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity’s first fiscal year that begins after September 15, 2006, with earlier application allowed. The adoption of this statement is not expected to have a material effect on the Company’s future reported financial position or results of operations.

In March 2006, the FASB issued SFAS No. 156, “*Accounting for Servicing of Financial Assets, an amendment of FASB Statement No. 140*”. This statement requires that all separately recognized servicing assets and servicing liabilities be initially measured at fair value, if practicable, and permits for subsequent measurement using either fair value measurement with changes in fair value reflected in earnings or the amortization and impairment requirements of SFAS No. 140. The subsequent measurement of separately recognized servicing assets and servicing liabilities at fair value eliminates the necessity for entities that manage the risks inherent in servicing assets and servicing liabilities with derivatives to qualify for hedge accounting treatment and eliminates the characterization of declines in fair value as impairments or direct write-downs. SFAS No. 156 is effective for an entity’s first fiscal year beginning after September 15, 2006. The adoption of this statement is not expected to have a material effect on the Company’s future reported financial position or results of operations.

In June 2006, the FASB issued FASB Interpretation No. 48, *"Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109"*. FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a two-step method of first evaluating whether a tax position has met a more likely than not recognition threshold and second, measuring that tax position to determine the amount of benefit to be recognized in the financial statements. FIN 48 provides guidance on the presentation of such positions within a classified statement of financial position as well as on de-recognition, interest and penalties, accounting in interim periods, disclosure, and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". The objective of SFAS No. 157 is to increase consistency and comparability in fair value measurements and to expand disclosures about fair value measurements. SFAS No. 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS No. 157 applies under other accounting pronouncements that require or permit fair value measurements and does not require any new fair value measurements. The provisions of SFAS No. 157 are effective for fair value measurements made in fiscal years beginning after November 15, 2007. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 132(R)". This statement requires employers to recognize the over-funded or under-funded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for-profit organization. This statement also requires an employer to measure the funded status of a plan as of the date of its year-end statement of financial position, with limited exceptions. The provisions of SFAS No. 158 are effective for employers with publicly traded equity securities as of the end of the fiscal year ending after December 15, 2006. The adoption of this statement is not expected to have a material effect on the Company's future reported financial position or results of operations.

In September 2006, the SEC issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in Current Year Financial Statements." SAB No. 108 addresses how the effects of prior year uncorrected misstatements should be considered when quantifying misstatements in current year financial statements. SAB No. 108 requires companies to quantify misstatements using a balance sheet and income statement approach and to evaluate whether either approach results in quantifying an error that is material in light of relevant quantitative and qualitative factors. SAB No. 108 is effective for periods ending after November 15, 2006. The Company is currently evaluating the impact of adopting SAB No. 108 but does not expect that it will have a material effect on its financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115". This statement permits entities to choose to measure many financial instruments and certain other items at fair value. Most of the provisions of SFAS No. 159 apply only to entities that elect the fair value option. However, the amendment to SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" applies to all entities with available-for-sale and trading securities. SFAS No. 159 is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Early adoption is permitted as of the beginning of a fiscal year that begins on or before November 15, 2007, provided the entity also elects to apply the provision of SFAS No. 157, "Fair Value Measurements". The adoption of this statement is not expected to have a material effect on the Company's financial statements.

(S) Reclassification

Certain amounts in the 2005 financial statements have been reclassified to conform to the 2006 financial presentation. These reclassificatio have no impact on net loss.

NOTE 3. RESTATEMENT OF FINANCIAL STATEMENTS

The financial statements for the year ended December 31, 2005 have been restated to reflect a reclassification of $327,700 from Gain on Disposal to Impairment. This was a result of the Company restating its September 30, 2004 financial statements to reflect the write-off of $327,700 of loans held for investment. The restatement did not have an effect on the Balance Sheet, Net Income, Statement of Stockholders' Equity (Deficit) or Statement of Cashflow.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

	2006	2005
Computer equipment	$157,343	$144,162
Office furniture	87,224	83,538
Leasehold improvements	26,184	40,220
Less accumulated depreciation	(81,777)	(22,443)
	$188,974	$245,477

Depreciation expense for the years ended December 31, 2006 and 2005 was $76,539 and $18,819, respectively.

NOTE 5. LICENSE

On November 2, 2006, the Company's subsidiary, InfoByPhone, entered into to a software license and services agreement with Expert System S.p.A. that grants InfoByPhone an exclusive worldwide perpetual license (exclusive of Italy) for the mobile communications industry to use the Cogito® Contact Mobile Product and the Expert System Technology of Text Mining for structured and unstructured databases, natural language query and answer capability.

The Company had previously signed a letter of intent on August 22, 2006 with Expert System that summarized the scope of the proposed agreement with regard to license, service and payment provisions. At the signing of the letter of intent, the Company paid Expert System $150,000 as a start-up phase initial payment. Additional payments required include payment upon integration of each content database with a commitment of at least ten databases in the first 150 days after signing the agreement. A license fee per single computer server is due in twelve monthly installments each commencing the month following the installation of the software. The on-going technical support commences upon integration of the tenth database and requires a per month fee for twelve months. Subsequent to completion of the twelve month start-up phase, Expert System will receive a percentage of the net revenue through the seventh anniversary date of the conclusion of the start-up phase. The term of the agreement starts upon the commencement date for installation and continues until the seventh anniversary date of the conclusion of the start-up phase. The first database integration was completed in December 2006 and the fee of $39,000 was accordingly recorded as cost of revenue expense as of December 31, 2006. As of December 31, 2006 Expert had not completed the installation of the first database and thus no amortization of the license has been recorded during 2006. Amortization of the license will be over the term of the agreement and commence upon integration of the database software.

NOTE 6. DERIVATIVE LIABILITY

On December 18, 2006, the Company’s Amended and Restated Certificate of Incorporation was filed with the Delaware Secretary of State and became effective, thereby increasing the number of authorized shares of common stock of the Company from 30,000,000 to 100,000,000 shares. The increase in authorized shares provided the Company sufficient authorized and un-issued shares to settle any outstanding agreements for common shares. A net loss of $1,004,571 was recorded upon the re-calculation of the fair value of the outstanding warrants and embedded conversion features on December 18, 2006 when the Company was able to assess that it had adequate authorized shares. The derivative liability was zero at December 31, 2006.

On August 10, 2006, the Company had issued 522,500 shares of common stock which caused an insufficient amount of authorized shares to be available for existing contract commitments. Accordingly, on August 10, 2006, the Company was not able to assert that it had a sufficient number of authorized but un-issued shares to satisfy its obligations under outstanding options and warrant agreements. Therefore, the Company accounted for all of its outstanding options and warrants as derivative contracts and recorded a corresponding liability based on the fair value of such derivatives at the measurement dates.

The Company computed the fair value of the outstanding freestanding warrants and embedded conversion features, at their measurement date, using the Black Scholes valuation model with the following assumptions:

Freestanding warrants

	At issuance	At September 30, 2006	At December 18, 2006
Market price:	$0.31	$0.07	$0.42
Exercise price:	$0.25 - $2.00	$0.25 - $2.00	$0.25 - $2.00
Term:	1 - 5 years	1 - 5 years	1 - 5 years
Volatility:	219 %	219 %	229 %
Risk-free interest rate:	4.89 %	4.59 %	4.62 %
Number of warrants:	9,225,710	9,225,710	9,225,710

The Company used the following methodology to value the embedded conversion features and liquidated damages:

The aggregate fair value of the warrants and options reclassified during the nine-month period ended September 30, 2006 amounted to approximately $2,582,000 at the date of their issuance or reclassification.

NOTE 7. PROMISSORY NOTES

On January 17, 2006, an unrelated third party loaned the Company $250,000. The loan was evidenced by a 10% subordinated promissory note due 60 days from the date of issuance. An aggregate of 25,000 warrants were issued to the lender, as well as 12,500 warrants to the selling agent for the bridge loan. The warrants are all exercisable at $2.00 per share through January 31, 2011. On May 22, 2006, the Company paid the note in full including penalties of $52,425.

On March 1, 2006, the Company executed loan documents for a $100,000 bridge loan from an unrelated third party. The bridge loan was completed on March 8, 2006 and was evidenced by a 16% secured promissory note due on the earliest of the closing of a financing of $1,000,000 in debt, equity or other infusion of capital, or June 30, 2006. The note was paid in full on April 26, 2006.

On March 22, 2006, an unrelated third party loaned the Company $61,500. The loan was evidenced by a 16% subordinated promissory note due 90 days from the date of issuance. The note was paid in full on August 8, 2006.

On April 3, 2006, the Company completed a $300,000 bridge loan from an unaffiliated lender. The loan was evidenced by a 10% subordinated promissory note due July 2, 2006. The lender also received 60,000 shares of unregistered restricted common stock, which the Company agreed to register for resale. On September 9, 2006, the Company paid the note was paid in full.

On April 14, 2006, an unrelated third party loaned the Company $10,000. The loan was evidenced by a 10% subordinated promissory note due on demand. On September 9, 2006, the Company paid the promissory note in full.

NOTE 8. PROMISSORY NOTES - RELATED PARTIES

On March 1, 2006, the Company's Chief Executive Officer loaned the Company $105,000. The bridge loan was completed on March 8, 2006 and is evidenced by a 16% secured promissory note due on the earliest of the closing of a financing of $1,000,000 in debt, equity or other infusion of capital, or June 30, 2006. During the year ended December 31, 2006, the Company repaid principal and interest of $102,376 and $7,624, respectively. The principal balance outstanding at December 31, 2006 was $2,624, and the note is currently in default. The Company intends to pay the promissory note in full upon raising additional equity or debt.

In January 2006, a director of the Company loaned the Company $100,000. The loan is evidenced by a 10% subordinated promissory note due 60 days from the date of issuance. As of December 31, 2006, the entire amount of the note remained outstanding and the note currently is in default. The Company intends to pay the promissory note in full upon raising additional equity or debt.

NOTE 9. STOCKHOLDERS' EQUITY (DEFICIT)

Summary of Preferred Stock Terms

The Company's Articles of Incorporation authorize the issuance of 10,000,000 shares of $.01 par value preferred stock. The Board of Directors has the power to designate the rights and preferences of the preferred stock and issue the preferred stock in one or more series.

Series A

On April 25, 2006, the Company designated 1,500,000 shares of 10% (PIK) Series A preferred stock, $0.01 par value. Each share has a face value of $10.00 and a 10% dividend rate, or $1.00 per share payable in-kind. The Series A preferred stock ranks senior to the Company's common stock and each share has a $10 per share liquidation preference. The Series A preferred stock has no voting rights except as provided by the Delaware General Corporation Law. As of December 31, 2006, there were 362,500 shares of Series A preferred stock issued and outstanding.

Series B

On July 20, 2006, the Company designated 1,600,000 shares of Series B preferred stock, $0.01 par value. Each share has a face value of $10.00 and a 10% dividend rate, or $.50 per share payable in-kind. The Series B preferred stock ranks senior to the common stock and on parity with the Series A preferred stock, and each share has a $10 per share liquidation preference. The Series B preferred stock is convertible into common stock at a price of $.50 per share. The Series B preferred stock has no voting rights except as provided by the Delaware General Corporation Law. As of December 31, 2006, there were 235,500 shares of Series B preferred stock issued and outstanding.

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Series C

On September 7, 2006, the Company designated 400,000 shares of Series C preferred stock, $0.01 par value. The Series C preferred stock is not entitled to receive dividends, ranks senior to the common stock, and each share has a $.01 per share liquidation preference. The terms of the Series C preferred stock provided that such shares would automatically be converted on a one for ten basis into ten shares of common stock of the Company at such time as the Company's Certificate of Incorporation was amended to increase the number of authorized shares of common stock. The Company's Amended and Restated Certificate of Incorporation became effective on December 18, 2006, which provided for an increase in the number of authorized shares of common stock from 30,000,000 to 100,000,000 shares. On January 10, 2007, the Series C preferred stock was converted into 4,000,000 unregistered restricted common shares. The Series C preferred stock has no voting rights except as provided by the Delaware General Corporation Law. As of December 31, 2006, there were 400,000 shares of Series C preferred stock authorized, all of which were issued and outstanding.

Series E

The Series E preferred stock, $0.01 par value, is non-voting stock and is redeemable at the Company's option. The redemption price shall equal the issuance price. The Series E preferred stock shall have a preference in liquidation over the common stock of the Company but shall be subject to the preference in liquidation of the Series C preferred stock. The Series E preferred stock entitles the holder to receive, on a cumulative basis, dividends at an annual rate of $45 per share, payable on a monthly basis. As of December 31, 2006, there were 680 shares of Series E preferred stock authorized, none of which were issued and outstanding.

Series F

The Series F preferred stock, $0.01 par value, is voting stock and is redeemable at the Company's option. The redemption price shall equal the issuance price. The Series F preferred stock shall have a preference in liquidation over the common stock of the Company but shall be subject to the preference in liquidation of the Series C and E preferred stock. The Series F preferred stock entitles the holder to receive, on a cumulative basis, dividends at an annual rate of $14 per share, payable on a monthly basis. As of December 31, 2006, there were 1,250 shares of Series F preferred stock authorized, none of which were issued and outstanding.

Series G

The Series G preferred stock, $0.01 par value, is voting stock and is redeemable at the Company's option. The redemption price shall equal the issuance price plus any unpaid dividends. The Series G preferred stock shall have a preference in liquidation over the common stock of the Company but shall be subject to the preference in liquidation of the Series C, E, and F preferred stock. The Series G preferred stock entitles the holder to receive, on a cumulative basis, dividends at an annual rate of $24 per share, payable on a monthly basis. As of December 31, 2006, there were 2,000 shares of Series G preferred stock authorized, none of which were issued and outstanding.

Series I

The Series I preferred stock, $0.01 par value, is voting stock and is redeemable at the Company's option. The redemption price shall equal the issuance price plus any unpaid dividends. The Series I preferred stock shall have a preference in liquidation over the common stock of the Company but shall be subject to the preference in liquidation of the Series C, E, F and G preferred stock. The Series I preferred stock entitles the holder to receive, on a cumulative basis, dividends at an annual rate of $15 per share, payable on a monthly basis. As of December 31, 2006, there were 550 shares of Series I preferred stock authorized, none of which were issued and outstanding.

Series L

The Series L preferred stock, $0.01 par value, is voting stock and is redeemable at the Company's option. The redemption price shall equal the issuance price plus any unpaid dividends. The Series L preferred stock shall have a preference in liquidation over the common stock of the Company but shall be subject to the preference in liquidation of the Series C, E, F, G, and I preferred stock. The Series L preferred stock entitles the holder to receive, on a cumulative basis, dividends at an annual rate of $120 per share, payable on a monthly basis. As of December 31, 2006, there were 1,000 shares of Series L preferred stock authorized, none of which were issued and outstanding.

Issuance of Preferred Stock

Commencing April 25, 2006, the Company began an offering of Series A preferred stock in the form of a Unit, with each Unit consisting of (i) 5,000 shares of Series A preferred stock, and (ii) warrants to purchase 50,000 shares of the Company's common stock, exercisable for a period of three years at a price of $1.00 per share. On July 20, 2006, a supplement to the private placement memorandum used in connection with the offering of such Units was approved, which supplement re-priced the offering and modified the preferred stock offered. All investors that had invested in the Series A private placement were offered an opportunity to exchange their shares of Series A preferred stock into shares of Series B preferred stock that were identical in all respects to the Series A shares except for the conversion price, which was reduced to $.50 per share. In addition, the number of warrants issued per Unit was increased from 50,000 to 100,000 warrants while the exercise price remained at $0.50 per share. The number of warrants issued to the placement agent also increased from 1,000,000 to 2,000,000, exercisable at $.50 per share of common stock rather than $1.00 per share (or such proportionately smaller number if less than the maximum offering amount was raised).

As of December 31, 2006, the Company had completed the sale of a total of 120 Units of the Series A and B preferred stock for aggregate gross proceeds of $5,980,000 ($3,625,000 from the sale of 362,500 shares of Series A preferred stock, and $2,355,000 from the sale of 235,500 shares of Series B preferred stock). The placement agent in connection with such offering received warrants to purchase, with a cashless exercise feature, 1,000,000 shares of common stock of the Company, exercisable at $.50 per share, as well as (1) an aggregate of $608,000 sales commissions, (2) $162,000 in non-accountable expenses, and (3) 1,060,000 shares of common stock. As of December 31, 2006, accrued dividends of $224,027 and $98,287 were due on the Series A and Series B preferred stock, respectively.

In September 2006, the Company issued 400,000 shares of its Series C preferred stock to financial advisors of the Company in connection with negotiations with Expert System for an exclusive software license agreement.

Issuance of Common Shares for Cash

During 2005, the Company issued an aggregate 1,078,333 shares of common stock to individuals for cash of $323,500.

In July, 2005, the Company completed a private placement of its securities, in which the Company sold 10,666,669 shares of the Company's common stock for total gross proceeds of $3,200,000. The Company received net proceeds of approximately $2,778,000, after deducting fees payable to the placement agent. These fees included a 10% commission equal to $320,000, payable in cash. The placement agent also received 1,066,710 shares of common stock, and $96,000 for a 3% non-accountable expense allowance, as well as other transaction expenses payable by the Company. The proceeds received in this offering were first used to repay approximately $100,000 of outstanding principal and accrued interest owed to Allied International Fund. The remaining proceeds from this offering were used for research and development, marketing and for working capital and general corporate purposes.

During 2005, seven individuals exercised an aggregate 200,000 common stock warrants with an exercise price of $2.00 per share. The Company received cash of $400,000. In addition, the Company issued these investors 200,000 new warrants at a price of $.90 per share expiring in October 2007. The warrants were treated as direct offering costs and the value was included in additional paid in capital.

Issuance of Common Stock for Services

<u>2005</u>

During 2005, the Company issued an aggregate 2,662,400 shares of common stock for services valued at $689,064. The Company recorded the fair value on the date of issuance based on then-current cash offering prices.

During 2005, the Company issued a total of 2,103,333 shares of common stock valued at $578,759 to seven consultants for services. The Company recorded the fair market value on the date of issuance based on then-current cash offering prices.

<u>2006</u>

Between January and July 2006, the Company issued 87,900 shares of common stock to a non-employee professional services firm for investor relations services. The Company calculated a fair value of $71,875 for these shares based on the value of the shares on the date of issuance and recorded the amount as an administrative expense as of December 31, 2006.

Between April and December 2006, the Company sold the placement agent 537,500 shares of unregistered restricted common stock at a price of $.001 per share in connection with the agent's placement of shares of Series A preferred stock. The shares issued to the placement agent were in accordance with offering agreement. The Company recorded the amount as a direct offering cost.

In April, 2006, the Company issued 60,000 shares of common stock to a note holder, with a fair market value of $68,400 on the date of issuance. The value was recorded as debt discount and amortized over the life of the debt. As of December 31, 2006 the discount was fully amortized.

In April, 2006, the Company issued 200,000 shares of common stock to the Company's Chief Executive Officer as a bonus valued at $208,000, the fair market value on the date of issuance. The Company recorded the entire amount as employee compensation in the second quarter of fiscal 2006.

In August, 2006, the Company sold the placement agent 522,500 shares of unregistered restricted common stock at a price of $.001 per share in connection with the agent's placement of shares of Series A preferred stock. On July 20, 2006 a supplement to the private placement memorandum for the preferred stock offering provided for, among other things, a re-pricing of the offering and the compensation in shares to the placement agent. The additional shares issued to the placement agent were in accordance with the restructured offering. The Company recorded the amount as a direct offering cost.

In August, 2006, the Company issued 150,000 shares of unregistered restricted common stock to a vendor in lieu of payment for services provided. The Company determined a value for the shares of $48,000 based on the fair market value of the stock at the time the services were performed. The Company recorded the entire amount as general and administrative expense in the third quarter of fiscal 2006.

In August, 2006, the Company sold to various financial advisors an aggregate 1,000,000 shares of unregistered restricted common stock at a price of $.001 per share as compensation for services rendered in connection with negotiations with Expert System. The Company determined a value for the shares of $300,000 for such shares, with $299,000 recorded as professional fees expense and $1,000 recorded as a subscription receivable in the third quarter of fiscal 2006. The subscription receivable was offset as an administrative expense due to reimbursable costs incurred by the placement agent as of December 31, 2006.

In September, 2006, the Company issued an aggregate 470,375 shares of unregistered restricted common stock to certain stockholders in accordance with a lock-up agreement entered into by such stockholders with the Company. Holders of shares of common stock of the Company who agreed not to sell their common shares until three months after the effective date of the registration statement covering the underlying shares of the July 20, 2006 amended preferred stock offering were given a 5% stock fee as compensation. The Company determined a value for the shares of $371,596 based on the fair market value of the stock upon issuance of the stock fee. The Company recorded the entire amount as general and administrative expense in the third quarter of fiscal 2006.

Options and Warrants issued for Consulting Services

2005

During 2005, the Company issued a total of 200,000 common stock warrants with an exercise price of $.90 per share to a consultant for services expiring in February 2006. The Company recorded the fair market value of the options based on the fair value of each option grant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2005, dividend yield of zero, expected volatility of 172%, risk-free interest rates of 4.5%, and expected lives of five to ten years. The Company recorded $371,800 in accordance with the Black-Scholes pricing model. The term of the services was from November 2005 to February 2006. The Company recorded an expense of $136,327 for the year ended December 31, 2005 and deferred compensation of $235,473. The Company recognized $235,473 of general and administrative expense in 2006.

2006

Between April and December 2006, the Company issued warrants in accordance with the Series A and Series B preferred stock offering. The Series A holders received 3,625,000 warrants to purchase the Company's common stock, exercisable for a period of three years at a price of $1.00 per share. The Series B holders received 4,710,000 warrants to purchase the Company's common stock, exercisable for a period of three years at a price of $0.50 per share. The placement agent in connection with such offering received warrants to purchase, with a cashless exercise feature, 1,000,000 shares of common stock of the Company, exercisable at $.50 per share.

In March, 2006, the Company issued 52,500 common stock warrants to a note holder with an exercise price of $2.00 per share for financing fees on $350,000 of notes expiring in five years. The Company recorded the fair market value of the warrants based on the fair value of each warrant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 172%, risk-free interest rates of 4.50%, and expected lives of five years. The Company recorded $108,622 in financing fees in the first quarter of fiscal 2006.

In July, 2006, the Company issued 200,000 common stock warrants to a vendor with an exercise price of $0.50 per share for past services rendered. The Company recorded the fair market value of the warrants based on the fair value of each warrant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219%, risk-free interest rates of 4.84%, and expected lives of five years. The Company recorded a $69,000 professional fee expense in the third quarter of fiscal 2006.

In August, 2006, the Company issued warrants to purchase 200,000 shares of common stock to a vendor with an exercise price of $0.50 per share for past services rendered. The warrants vest with respect to 100,000 shares three months after the date of grant and with respect to the second 100,000 shares six months after the date of grant. The Company recorded the fair market value of the 183,333 vested warrants based on the fair value of each warrant estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2006: dividend yield of zero, expected volatility of 219%, risk-free interest rates of 4.84%, and expected lives of five years. The Company recorded $21,000 and $37,000 in general and administrative expense for the fiscal 2006 third and fourth quarters, respectively.

Warrants outstanding at December 31, 2006 were as follows:

Warrants	
Outstanding at beginning of year	1,131,543
Granted	9,787,500
Exercised	--
Warrants at December 31, 2006	10,919,043

NOTE 10. STOCK OPTION PLAN

Effective January 1, 2006, the Company's 2005 and 2006 Plans were accounted for in accordance with the recognition and measurement provisions of Statement of Financial Accounting Standards No. 123 (revised), "Share-Based Payment", which replaces SFAS No. 123, "Accounting for Stock-Based Compensation", and supersedes Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. SFAS No. 123(R) requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within SEC Staff Accounting Bulletin No. 107, which provides the views of the staff of the SEC regarding the interaction between SFAS No. 123(R) and certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

Prior to January 1, 2006, the Company accounted for similar transactions in accordance with APB No. 25, which employed the intrinsic value method of measuring compensation cost. Accordingly, compensation expense was not recognized for fixed stock options if the exercise price of the option equaled or exceeded the fair value of the underlying stock at the grant date.

While SFAS No. 123 encouraged recognition of the fair value of all stock-based awards on the date of grant as expense over the vesting period, companies were permitted to continue to apply the intrinsic value-based method of accounting prescribed by APB No. 25 and disclose certain pro-forma amounts as if the fair value approach of SFAS No. 123 had been applied. In December 2002, SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure, an amendment of FAS No. 123," was issued, which, in addition to providing alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation, required more prominent pro-forma disclosures in both the annual and interim financial statements. The Company complied with these disclosure requirements for all applicable periods prior to January 1, 2006.

In adopting SFAS No. 123(R), the Company applied the modified prospective approach to transition. Under the modified prospective approach, the provisions of SFAS No. 123(R) are to be applied to new awards and to awards modified, repurchased, or cancelled after the required effective date. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date shall be recognized as the requisite service is rendered on or after the required effective date. The compensation costs for that portion of awards shall be based on the grant-date fair value of those awards as calculated for either recognition or pro-forma disclosures under SFAS No. 123.

As a result of the adoption of SFAS No. 123 (R), the Company's results for the year ended December 31, 2006 include share-based compensation expense totaling $2,453,523, which has been included in salaries and compensation expense. No income tax benefit has been recognized in the income statement for share-based compensation arrangements as the Company has provided a 100% valuation allowance on its net deferred tax asset.

Stock option compensation expense in fiscal 2006 is the estimated fair value of options granted amortized on a straight-line basis over the requisite service period for the entire portion of the award.

Accounting for Non-Employee Awards

The Company previously accounted for options granted to its non-employee consultants using the fair value cost in accordance with SFAS No. 123. The adoption of SFAS No. 123(R) as of January 1, 2006 had no material impact on the accounting for non-employee awards.

Pro Forma Information under SFAS No. 123 for Periods Prior to Adoption of SFAS No. 123(R)

The following table illustrates the effect on net income and earnings per share as if the fair value recognition provisions of SFAS No. 123 had been applied to all outstanding and unvested awards in the prior year comparable period.

	2006	2005
Net loss available to common shareholders		
As Reported	$ (12,574,002)	$ (8,819,720)
Stock-based compensation cost	--	(868,757)
Pro Forma	$ (12,574,002)	$ (9,688,477)
Basic and diluted loss per share		
As Reported	$ (.46)	$ (.59)
Pro Forma	$ (.46)	$ (.64)

The fair value of options at the date of grant is estimated using the Black-Scholes option pricing model. The assumptions made in calculating the fair values of options are as follows:

	For the year ended December 31, 2006		For the year ended December 31, 2005	
Expected term (in years)	5-10		5 - 10	
Expected volatility	219% - 229	%	172	%
Expected dividend yield	0	%	0	%
Risk-free interest rate	4.73% - 4.76	%	4.50	%

There were 7,722,000 and 1,920,000 employee stock options outstanding in the years ended December 31, 2006 and 2005, respectively.

Plan Information

On August 4, 2006, the Company's 2006 Employee Stock Incentive Plan (the "2006 Plan") was approved and adopted by the Board of Directors. The 2006 Plan is scheduled to become effective upon the approval of the Company's stockholders either at an annual or special meeting to be held within one year from the date of adoption by the Board of Directors. Under the 2006 Plan, the Company may grant stock options, stock appreciation rights or restricted stock to its employees, officers and other key persons employed or retained by the Company and any non-employee director, consultant, vendor or other individual having a business relationship with the Company, to purchase up to 3,000,000 shares of common stock. Options are granted at various times and vest over various periods. As of December 31, 2006, the Company had issued a total of 1,702,000 options pursuant to the 2006 Plan.

Under the 2005 Management and Director Equity Incentive Stock Option Plan (the "2005 Plan"), the Company may grant incentive and non-qualified stock options to its employees, officers, directors, and consultants of the Company to purchase up to 2,000,000 shares of common stock. Under the 2005 Plan, the exercise price of each option must equal or exceed the market price of the Company's stock on the date of grant, and an option's maximum term is ten years. Options are granted at various times and vest over various periods. As of December 31, 2006, the Company had issued a total of 1,920,000 options pursuant to the 2005 Plan.

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions used for grants in 2005: dividend yield of zero, expected volatility of 172%, risk-free interest rates of 4.5%, and expected lives of three to four years.

On September 20, 2006, the Company cancelled a total of 2,000,000 common stock options previously granted to the Company's Chief Executive Officer at a per share exercise price of $1.01, and issued in replacement thereof 2,000,000 common stock options at a price of $0.50 per share expiring 10 years from the date of issuance. The Company recorded an expense of $1,179,600 for the year ended December 31, 2006 in connection therewith.

In addition, the Company cancelled a total of 200,000 common stock options previously granted to directors of the Company at a per share exercise price of $1.01, and issued in replacement thereof 200,000 common stock options at a price of $0.50 per share expiring 10 years from the date of issuance. The Company recorded an expense of $58,980 for the year ended December 31, 2006 in connection therewith.

A summary of the status of the Company's stock options as of December 31, 2006 and the changes during the period ended is presented bel

Fixed Options	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	--	$--
Granted	1,920,000	.70
Outstanding at December 31, 2005	1,920,000	$.70
Issued	8,272,000	$.68
Cancelled	(2,470,000)	$.98
Outstanding at December 31, 2006	7,722,000	$.58
Exercisable at December 31, 2006	4,853,000	$.63
Weighted average exercise price of options granted to employees at December 31, 2006	$.68	

Exercise Price	Weighted Number Outstanding at December 31, 2006	Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2006	Weighted Average Exercise Price
$ .50-$.85	7,452,000	7.5	$ 0.54	4,583,000	$ 0.56
$ 1.59-$2.00	270,000	5.0	$ 1.73	270,000	$ 1.73

Exercise Price	Weighted Number Outstanding at December 31, 2005	Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable at December 31, 2005	Weighted Average Exercise Price
$.66-$.85	1,920,000	7.5	$0.70	1,269,000	$0.70

NOTE 11. DISCONTINUED OPERATIONS

As of December 30, 2005, the Company sold the operations of its subsidiary, Ocean West Enterprises, for $1.00 to Container/ITW, Inc. Accordingly, all amounts from June 6, 2005 (date of acquisition) to December 30, 2005 have been reclassified to conform to this presentation.

Discontinued operations for the period June 6, 2005 to December 30, 2005 are as follows:

	2005
Sales	$402,515
Cost of goods sold	(217,681)
Operating expenses	(1,022,932)
Goodwill impairment	(6,338,357)
Other income (expense)	(68,689)
Income (loss) from discontinued operations	$(7,245,144)

NOTE 12. COMMITMENTS AND CONTINGENCIES

Content Contracts

The Company has entered into various service and content agreements. The agreements are usually effective for a period of one year and require the Company to pay a monthly fee and/or transaction fees based on usage. The costs associated with these contracts are included in costs of revenues.

Future minimum payments are expected to be approximately as follows:

Year Ended December 31,

2007	$120,995
2008	89,395
	$210,390

Lease Commitments

The Company's principal operating offices are located at 26 Executive Park, Suite 250, Irvine, California 92614. The lease is for approximately 2,641 square feet under a 3-year lease ending in 2008, at a current monthly rental rate of $5,779. We lease approximately 1,100 square feet of office space under a month-to-month lease in Deerfield Township, Ohio at a monthly rent of $2,523. We lease approximately 300 square feet on Long Island, New York at a monthly rent of $1,455.

We also lease approximately 1,100 square meters of office space under a one-year lease in Makati City, Manila, Philippines at a monthly rent of $6,130, which lease expires September, 2007. There is an option for a second year on this lease at a rent that may be increased by a maximum ten percent for the renewal term

Rent expense for the years ended December 31, 2006 and 2005 was $188,363 and $86,660, respectively.

Future minimum lease payments are expected to be approximately as follows:

Year Ended December 31,

2007	$163,119
2008	59,160
	$ 222,279

Employment Contracts

In July 2005, the Company entered into an employment agreement with its President for a term of three years at an annual minimum salary of $110,000, with additional bonuses and fringe benefits as determined by the Board of Directors. In April, 2006 the Company increased the President's base salary to $250,000 per year and provided for an automobile allowance of $6,840 per year.

On October 10, 2006, the Company entered into employment agreements with eight executives, each for a term of one year at an annual average salary of $74,450, with additional bonuses and benefits as determined by the Board of Directors.

Financial Advising Agreements

In July 2006, the Company entered into a financial consulting agreement for twenty-four months at a rate of $5,000 per month. The Company has prepaid the consulting fees through May 2007 and owes a remaining $65,000 in monthly fees through May 2008.

Pursuant to an underwriting agreement with its financial advisor, the Company is obligated to an exclusive period of twenty-four months commencing on March 1, 2007 and ending on February 28, 2009.

Litigation

The Company has been advised that there are 448,420 outstanding warrants to purchase common stock of the Company, a portion of which may still be exercisable despite former management's representation and warranty that there were no outstanding warrants at the time of the Reverse Merger. Included in these warrants are 300,000 claimed to be exercisable at $0.25 per share through August 15, 2007. The alleged holder of these warrants, a former consultant of the Company, has filed a lawsuit in the United States District Court for the Southern District of New York (06 CV 609) seeking specific performance of an agreement which provided for "piggyback" registration rights and seeking to have the Company include the 300,000 shares underlying the warrants in its pending registration statement on Form SB-2. Notwithstanding the fact that the subject matter of the lawsuit is still in dispute, the Company has agreed to register the shares. The Company has answered the complaint, denied the claims and the court has given the plaintiff until April 13, 2007 to amend its complaint or the Company will be given the opportunity to have the complaint dismissed.

In December 2005, the Company received a claim from an attorney for Marshall Stewart, the former CEO of the Company. Mr. Stewart was employed by the Company under an employment agreement dated September 1, 2004. Mr. Stewart was to be compensated $180,000 per year in base salary plus bonuses through August 31, 2007. Mr. Stewart's claim is for a breach of contract alleged to have occurred in late 2004 when the Company was under the control of Consumer Direct of America, the Company's principal shareholder ("CDA"), and for CDA's failure to advise the Company's stockholders of the sale of the company until after the Reverse Merger. As of December 31, 2006, the Company has not accrued any expense related to the claim and no further developments have occurred regarding this claim.

On May 5, 2006, a judgment by default in the amount of $604,391 was entered by IndyMacBank, F.S.B., in the Los Angeles Superior Court against Ocean West Holding Corporation, OWE and CDA and Does 1 through 100, inclusive. The underlying complaint brought by a federal bank alleged a default by OWE under settlement agreements with the plaintiff which purchased certain loans from OWE however the complaint did not state a cause of action against the Company. Pursuant to Section 13.3 of the Securities Exchange Agreement and Plan of Reorganization dated as of April 14, 2005, the Company gave CDA notice of a breach of the representations and warranties set forth in, among other things, Section 5.5 of the Exchange Agreement. In addition, CDA assumed and agreed to indemnify the Company from any and all liabilities as of May 23, 2005, whether known or unknown, pursuant to the Assignment and Assumption of Liabilities Agreement of the same date. Personal service upon the Company's registered agent was claimed, however, the Company was never served and will seek to remove the judgment.

The Company has been advised by Pioneer Credit Recovery, Inc. that the U.S. Department of Treasury has placed with Pioneer an account owed to it by the Company's former subsidiary, OWE. The former principals of OWE did not disclose that they and OWE had guaranteed three HUD loans in the aggregate amount of $151,980. In the event a claim is made against the Company by Pioneer, the U.S. government or any agency or instrumentality thereof, or any other party, the Company will seek indemnification from the former principals of OWE, Consumer Direct of America, the Company's principal shareholder, and their respective affiliates under both the Exchange Agreement and an Assignment and Assumption of Liabilities Agreement dated May 23, 2005 that the Company entered into with the former principals in connection with the Reverse Merger (See Note 1 above). As of December 31, 2006, the Company has not accrued any amount for this guarantee.

Note 13. INCOME TAXES

The Company utilizes the liability method of accounting for income taxes as set forth in SFAS No. 109, "Accounting for Income Taxes." Under the liability method, deferred taxes are determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. Income tax expense for the years ended December 31, 2006 and 2005 is summarized as follows:

2006	Current	Deferred	Total
Federal	$-	$-	$-
State	800	-	800
Foreign	-	12,032	12,032
	$800	$12,032	$12,832
2005			
Federal	$-	$-	$-
State	-	-	-
Foreign	-	-	-
	$-	$-	$-

Income tax expense for the years ended December 31, 2006 and 2005 differed from amounts computed by applying the statutory U.S. federal corporate income tax rate of 34% to income before income tax benefit as a result of the following:

Expected income tax expense (benefit) from operations at Federal tax rate	$(4,270,798)
State income tax	(732,069)
Stock compensation	74,889
Foreign rate differential	41,460
Permanente differences	11,878
Foreign tax	12,032
Valuation allowance	4,875,440
	$12,832

The effects of the temporary differences that gave rise to significant portions of deferred tax assets and liabilities at December 31, 2006 and 2005 are as follows:

Deferred tax assets:	2006	2005
Net operating loss carryforward (benefit)	$(6,899,802)	$(2,024,362)
Total gross deferred tax assets	(6,899,802)	(2,024,362)
Less valuation allowance	6,899,802	2,024,362
Net deferred tax assets	$-	$-

The Company has a net operating loss carryforward of approximately $5,198,000 available to offset future taxable income through 2026. The valuation allowance at December 31, 2006 was $6,899,802. The net change in the valuation allowance for the year ended December 31, 2006 was an increase of $4,875,440.

The Company is also delinquent in filing certain federal and state income tax returns for 2004 and 2005 and is working to complete and file the returns. The Company does not anticipate any tax liability due to the losses incurred to date and the net operating loss carryforwards available to the Company.

NOTE 14. SUBSEQUENT EVENTS

Expert System S.p.A. Acquisition Letter of Intent

On April 12, 2007, the Company announced that it had entered into a letter of intent to acquire 100% of the capital stock of Expert System S.p.A. The transaction is subject to the Company obtaining required financing for the combined entity, audited financial statements, execution of employment agreements with management, necessary due diligence, the execution of a definitive acquisition agreement, third party and governmental consents and other customary closing conditions. This acquisition is contemplated to close within the next three to four months so long as the funding is in place to meet the terms of the letter of intent.

Preferred Stock Financing

Beginning in April 2006, the Company began an offering of preferred stock, $0.01 par value, to accredited investors in exchange for cash. In connection with preferred offering, the Company granted each investor the right to receive 200% warrant coverage. Between January 1, 2007 and February 26, 2007, the Company raised an aggregate $725,000 in subscription for 72,500 additional shares of Series B preferred stock, convertible into 1,450,000 common shares, and issued warrants to purchase 1,450,000 shares of common stock. The Company paid $99,000 in placement fees and issued 140,000 shares of common stock to the placement agent in connection with such sales of preferred stock. As of February 26, 2007, this offering was closed to any new funding.

Bridge Loan Financing

Beginning in February, 2007, the Company commenced a bridge loan on a “best-efforts” no minimum basis, of up to $3 million principal amount of 12% Senior Promissory Notes due and payable 90 days from the date of issuance unless extended by the Company for up to an additional 90 days. The Company will issue warrants to purchase four shares of common stock for every $1.00 principal amount of notes issued. As of April 10, 2007, the Company had borrowed $375,000 and issued warrants to purchase 750,000 shares of common stock. The Company paid $12,250 in placement fees in connection with such issuance of bridge notes.

Issuance of Common Stock for Services

Beginning in January 2007, the Company entered into an agreement for investor relations and marketing services through March 31, 2007 and issued 165,000 shares of unregistered restricted common stock.

Series C Convertible Preferred Stock Conversions

On January 10, 2007, holders of Series C preferred stock converted 400,000 shares into 4,000,000 shares of unregistered restricted com stock.

Short-term Liquidity Problems

During the first quarter of fiscal 2007, the Company continued to experience liquidity problems and had insufficient cash on hand to effectively manage its business. During such period, the Company raised $725,000 through a preferred stock offering and $375,000 through bridge loan financing to accredited investors. The Company has continued to raise operating cash through additional bridge loan financing, and our management is in the process of negotiating additional financing.

FILE COPY

OFFICE SPACE LEASE

BETWEEN

THE IRVINE COMPANY

AND

OCEAN WEST HOLDING CORPORATION

OFFICE SPACE LEASE

THIS LEASE is made as of the____day of ________________, 20___, by and between **THE IRVINE COMPANY**, hereafter called "Landlord," and **OCEAN WEST HOLDING CORPORATION**, a Delaware corporation, hereafter called "Tenant."

ARTICLE I. BASIC LEASE PROVISIONS

Each reference in this Lease to the "Basic Lease Provisions" shall mean and refer to the following collective terms, the application of which shall be governed by the provisions in the remaining Articles of this Lease.

1. **Tenant's Trade Name:** N/A

2. **Premises:** Suite No. 250 (the Premises are more particularly described in Section 2.1).

   Address of Building: 26 Executive Park, Irvine, California 92614

   Project Description: Executive Park

3. **Use of Premises:** General office and for no other use.

4. **Estimated Delivery Date:** November 1, 2005

5. **Lease Term:** Thirty-six (36) months, plus such additional days as may be required to cause this Lease to terminate on the final day of the calendar month.

6. **Basic Rent:** Five Thousand Four Hundred Fourteen Dollars ($5,414.00) per month.

   Rental Adjustments:

   Commencing twelve (12) months following the Commencement Date, the Basic Rent shall be Five Thousand Five Hundred Forty-Six Dollars ($5,546.00) per month.

   Commencing twenty-four (24) months following the Commencement Date, the Basic Rent shall be Five Thousand Six Hundred Seventy-Eight Dollars ($5,678.00) per month.

7. **Property Tax Base:** The Property Taxes per rentable square foot incurred by Landlord and attributable to the twelve month period ending June 30, 2006 (the "Base Year").

   Building Cost Base: The Building Costs per rentable square foot incurred by Landlord and attributable to the Base Year.

   Expense Recovery Period: Every twelve month period during the Term (or portion thereof during the first and last Lease years) ending June 30.

8. **Floor Area of Premises:** approximately 2,641 rentable square feet

9. **Security Deposit:** $12,492.00

10. **Broker(s):** Grubb & Ellis

11. **Plan Approval Date:** N/A

12. **Parking:** Nine (9) unreserved vehicle parking spaces.

13. **Address for Payments and Notices:**

LANDLORD

Payment Address:

The Irvine Company
Department 1415
Los Angeles, CA 90084-1415

Notice Address:

The Irvine Company
36 Executive Park, Suite 120A
Irvine, CA 92614
Attn: Property Manager

with a copy of notices to:

THE IRVINE COMPANY
P.O. Box 6370
Newport Beach, CA 92658-6370
Attn: Vice President, Operations – Office Properties

TENANT

Ocean West Holding Corporation
26 Executive Park, Suite 250
Irvine, CA 92614

Before the Commencement Date, Tenant's Address for Notices shall be:

Ocean West Holding Corporation
4117 West 16th Street
Vero Beach, FL 32967

ARTICLE II. PREMISES

SECTION 2.1. LEASED PREMISES. Landlord leases to Tenant and Tenant rents from Landlord the premises shown in Exhibit A (the "Premises"), containing approximately the floor area set forth in Item 8 of the Basic Lease Provisions and known by the suite number identified in Item 2 of the Basic Lease Provisions. The Premises are located in the building identified in Item 2 of the Basic Lease Provisions (the "Building"), which is a portion of the project described in Item 2 (the "Project").

SECTION 2.2. ACCEPTANCE OF PREMISES. Tenant acknowledges that neither Landlord nor any representative of Landlord has made any representation or warranty with respect to the Premises or the Building or the suitability or fitness of either for any purpose, except as set forth in this Lease. It is understood that Landlord shall construct, in a timely, good and workmanlike manner and in compliance with applicable laws, those tenant improvements in the Premises as set forth in the plans prepared by Gensler and dated July 25, 2005. Landlord shall also re-key the Premises, but shall not be obligated to make any additional improvements for Tenant. The taking of possession or use of the Premises by Tenant for any purpose other than construction shall conclusively establish that the Premises and the Building were in satisfactory condition and in conformity with the provisions of this Lease in all respects, except for those matters which Tenant shall have brought to Landlord's attention on a written punch list and except for latent defects of which Landlord is notified within six (6) months following the Commencement Date. The punch list shall be delivered to Landlord within thirty (30) days after the term ("Term") of this Lease commences as provided in Article III below. Nothing contained in this Section shall affect the commencement of the Term or the obligation of Tenant to pay rent. Landlord shall diligently complete all punch list items of which it is notified as provided above.

SECTION 2.3. BUILDING NAME, ADDRESS AND DEPICTION. Tenant shall not utilize any name selected by Landlord from time to time for the Building and/or the Project as any part of Tenant's corporate or trade name. Landlord shall have the right to change the name, number or designation of the Building or Project without liability to Tenant. Tenant shall not use any picture of the Building in its advertising, stationery or in any other manner.

ARTICLE III. TERM

SECTION 3.1. GENERAL. The Term shall be for the period shown in Item 5 of the Basic Lease Provisions. The Term shall commence ("Commencement Date") on the earlier of: (i) fifteen (15) days following the date the Premises are "ready for occupancy" as described in Section 3.2 (the "Delivery Date") or (ii) the date Tenant commences its normal business activities in the Premises. Promptly following request by Landlord, the parties shall memorialize on a form provided by Landlord the actual Commencement Date and the expiration date ("Expiration Date") of this Lease; should Tenant fail to execute and return the Commencement Memorandum to Landlord within five (5) business days (or provide specific written objections thereto within that period), then Landlord's determination of the Commencement and Expiration Dates as set forth in the Commencement Memorandum shall be conclusive.

SECTION 3.2. OCCUPANCY. The Premises shall be deemed ready for occupancy upon the tendered date, but only if and when Landlord, to the extent applicable, (a) has put into operation all building services essential for the use of the Premises by Tenant, (b) has provided reasonable access to the Premises for Tenant so that they may be used without unnecessary interference, (c) has substantially completed all the work required to be done by Landlord in this Lease, and (d) has obtained requisite governmental approvals to Tenant's occupancy. Notwithstanding the foregoing, however, if the prosecution of Landlord's improvement work in the Premises is delayed due to any action or inaction by Tenant, then the Premises shall be deemed ready for occupancy for purposes hereof as of the date Landlord would have been able to deliver the Premises to Tenant but for Tenant's delay(s).

SECTION 3.3. EARLY ENTRY. Following the full execution of this Lease, payment of all deposits due hereunder and delivery of proper evidence of insurance pursuant to Exhibit D hereof, Tenant shall be permitted to access the Premises during the fifteen (15) day period following the Delivery Date in order that it may install its furniture, telephone systems and data cabling equipment. Tenant's access to the Premises prior to the Commencement Date shall be subject to all of the terms and obligations of this Lease, including the indemnity provisions herein, except that Tenant shall not be required to pay Basic Rent during that period unless Tenant sooner commences its normal business activities within the Premises.

ARTICLE IV. RENT AND OPERATING EXPENSES

SECTION 4.1. BASIC RENT. From and after the Commencement Date, Tenant shall pay to Landlord without deduction or offset (except as specifically provided herein) a Basic Rent for the Premises in the total amount shown (including subsequent adjustments, if any) in Item 6 of the Basic Lease Provisions. If the Commencement Date is other than the first day of a calendar month, any rental adjustment shown in Item 6 shall be deemed to occur on the first day of the next calendar month following the specified monthly anniversary of the Commencement Date. The rent shall be due and payable in advance commencing on the Commencement Date and continuing thereafter on the first day of each successive calendar month of the Term, as prorated for any partial month. No demand, notice or invoice shall be required. An installment of rent in the amount of one (1) full month's Basic Rent at the initial rate specified in Item 6 of the Basic Lease Provisions shall be delivered to Landlord concurrently with Tenant's execution of this Lease and shall be applied against the Basic Rent first due hereunder; the next installment of Basic Rent shall be due on the first day of the second calendar month of the Term, which installment shall, if applicable, be appropriately prorated to reflect the amount prepaid for that calendar month.

SECTION 4.2. OPERATING EXPENSE INCREASE.

(a) Commencing twelve (12) months following the Commencement Date, Tenant shall compensate Landlord, as additional rent, for Tenant's proportionate shares of "Building Costs" and "Property Taxes," as those terms are defined below, incurred by Landlord in the operation of the Building and Project. Property Taxes and Building Costs are mutually exclusive and may be billed separately or in combination as determined by Landlord. Tenant's proportionate share of Property Taxes shall equal the product of the rentable floor area of the Premises multiplied by the difference of (i) Property Taxes per rentable square foot less (ii) the Property Tax Base set forth in Item 7 of the Basic Lease Provisions. Tenant's proportionate share of Building Costs shall equal the product of the rentable floor area of the Premises multiplied by the difference of (i) Building Costs per rentable square foot less (ii) the Building Cost Base set forth in Item 7 of the Basic Lease Provisions. Tenant acknowledges Landlord's rights to make changes or additions to the Building and/or Project from time to time pursuant to Section 6.5 below, in which event the total rentable square footage within the Building and/or Project may be adjusted. For convenience of reference, Property Taxes and Building Costs may sometimes be collectively referred to as "Operating Expenses."

(b) Commencing prior to the start of the first full "Expense Recovery Period" of the Lease (as defined in Item 7 of the Basic Lease Provisions), and prior to the start of each full or partial Expense Recovery Period thereafter, Landlord shall give Tenant a written estimate of the amount of Tenant's proportionate shares of Building Costs and Property Taxes for the Expense Recovery Period or portion thereof. Commencing twelve (12) months following the Commencement Date, Tenant shall pay the estimated amounts to Landlord in equal monthly installments, in advance, with Basic Rent. If Landlord has not furnished its written estimate for any Expense Recovery Period by the time set forth above, Tenant shall continue to pay cost reimbursements at the rates established for the prior Expense Recovery Period, if any; provided that when the new estimate is delivered to Tenant, Tenant shall, at the next monthly payment date, pay any accrued cost reimbursements based upon the new estimate. Landlord may from time to time change the Expense Recovery Period to reflect a calendar year or a new fiscal year of Landlord, as applicable, in which event Tenant's share of Operating Expenses shall be equitably prorated for any partial year.

(c) Within one hundred twenty (120) days after the end of each Expense Recovery Period, Landlord shall furnish to Tenant a statement setting forth the actual or prorated Property Taxes and Building Costs attributable to that period, and the parties shall within thirty (30) days thereafter make any payment or allowance necessary to adjust Tenant's estimated payments, if any, to Tenant's actual proportionate shares as shown by the annual statement. If Tenant has not made estimated payments during the Expense Recovery Period, any amount owing by Tenant pursuant to subsection (a) above shall be paid to Landlord in accordance with Article XVI. If actual Property Taxes or Building Costs allocable to Tenant during any Expense Recovery Period are less than the Property Tax Base or the Building Cost Base, respectively, Landlord shall not be required to pay that differential to Tenant, although Landlord shall refund any applicable estimated payments collected from Tenant. Should Tenant fail to object in writing to Landlord's determination of actual Operating Expenses within ninety (90) days following delivery of Landlord's expense statement, Landlord's determination of actual Operating Expenses for the applicable Expense Recovery Period shall be conclusive and binding on Tenant.

(d) Even though the Lease has terminated and the Tenant has vacated the Premises, when the final determination is made of Tenant's share of Property Taxes and Building Costs for the Expense Recovery Period in which the Lease terminates, Tenant shall upon notice pay the entire increase due over the estimated expenses paid; conversely, any overpayment made in the event expenses decrease shall be rebated by Landlord to Tenant. However, in lieu thereof, Landlord may deliver a reasonable estimate of the anticipated reconciliation amount to Tenant prior to the expiration of the Term, in which event the appropriate party shall fund that amount by the termination date.

(e) If, at any time during any Expense Recovery Period, any one or more of the Operating Expenses are increased to a rate(s) or amount(s) in excess of the rate(s) or amount(s) used in calculating the estimated expenses for the year, then Tenant's estimated share of Property Taxes or Building Costs, as applicable, shall be increased for the month in which the increase becomes effective and for all succeeding months by an amount equal to Tenant's proportionate share of the increase. Landlord shall give Tenant written notice of the amount or estimated amount of the increase, the month in which the increase will become effective, Tenant's monthly share thereof and the months for which the payments are due. Tenant shall pay the increase to Landlord as a part of Tenant's monthly payments of estimated expenses as provided in paragraph (b) above, commencing with the month in which effective.

(f) The term "Building Costs" shall include all reasonable charges and expenses pertaining to the operation, management, maintenance and repair of the Building and the Project, together with all appurtenant Common Areas (as defined in Section 6.2), and shall include the following charges by way of illustration but not limitation: water and sewer charges; insurance premiums or reasonable premium equivalents should Landlord elect to self-insure any risk or deductible that Landlord is authorized to insure hereunder; license, permit, and inspection fees; heat; light; power; janitorial services; the cost of equipping, staffing and operating an on-site and/or off-site management office for the Building and Project; all labor and labor-related costs for personnel applicable to the Building and Project, including both Landlord's personnel and outside personnel; a commercially reasonable Landlord overhead/management fee; reasonable fees for consulting services; access control/security costs, inclusive of the reasonable cost of improvements made to enhance access control systems and procedures; repairs; air conditioning; supplies; materials; equipment; tools; tenant services; programs instituted to comply with transportation management requirements; any expense incurred pursuant to Sections 6.1, 6.2, 6.4, 7.2, and 10.2 and Exhibits B and C below; costs incurred (capital or otherwise) on a regular recurring basis every three (3) or more years for normal maintenance projects (e.g., parking lot slurry coat or replacement of lobby, corridor and elevator cab carpets and coverings); and the amortized cost of capital improvements (as distinguished from replacement parts or components installed in the ordinary course of business) which are intended to maintain the quality, appearance or safety of the Building and/or Project, reduce other operating costs or increases thereof, or upgrade Building and/or Project security, or which are required to bring the Building and/or Project into compliance with applicable laws and building codes. Landlord shall amortize the cost of capital improvements on a straight-line basis over the lesser of the Payback Period (as defined below) or the useful life of the capital improvement as reasonably determined by Landlord. Any amortized Building Cost item may include, at Landlord's option, an actual or imputed interest rate that Landlord would reasonably be required to pay to finance the cost of the item, applied on the unamortized balance. "Payback Period" shall mean the reasonably estimated period of time that it takes for the cost savings, if any, resulting from a capital improvement item to equal the total cost of the capital improvement. It is understood that Building Costs shall include competitive charges for direct services provided by any subsidiary or division of Landlord. If any Building Cost is applicable to one or more buildings or properties in addition to the Building, then that cost shall be equitably prorated and apportioned among the Building and such other buildings or properties. The term "Property Taxes" as used herein shall include the following: (i) all real estate taxes or personal property taxes, as such property taxes may be reassessed from time to time; and (ii) other taxes, charges and assessments which are levied with respect to this Lease or to the Building and/or the Project, and any improvements, fixtures and equipment and other property of Landlord located in the Building and/or the Project, except that general net income and franchise taxes imposed against Landlord shall be excluded; and (iii) any tax, surcharge or assessment which shall be levied in addition to or in lieu of real estate or personal property taxes, other than taxes covered by Article VIII; and (iv) costs and expenses incurred in contesting the amount or validity of any Property Tax by appropriate proceedings. A copy of Landlord's unaudited statement of expenses shall be made available to Tenant upon request. The Building Costs, inclusive of those for the Base Year, shall be extrapolated by Landlord to reflect at least ninety-five percent (95%) occupancy of the rentable area of the Building.

(g) Notwithstanding the foregoing, Operating Expenses shall exclude the following:

(i) Any ground lease rental;

(ii) Costs incurred by Landlord with respect to goods and services other than parking (including utilities sold and supplied to tenants and occupants of the Building) to the extent that Landlord is entitled to reimbursement for such costs other than through the Operating Expense pass-through provisions of such tenants' lease;

(iii) Costs incurred by Landlord for repairs, replacements and/or restoration to or of the Building to the extent that Landlord is reimbursed by insurance or condemnation proceeds or by tenants (other than through Operating Expense pass-throughs), warrantors or other third persons;

(iv) Costs, including permit, license and inspection costs, incurred with respect to the installation of tenant improvements made for other tenants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

(v) Costs arising from Landlord's charitable or political contributions;

(vi) Attorneys' fees and other costs and expenses incurred in connection with negotiations or disputes with present or prospective tenants or other occupants of the Building, except those attorneys' fees and other costs and expenses incurred in connection with negotiations, disputes or claims relating to items of Operating Expenses, enforcement of rules and regulations of the Building and such other matters relating to the maintenance of standards required of Landlord under this Lease;

(vii) Capital expenditures as determined in accordance with generally accepted accounting principles, consistently applied, except as otherwise provided in subsection (f) above;

(viii) Brokers commissions, finders' fees, attorneys' fees, entertainment and travel expenses and other costs incurred by Landlord in leasing or attempting to lease space in the Building;

(ix) Expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly but which are provided to another tenant or occupant of the Building;

(x) Costs, fines or penalties incurred by Landlord due to the violation by Landlord of (i) any governmental rule or regulation (provided that costs of complying with such governmental requirements may be included unless otherwise provided herein) or (ii) the terms and conditions of any lease of space in the Building;

(xi) Overhead and profit increments paid to subsidiaries or affiliates of Landlord for services provided to the Building to the extent the same exceeds the costs that would generally be charged for such services if rendered on a competitive basis (based upon a standard of similar office buildings in the general market area of the Premises) by unaffiliated third parties capable of providing such service;

(xii) Interest on debt or amortization on any mortgage or mortgages encumbering the Building;

(xiii) Landlord's general corporate overhead, except as it relates to the specific management of the Building or Project;

(xiv) Costs of installing the initial landscaping and the initial sculpture, paintings and objects of art for the Building and Project; and

(xv) Advertising expenditures.

SECTION 4.3. SECURITY DEPOSIT. Concurrently with Tenant's delivery of this Lease, Tenant shall deposit with Landlord the sum, if any, stated in Item 9 of the Basic Lease Provisions (the "Security Deposit"), to be held by Landlord as security for the full and faithful performance of Tenant's obligations under this Lease to pay any rental sums, including without limitation such additional rent as may be owing under any provision hereof, and to maintain the Premises as required by Sections 7.1 and 15.3 or any other provision of this Lease. For purposes of the foregoing, rental sums shall include prospective rent that would have been payable by Tenant but for the early termination of this Lease due to Tenant's default or insolvency. Upon any breach of the foregoing obligations by Tenant, Landlord may apply all or part of the Security Deposit as full or partial compensation. If any portion of the Security Deposit is so applied, Tenant shall within five (5) days after written demand by Landlord deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount. Landlord shall not be required to keep this Security Deposit separate from its general funds, and Tenant shall not be entitled to interest on the Security Deposit. In no event may Tenant utilize all or any portion of the Security Deposit as a payment toward any rental sum due under this Lease. Any unapplied balance of the Security Deposit shall be returned to Tenant or, at Landlord's option, to the last assignee of Tenant's interest in this Lease within thirty (30) days following the termination of this Lease and Tenant's vacation of the Premises.

ARTICLE V. USES

SECTION 5.1. USE. Tenant shall use the Premises only for the purposes stated in Item 3 of the Basic Lease Provisions. The parties agree that any contrary use shall be deemed to cause material and irreparable harm to Landlord and shall entitle Landlord to injunctive relief in addition to any other available remedy. The uses prohibited under this Lease shall include, without limitation, use of the Premises or a portion thereof for (i) offices of any agency or bureau of the United States or any state or political subdivision thereof; (ii) offices or agencies of any foreign governmental or political subdivision thereof; (iii) offices of any health care professionals or service organization; (iv) schools, temporary employment agencies or other training facilities which are not ancillary to corporate, executive or professional office use; (v) retail or restaurant uses; or (vi) communications firms such as radio and/or television stations. Tenant shall not do or permit anything to be done in or about the Premises which will in any way interfere with the rights or quiet enjoyment of other occupants of the Building or the Project, or use or allow the Premises to be used for any unlawful purpose, nor shall Tenant permit any nuisance or commit any waste in the Premises or the Project. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any insurance policy(ies) covering the Building, the Project and/or their contents, and shall comply with all applicable insurance underwriters rules. Tenant shall comply at its expense with all present and future laws, ordinances and requirements of all governmental authorities that pertain to Tenant or its specific use of the Premises, including without limitation all federal and state occupational health and safety and handicap access requirements, whether or not Tenant's compliance will necessitate expenditures or interfere with its use and enjoyment of the Premises (provided Tenant shall not be responsible for any failure of the Premises to comply with laws as of the Commencement Date or for remediating any hazardous materials existing at the Premises as of the Commencement Date). Tenant shall not generate, handle, store or dispose of hazardous or toxic materials (as such materials may be identified in any federal, state or local law or regulation) in the Premises or Project without the prior written consent of Landlord; provided that the foregoing shall not be deemed to proscribe the use by Tenant of customary office supplies in normal quantities so long as such use comports with all applicable laws. Tenant agrees that it shall promptly complete and deliver to Landlord any disclosure form regarding hazardous or toxic materials that may be required by any governmental agency. Tenant shall also, from time to time upon request by Landlord, execute such affidavits concerning Tenant's best knowledge and belief regarding the presence of hazardous or toxic materials in the Premises. Landlord shall have the right at any time to perform an assessment of the environmental condition of the Premises and of Tenant's compliance with this Section. As part of any such assessment, Landlord shall have the right, upon reasonable prior notice to Tenant, to enter and inspect the Premises and to perform tests, provided those tests are performed in a manner that minimizes disruption to Tenant. Tenant will cooperate with Landlord in connection with any assessment by, among other things, promptly responding to inquiries and providing relevant documentation and records. The reasonable cost of the assessment/testing shall be reimbursed by Tenant to Landlord if such assessment/testing determines that Tenant failed to comply with the requirements of this Section. In all events Tenant shall indemnify Landlord in the manner elsewhere provided in this Lease from any release of hazardous or toxic materials caused by Tenant, its agents, employees, contractors, subtenants or licensees. The foregoing covenants shall survive the expiration or earlier termination of this Lease. To the best knowledge and belief of Landlord and except as otherwise disclosed to Tenant, there are no hazardous or toxic materials present on or about the Premises.

SECTION 5.2. SIGNS. At its sole expense, Landlord shall affix and maintain a sign (restricted solely to Tenant's name as set forth herein or such other name as Landlord may consent to in writing) adjacent to the entry door of the Premises, together with a directory strip listing Tenant's name as set forth herein in the lobby directory of the Building. Any subsequent changes to that initial signage shall be at Tenant's sole expense. All signage shall conform to the criteria for signs established by Landlord and shall be ordered through Landlord. Tenant shall not place or allow to be placed any other sign, decoration or advertising matter of any kind that is visible from the exterior of the Premises. Any violating sign or decoration may be immediately removed by Landlord at Tenant's expense without notice and without the removal constituting a breach of this Lease or entitling Tenant to claim damages.

ARTICLE VI. LANDLORD SERVICES

SECTION 6.1. UTILITIES AND SERVICES. Landlord shall furnish to the Premises the utilities and services described in Exhibit B, subject to the conditions and payment obligations and standards set forth in this Lease. Landlord shall not be liable for any failure to furnish any services or utilities when the failure is the result of any accident or other cause beyond Landlord's reasonable control, nor shall Landlord be liable for damages resulting from power surges or any breakdown in telecommunications facilities or services. Landlord's temporary inability to furnish any services or utilities shall not entitle Tenant to any damages, relieve Tenant of the obligation to pay rent or constitute a constructive or other eviction of Tenant, except that Landlord shall diligently attempt to restore the service or utility promptly. Tenant shall comply with all rules and regulations which Landlord may reasonably establish for the provision of services and utilities, and shall cooperate with all reasonable conservation practices established by Landlord. Landlord shall at all reasonable times have free access to all electrical and mechanical installations of Landlord.

SECTION 6.2. OPERATION AND MAINTENANCE OF COMMON AREAS. During the Term, Landlord shall operate all Common Areas within the Building and the Project. The term "Common Areas" shall mean all areas within the Building and other buildings in the Project which are not held for exclusive use by persons entitled to occupy space, and all other appurtenant areas and improvements provided by Landlord for the common use of Landlord and tenants and their respective employees and invitees, including without limitation parking areas and structures, driveways, sidewalks, landscaped and planted areas, hallways and interior stairwells not located within the premises of any tenant, common entrances and lobbies, elevators, and restrooms not located within the premises of any tenant.

SECTION 6.3. USE OF COMMON AREAS. The occupancy by Tenant of the Premises shall include the use of the Common Areas in common with Landlord and with all others for whose convenience and use the Common Areas may be provided by Landlord, subject, however, to compliance with all rules and regulations as are prescribed from time to time by Landlord. Landlord shall at all times during the Term have exclusive control of the Common Areas, and may restrain or permit any use or occupancy, except as otherwise provided in this Lease or in Landlord's rules and regulations. Tenant shall keep the Common Areas clear of any obstruction or unauthorized use related to Tenant's operations. Landlord may temporarily close any portion of the Common Areas for repairs, remodeling and/or alterations, to prevent a public dedication or the accrual of prescriptive rights, or for any other reasonable purpose.

SECTION 6.4. PARKING. Parking shall be provided in accordance with the provisions set forth in Exhibit C to this Lease.

SECTION 6.5. CHANGES AND ADDITIONS BY LANDLORD. Landlord reserves the right to make alterations or additions to the Building or the Project, or to the attendant fixtures, equipment and Common Areas; provided that Landlord shall use diligent efforts to minimize interference with Tenant's access to or use of the Premises. No change shall entitle Tenant to any abatement of rent or other claim against Landlord, provided that the change does not deprive Tenant of reasonable access to or use of the Premises.

ARTICLE VII. MAINTAINING THE PREMISES

SECTION 7.1. TENANT'S MAINTENANCE AND REPAIR. Subject to Article XI, Tenant at its sole expense shall make all repairs necessary to keep the Premises and all improvements and fixtures therein in the condition as existed on the Commencement Date (or on any later date that the applicable improvements may have been installed), excepting ordinary wear and tear and damage due to casualty. Notwithstanding Section 7.2 below, Tenant's maintenance obligation shall include without limitation all appliances, non-building standard lighting/electrical systems, and plumbing fixtures and installations located within the Premises, together with any supplemental HVAC equipment servicing only the Premises. All repairs shall be at least equal in quality to the original work, shall be made only by a licensed, bonded contractor reasonably approved in writing in advance by Landlord and shall be made only at the time or times reasonably approved by Landlord. Any contractor utilized by Tenant shall be subject to Landlord's standard requirements for contractors, as modified from time to time. Landlord may impose reasonable restrictions and requirements with respect to repairs, as provided in Section 7.3, and the provisions of Section 7.4 shall apply to all repairs. Alternatively, should Landlord or its management agent agree to make a repair on behalf of Tenant and at Tenant's request, Tenant shall promptly reimburse Landlord as additional rent for all costs incurred upon submission of an invoice.

SECTION 7.2. LANDLORD'S MAINTENANCE AND REPAIR. Subject to Article XI, Landlord shall provide service, maintenance and repair with respect to the heating, ventilating and air conditioning ("HVAC") equipment of the Building (exclusive of any supplemental HVAC equipment servicing only the Premises) and shall maintain in good repair the Common Areas, roof, foundations, footings, the exterior surfaces of the exterior walls of the Building, and the structural, electrical, mechanical and plumbing systems of the Building except as provided in Section 7.1 above. Landlord shall have the right to employ or designate any reputable person or firm, including any employee or agent of Landlord or any of Landlord's affiliates or divisions, to perform any service, repair or maintenance function. Landlord need not make any other improvements or repairs except as specifically required under this Lease, and nothing contained in this Section shall limit Landlord's right to reimbursement from Tenant for maintenance, repair costs and replacement costs as provided elsewhere in this Lease. Tenant understands that it shall not make repairs at Landlord's expense or by rental offset. Except as provided in Sections 11.1 and 12.1 below, there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements to any portion of the Building, including repairs to the Premises, nor shall any related activity by Landlord constitute an actual or constructive eviction; provided, however, that in making repairs, alterations or improvements, Landlord shall interfere as little as reasonably practicable with the conduct of Tenant's business in the Premises.

SECTION 7.3. ALTERATIONS. Tenant shall make no alterations, additions or improvements to the Premises without the prior written consent of Landlord. Landlord's consent shall not be unreasonably withheld as long as the proposed changes do not affect the structural, electrical or mechanical components or systems of the Building, are not visible from the exterior of the Premises, and utilize only building standard materials. Landlord may impose, as a condition to its consent, any reasonable requirements, including but not limited to a requirement that all work costing in excess of $25,000.00 be covered by a lien and completion bond satisfactory to Landlord and requirements as to the manner, time, and contractor for performance of the work. Without limiting the generality of the foregoing, Tenant shall use Landlord's designated mechanical and electrical contractors for all work affecting the mechanical or electrical systems of the Building. Should Tenant perform any work that would necessitate any ancillary Building modification or other expenditure by Landlord, then Tenant shall promptly fund the cost thereof to Landlord. Tenant shall obtain all required permits for the work and shall perform the work in compliance with all applicable laws, regulations and ordinances, and Landlord shall be entitled to a supervision fee in the amount of five percent (5%) of the cost of the work. Under no circumstances shall Tenant make any improvement which incorporates asbestos-containing construction materials into the Premises. In no event shall Tenant prosecute any alteration work that results in picketing or labor demonstrations in or about the Building or Project. Any request for Landlord's consent shall be made in writing and shall contain architectural plans describing the work in detail reasonably satisfactory to Landlord. Landlord may elect to cause its architect to review Tenant's architectural plans, and the reasonable cost of that review shall be reimbursed by Tenant. Should the work proposed by Tenant modify the internal configuration of the Premises, then Tenant shall, at its expense, furnish Landlord with as-built drawings and CAD disks compatible with Landlord's systems. Unless Landlord otherwise agrees in writing, all alterations, additions or improvements affixed to the Premises (excluding moveable trade fixtures and furniture) shall become the property of Landlord and shall be surrendered with the Premises at the end of the Term, except that Landlord may, by notice to Tenant given at the time of Landlord's consent to the alteration or improvement, require Tenant to remove by the Expiration Date, or sooner termination date of this Lease, all or any alterations, decorations, fixtures, additions, improvements and the like installed either by Tenant or by Landlord at Tenant's request. Tenant shall repair any damage to the Premises arising from that removal and restore the affected area to its pre-existing condition, reasonable wear and tear excepted. Except as otherwise provided in this Lease or in any Exhibit to this Lease, should Landlord make any alteration or improvement to the Premises at the request of Tenant, Landlord shall be entitled to prompt payment from Tenant of the cost thereof.

SECTION 7.4. MECHANIC'S LIENS. Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant. Upon request by Landlord, Tenant shall promptly cause any such lien to be released by posting a bond in accordance with California Civil Code Section 3143 or any successor statute. In the event that Tenant shall not, within thirty (30) days following the imposition of any lien, cause the lien to be released of record by payment or posting of a proper bond, Landlord shall have, in addition to all other available remedies, the right to cause the lien to be released by any means it deems proper, including payment of or defense against the claim giving rise to the lien. All expenses so incurred by Landlord, including Landlord's attorneys' fees, shall be reimbursed by Tenant promptly following Landlord's demand, together with interest from the date of payment by Landlord at the maximum rate permitted by law until paid. Tenant shall give Landlord no less than twenty (20) days' prior notice in writing before commencing construction of any kind on the Premises so that Landlord may post and maintain notices of nonresponsibility on the Premises.

SECTION 7.5. ENTRY AND INSPECTION. Landlord shall at all reasonable times, upon reasonable prior written or oral notice (except for emergencies or to supply regularly scheduled services), have the right to enter the Premises to inspect them, to supply services in accordance with this Lease, to protect the interests of Landlord in the Premises, to make repairs and renovations as reasonably deemed necessary by Landlord, and to submit the Premises to prospective or actual purchasers or encumbrance holders (or, during the final twelve months of the Term or when an uncured Tenant default exists, to prospective tenants), all without being deemed to have caused an eviction of Tenant and without abatement of rent except as provided elsewhere in this Lease. Landlord shall at all times have and retain a key which unlocks all of the doors in the Premises, excluding Tenant's vaults and safes, and Landlord shall have the right to use any and all means which Landlord may deem proper to open the doors in an emergency in order to obtain entry to the Premises, and any entry to the Premises obtained by Landlord shall not under any circumstances be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or any eviction of Tenant from the Premises.

SECTION 7.6. SPACE PLANNING AND SUBSTITUTION. After the eighteenth (18^{th}) month of the Lease Term, Landlord shall have the right, upon providing not less than sixty (60) days written notice, to move Tenant to other space of comparable size in the Building or in the Project. The new space shall be provided with improvements of comparable quality to those within the Premises. Landlord shall pay the reasonable out-of-pocket costs to relocate and reconnect Tenant's personal property and equipment within the new space; provided that Landlord may elect to cause such work to be done by its contractors. Landlord shall also reimburse Tenant for such other reasonable out-of-pocket costs that Tenant may incur in connection with the relocation, including without limitation necessary stationery revisions, provided that a reasonable estimate thereof is given to Landlord within twenty (20) days following Landlord's notice. In no event, however, shall Landlord be obligated to incur or fund total relocation costs, exclusive of tenant improvement expenditures, in an amount in excess of three (3) months of Basic Rent at the rate then payable hereunder. Within ten (10) days following request by Landlord, Tenant shall execute an amendment to this Lease prepared by Landlord to memorialize the relocation. Should Tenant fail timely to execute and deliver the amendment to Landlord, or should Tenant thereafter fail to comply with the terms thereof, then Landlord may at its option elect to terminate this Lease upon not less than sixty (60) days prior written notice to Tenant. Upon the effective date of any termination of this Lease, Tenant shall vacate the Premises in accordance with Section 15.3.

ARTICLE VIII. TAXES AND ASSESSMENTS ON TENANT'S PROPERTY

Tenant shall be liable for and shall pay before delinquency, all taxes and assessments levied against all personal property of Tenant located in the Premises. When possible Tenant shall cause its personal property to be assessed and billed separately from the real property of which the Premises form a part. If any taxes on Tenant's personal property are levied against Landlord or Landlord's property and if Landlord pays the same, or if the assessed value of Landlord's property is increased by the inclusion of a value placed upon the personal property of Tenant and if Landlord pays the taxes based upon the increased assessment, Tenant shall pay to Landlord the taxes so levied against Landlord or the proportion of the taxes resulting from the increase in the assessment.

ARTICLE IX. ASSIGNMENT AND SUBLETTING

SECTION 9.1. RIGHTS OF PARTIES.

(a) Except as otherwise specifically provided herein, Tenant may not, either voluntarily or by operation of law, assign, sublet, encumber, or otherwise transfer all or any part of Tenant's interest in this Lease, or permit the Premises to be occupied by anyone other than Tenant, without Landlord's prior written consent, which consent shall not unreasonably be withheld in accordance with the provisions of Section 9.1(c). For purposes of this Lease, references to any subletting, sublease or variation thereof shall be deemed to apply not only to a sublease effected directly by Tenant, but also to a sub-subletting or an assignment of subtenancy by a subtenant at any level. No assignment (whether voluntary, involuntary or by operation of law) and no subletting shall be valid or effective without Landlord's prior written consent and, at Landlord's election, shall constitute a material default of this Lease. Landlord shall not be deemed to have given its consent to any assignment or subletting by any other course of action, including its acceptance of any name for listing in the Building directory. To the extent not prohibited by provisions of the Bankruptcy Code, 11 U.S.C. Section 101 et seq. (the "Bankruptcy Code"), including Section 365(f)(1), Tenant on behalf of itself and its creditors, administrators and assigns waives the applicability of Section 365(e) of the Bankruptcy Code unless the proposed assignee of the Trustee for the estate of the bankrupt meets Landlord's standard for consent as set forth in Section 9.1(c) of this Lease. If this Lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations to be delivered in connection with the assignment shall be delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed to have assumed all of the obligations arising under this Lease on and after the date of the assignment, and shall upon demand execute and deliver to Landlord an instrument confirming that assumption.

(b) The sale of all or substantially all of the assets of Tenant (other than bulk sales in the ordinary course of business) shall be deemed an assignment within the meaning and provisions of this Article.

(c) Except as otherwise specifically provided herein, if Tenant or any subtenant hereunder desires to transfer an interest in this Lease, Tenant shall first notify Landlord and request in writing Landlord's consent to the transfer. Tenant shall also submit in writing to Landlord: (i) the name and address of the proposed transferee; (ii) the nature of any proposed subtenant's or assignee's business to be carried on in the Premises; (iii) the terms and provisions of any proposed sublease or assignment (including without limitation the rent and other economic provisions, term, improvement obligations and commencement date); (iv) evidence that the proposed assignee or subtenant will comply with the requirements of Exhibit D to this Lease; and (v) any other information requested by Landlord and reasonably related to the transfer. Except as provided in Subsection (d) of this Section, Landlord shall not unreasonably withhold its consent, provided: (1) the use of the Premises will be consistent with the provisions of this Lease and with Landlord's commitment to other tenants of the Building and Project; (2) any proposed subtenant or assignee demonstrates that it is financially responsible by submission to Landlord of all reasonable information as Landlord may request concerning the proposed subtenant or assignee, including, but not limited to, a balance sheet of the proposed subtenant or assignee as of a date within ninety (90) days of the request for Landlord's consent and statements of income or profit and loss of the proposed subtenant or assignee for the two-year period preceding the request for Landlord's consent; (3) the proposed subtenant or assignee is, in Landlord's good faith determination, appropriate for tenancy in a first class office project; (4) the proposed assignee or subtenant is neither an existing tenant (unless Landlord does not have sufficient available space to lease to such existing tenant) or occupant of the Building or Project nor a prospective tenant with whom Landlord has been actively negotiating; and (5) the proposed transferee is not an SDN (as defined below) and will not impose additional burdens or security risks on Landlord. If Landlord consents to the proposed transfer, then the transfer may be effected within ninety (90) days after the date of the consent upon the terms described in the information furnished to Landlord; provided that any material change in the terms shall be subject to Landlord's consent as set forth in this Section. Landlord shall approve or disapprove any requested transfer within thirty (30) days following receipt of Tenant's written notice and the information set forth above. Tenant shall pay to Landlord a transfer fee of Five Hundred Dollars ($500.00) if and when any transfer request submitted by Tenant is approved.

(d) Notwithstanding the provisions of Subsection (c) above, in lieu of consenting to a proposed assignment or subletting, Landlord may elect to terminate this Lease as to the portion of the Premises proposed to be subleased or assigned with a proportionate abatement in the rent payable under this Lease, effective on the date that the proposed sublease or assignment would have commenced. Landlord may thereafter, at its option, re-let any space so recaptured to any third party, including without limitation the proposed transferee identified by Tenant.

(e) Should any assignment or subletting occur, Tenant shall promptly pay or cause to be paid to Landlord, as additional rent, fifty percent (50%) of any amounts paid by the assignee or subtenant, however described and whether funded during or after the Lease Term, to the extent such amounts are in excess of the sum of (i) the scheduled rental sums payable by Tenant hereunder (or, in the event of a subletting of only a portion of the Premises, the rent allocable to such portion as reasonably determined by Landlord) and (ii) the direct out-of-pocket costs, as evidenced by third party invoices provided to Landlord, incurred by Tenant to effect the transfer, which costs shall be amortized over the remaining Term of this Lease or, if shorter, over the term of the sublease. Upon request by Landlord, Tenant and all other parties to the transfer shall memorialize in writing the amounts to be paid pursuant to this paragraph.

(f) Notwithstanding the foregoing, provided Tenant is not then in default hereunder, Tenant may, without Landlord's prior consent but with prior written notice to Landlord and subject to the provisions of Section 9.2, assign or transfer its right, title and interest in this Lease or sublease the Premises to any of the following: (i) any entity resulting from a merger or consolidation with Tenant; (ii) any entity succeeding to the business and assets of Tenant; or (iii) any entity controlling, controlled by, or under common control with, Tenant (collectively, "Tenant Affiliate"). Promptly following the effectiveness of any such transfer, Tenant shall provide to Landlord copies of all pertinent transfer documents and such other information pertaining thereto as Landlord may reasonably request. Further, notwithstanding the foregoing, Tenant shall be permitted from time to time during the Lease Term to permit up to three (3) individuals or entities with whom Tenant has a bona fide business relationship to occupy space within the Premises not to exceed 750 rentable square feet in the aggregate, provided that Tenant does not separately demise such space and Tenant notifies Landlord in writing of the identity of such user(s) prior to occupancy of the Premises by such user(s).

SECTION 9.2. EFFECT OF TRANSFER. No subletting or assignment, even with the consent of Landlord, shall relieve Tenant, or any successor-in-interest to Tenant hereunder, of its obligation to pay rent and to perform all its other obligations under this Lease. Moreover, Tenant shall indemnify and hold Landlord harmless, as provided in Section 10.3, for any act or omission by an assignee or subtenant. Each assignee, other than Landlord, shall be deemed to assume all obligations of Tenant under this Lease and shall be liable jointly and severally with Tenant for the payment of all rent, and for the due performance of all of Tenant's obligations, under this Lease. Such joint and several liability shall not be discharged or impaired by any subsequent modification or extension of this Lease. No transfer shall be binding on Landlord unless any document memorializing the transfer is delivered to Landlord, both the assignee/subtenant and Tenant deliver to Landlord an executed consent to transfer instrument prepared by Landlord and consistent with the requirements of this Article, and the assignee/subtenant independently complies with all of the insurance requirements of Tenant as set forth in Exhibit D and evidence thereof is delivered to Landlord. The acceptance by Landlord of any payment due under this Lease from any other person shall not be deemed to be a waiver by Landlord of any provision of this Lease or to be a consent to any transfer. Consent by Landlord to one or more transfers shall not operate as a waiver or estoppel to the future enforcement by Landlord of its rights under this Lease. In addition to the foregoing, no change in the status of Tenant or any party jointly and severally liable with Tenant as aforesaid (e.g., by conversion to a limited liability company or partnership) shall serve to abrogate the liability of any person or entity for the obligations of Tenant, including any obligations that may be incurred by Tenant after the status change by exercise of a pre-existing right in this Lease.

SECTION 9.3. SUBLEASE REQUIREMENTS. The following terms and conditions shall apply to any subletting by Tenant of all or any part of the Premises and shall be included in each sublease:

(a) Tenant hereby irrevocably assigns to Landlord all of Tenant's interest in all rentals and income arising from any sublease of the Premises, and Landlord may collect such rent and income and apply same toward Tenant's obligations under this Lease; provided, however, that until a default occurs in the performance of Tenant's obligations under this Lease, Tenant shall have the right to receive and collect the sublease rentals. Landlord shall not, by reason of this assignment or the collection of sublease rentals, be deemed liable to the subtenant for the performance of any of Tenant's obligations under the sublease. Tenant hereby irrevocably authorizes and directs any subtenant, upon receipt of a written notice from Landlord stating that an uncured default exists in the performance of Tenant's obligations under this Lease, to pay to Landlord all sums then and thereafter due under the sublease. Tenant agrees that the subtenant may rely on that notice without any duty of further inquiry and notwithstanding any notice or claim by Tenant to the contrary. Tenant shall have no right or claim against the subtenant or Landlord for any rentals so paid to Landlord. In the event

Landlord collects amounts from subtenants that exceed the total amount then due from Tenant hereunder, Landlord shall promptly remit the excess to Tenant.

(b) In the event of the termination of this Lease, Landlord may, at its sole option, take over Tenant's entire interest in any sublease and, upon notice from Landlord, the subtenant shall attorn to Landlord. In no event, however, shall Landlord be liable for any previous act or omission by Tenant under the sublease or for the return of any advance rental payments or deposits under the sublease that have not been actually delivered to Landlord, nor shall Landlord be bound by any sublease modification executed without Landlord's consent or for any advance rental payment by the subtenant in excess of one month's rent. The general provisions of this Lease, including without limitation those pertaining to insurance and indemnification, shall be deemed incorporated by reference into the sublease despite the termination of this Lease.

(c) Tenant agrees that Landlord may, at its sole option, authorize a subtenant of the Premises to cure a default by Tenant under this Lease. Should Landlord accept such cure, the subtenant shall have a right of reimbursement and offset from and against Tenant under the applicable sublease.

ARTICLE X. INSURANCE AND INDEMNITY

SECTION 10.1. TENANT'S INSURANCE. Tenant, at its sole cost and expense, shall provide and maintain in effect the insurance described in Exhibit D. Evidence of that insurance must be delivered to Landlord prior to the Commencement Date.

SECTION 10.2. LANDLORD'S INSURANCE. Landlord may, at its election, provide any or all of the following types of insurance, with or without deductible and in amounts and coverages as may be determined by Landlord in its discretion: property insurance, subject to standard exclusions, covering the Building or Project, and such other risks as Landlord or its mortgagees may from time to time deem appropriate, and commercial general liability coverage. Landlord shall not be required to carry insurance of any kind on any tenant improvements or alterations in the Premises installed by Tenant or its contractors or otherwise removable by Tenant (collectively, "Tenant Installations"), as well as any trade fixtures, furnishings, equipment, interior plate glass, signs and all items of personal property in the Premises, and Landlord shall not be obligated to repair or replace any of the foregoing items should damage occur. All proceeds of insurance maintained by Landlord upon the Building and Project shall be the property of Landlord, whether or not Landlord is obligated to or elects to make any repairs.

SECTION 10.3. TENANT'S INDEMNITY. To the fullest extent permitted by law, but subject to Section 10.5 below, Tenant shall defend, indemnify and hold harmless Landlord, its agents, lenders, and any and all affiliates of Landlord, from and against any and all claims, liabilities, costs or expenses arising either before or after the Commencement Date from Tenant's use or occupancy of the Premises, the Building or the Common Areas, or from the conduct of its business, or from any activity, work, or thing done, permitted or suffered by Tenant or its agents, employees, subtenants, vendors, contractors, invitees or licensees in or about the Premises, the Building or the Common Areas, or from any default in the performance of any obligation on Tenant's part to be performed under this Lease, or from any act or negligence of Tenant or its agents, employees, subtenants, vendors, contractors, invitees or licensees. Landlord may, at its option, require Tenant to assume Landlord's defense in any action covered by this Section through counsel reasonably satisfactory to Landlord. Notwithstanding the foregoing, Tenant's indemnification obligation shall not apply to the extent the loss or liability is ultimately determined to have been caused by the negligence or willful misconduct or Landlord, its agents, contractors or employees.

SECTION 10.4. LANDLORD'S NONLIABILITY. Except to the extent arising out of the negligence or willful misconduct of Landlord, its agents, contractors or employees (but subject to Section 10.5), Landlord shall not be liable to Tenant, its employees, agents and invitees, and Tenant hereby waives all claims against Landlord, its employees and agents for loss of or damage to any property, or any injury to any person, or loss or interruption of business or income, resulting from any condition including, but not limited to, fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak or flow from or into any part of the Premises or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning, electrical works or other fixtures in the Building, whether the damage or injury results from conditions arising in the Premises or in other portions of the Building. It is understood that any such condition may require the temporary evacuation or closure of all or a portion of the Building. Should Tenant elect to receive any service from a concessionaire, licensee or third party tenant of Landlord, Tenant shall not seek recourse against Landlord for any breach or liability of that service provider. Neither Landlord nor its agents shall be liable for interference with light or other similar intangible interests. Tenant shall immediately notify Landlord in case of fire or accident in the Premises, the Building or the Project and of defects in any improvements or equipment.

SECTION 10.5. WAIVER OF SUBROGATION. Landlord and Tenant each hereby waives all rights of recovery against the other on account of loss and damage occasioned to the property of such waiving party to the extent that the waiving party is entitled to proceeds for such loss and damage under any property insurance policies carried or otherwise required to be carried by this Lease (provided that Landlord's failure to provide property insurance subject to standard exclusions covering the Building or the Project shall be deemed to mean that Landlord has elected to self-insure the Building and Project and such self-insurance shall constitute insurance for purposes of this Section 10.5). By this waiver it is the intent of the parties that neither Landlord nor Tenant shall be liable to any insurance company (by way of subrogation or otherwise) insuring the other party for any loss or damage insured against under any property insurance policies, even though such loss or damage might be occasioned by the negligence of such party, its agents, employees, contractors or invitees. The foregoing waiver by Tenant shall also inure to the benefit of Landlord's management agent for the Building.

ARTICLE XI. DAMAGE OR DESTRUCTION

SECTION 11.1. RESTORATION.

(a) If the Building of which the Premises are a part is damaged as the result of an event of casualty, then subject to the provisions below, Landlord shall repair that damage as soon as reasonably possible unless: (i) Landlord reasonably determines that the cost of repair would exceed ten percent (10%) of the full replacement cost of the Building ("Replacement Cost") and the damage is not covered by Landlord's fire and extended coverage insurance (or by a normal extended coverage policy should Landlord fail to carry that insurance); or (ii) Landlord reasonably determines that the cost of repair would exceed twenty-five percent (25%) of the Replacement Cost; or (iii) Landlord reasonably determines that the cost of repair would exceed ten percent (10%) of the Replacement Cost and the damage occurs during the final twelve (12) months of the Term. Should Landlord elect not to repair the damage for one of the preceding reasons, Landlord shall so notify Tenant in the "Casualty Notice" (as defined below), and this Lease shall terminate as of the date of delivery of that notice.

(b) As soon as reasonably practicable following the casualty event but not later than sixty (60) days thereafter, Landlord shall notify Tenant in writing ("Casualty Notice") of Landlord's election, if applicable, to terminate this Lease. If this Lease is not so terminated, the Casualty Notice shall set forth the anticipated period for repairing the casualty damage. If the anticipated repair period exceeds one hundred eighty (180) days and if the damage is so extensive as to reasonably prevent Tenant's substantial use and enjoyment of the Premises, then Tenant may elect to terminate this Lease by written notice to Landlord within ten (10) days following delivery of the Casualty Notice.

(c) To the extent and for the period that Landlord is entitled to reimbursement from the proceeds of rental interruption insurance carried by Landlord as part of Operating Expenses, the rental to be paid under this Lease shall be abated in the same proportion that the floor area of the Premises that is rendered unusable by the damage from time to time bears to the total floor area of the Premises.

(d) Notwithstanding the provisions of subsections (a), (b) and (c) of this Section, but subject to Section 10.5, the cost of any repairs shall be borne by Tenant, and Tenant shall not be entitled to rental abatement or termination rights, if the damage is due to the fault or neglect of Tenant or its employees, subtenants, contractors, invitees or representatives. In addition, the provisions of this Section shall not be deemed to require Landlord to repair any Tenant Installations, fixtures and other items that Tenant is obligated to insure pursuant to Exhibit D or any other provision of this Lease.

SECTION 11.2. LEASE GOVERNS. Tenant agrees that the provisions of this Lease, including without limitation Section 11.1, shall govern any damage or destruction and shall accordingly supersede any contrary statute or rule of law.

ARTICLE XII. EMINENT DOMAIN

SECTION 12.1. TOTAL OR PARTIAL TAKING. If all or a material portion of the Premises is taken by any lawful authority by exercise of the right of eminent domain, or sold to prevent a taking, either Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to the authority. In the event title to a portion of the Building or Project, other than the Premises, is taken or sold in lieu of taking, and if Landlord elects to restore the Building in such a way as to alter the Premises materially, either party may terminate this Lease, by written notice to the other party, effective on the date of vesting of title. In the event neither party has elected to terminate this Lease as provided above, then Landlord shall promptly, after receipt of a sufficient condemnation award, proceed to restore the Premises to substantially their condition prior to the taking, and a proportionate allowance shall be made to Tenant for the rent corresponding to the time during which, and to the part of the Premises of which, Tenant is deprived on account of the taking and restoration. In the event of a taking, Landlord shall be entitled to the entire amount of the condemnation award without deduction for any estate or interest of Tenant; provided that nothing in this Section shall be deemed to give Landlord any interest in, or prevent Tenant from seeking any award against the taking authority for, the taking of personal property and fixtures belonging to Tenant or for relocation or business interruption expenses recoverable from the taking authority.

SECTION 12.2. TEMPORARY TAKING. No temporary taking of the Premises shall terminate this Lease or give Tenant any right to abatement of rent, and any award specifically attributable to a temporary taking of the Premises shall belong entirely to Tenant. A temporary taking shall be deemed to be a taking of the use or occupancy of the Premises for a period of not to exceed ninety (90) days.

SECTION 12.3. TAKING OF PARKING AREA. In the event there shall be a taking of the parking area such that Landlord can no longer provide sufficient parking to comply with this Lease, Landlord may substitute reasonably equivalent parking in a location reasonably close to the Building; provided that if Landlord fails to make that substitution within ninety (90) days following the taking and if the taking materially impairs Tenant's use and enjoyment of the Premises, Tenant may, at its option, terminate this Lease by written notice to Landlord. If this Lease is not so terminated by Tenant, there shall be no abatement of rent and this Lease shall continue in effect.

ARTICLE XIII. SUBORDINATION; ESTOPPEL CERTIFICATE

SECTION 13.1. SUBORDINATION. At the option of Landlord or any of its mortgagees/deed of trust beneficiaries, this Lease shall be either superior or subordinate to all ground or underlying leases, mortgages and deeds of trust, if any, which may hereafter affect the Building, and to all renewals, modifications, consolidations, replacements and extensions thereof; provided, that so long as Tenant is not in default under this Lease, this Lease shall not be terminated or Tenant's quiet enjoyment of the Premises disturbed in the event of termination of any such ground or underlying lease, or the foreclosure of any such mortgage or deed of trust, to which this Lease has been subordinated pursuant to this Section. In the event of a termination or foreclosure, Tenant shall become a tenant of and attorn to the successor-in-interest to Landlord upon the same terms and conditions as are contained in this Lease, and shall promptly execute any instrument reasonably required by Landlord's successor for that purpose. Tenant shall also, within ten (10) days following written request of Landlord (or the beneficiary under any deed of trust encumbering the Building), execute and deliver all instruments as may be required from time to time by Landlord or such beneficiary (including without limitation any subordination, nondisturbance and attornment agreement in the form customarily required by such beneficiary) to subordinate this Lease and the rights of Tenant under this Lease to any ground or underlying lease or to the lien of any mortgage or deed of trust; provided, however, that any such beneficiary may, by written notice to Tenant given at any time, subordinate the lien of its deed of trust to this Lease. Tenant shall agree that any purchaser at a foreclosure sale or lender taking title under a deed in lieu of foreclosure shall not be responsible for any act or omission of a prior landlord, shall not be subject to any offsets or defenses Tenant may have against a prior landlord, and shall not be liable for the return of any security deposit not actually recovered by such purchaser or bound by any rent paid in advance of the calendar month in which the transfer of title occurred; provided that the foregoing shall not release the applicable prior landlord from any liability for those obligations. Tenant acknowledges that Landlord's mortgagees and successors-in-interest and all beneficiaries under deeds of trust encumbering the Building are intended third party beneficiaries of this Section.

SECTION 13.2. ESTOPPEL CERTIFICATE. Tenant shall, within ten (10) days following written notice from Landlord, execute, acknowledge and deliver to Landlord, in any form that Landlord may reasonably require, a statement in writing in favor of Landlord and/or any prospective purchaser or encumbrancer of the Building (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of the modification and certifying that this Lease, as modified, is in full force and effect) and the dates to which the rental, additional rent and other charges have been paid in advance, if any, and (ii) acknowledging that, to Tenant's knowledge, there are no uncured defaults on the part of Landlord, or specifying each default if any are claimed, and (iii) setting forth all further information that Landlord may reasonably require. Tenant's statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Building or Project. In addition to Landlord's other rights and remedies, Tenant's failure to deliver any estoppel statement within the provided time shall be conclusive upon Tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord, (ii) there are no uncured defaults in Landlord's performance, and (iii) not more than one month's rental has been paid in advance.

ARTICLE XIV. DEFAULTS AND REMEDIES

SECTION 14.1. TENANT'S DEFAULTS. In addition to any other event of default set forth in this Lease, the occurrence of any one or more of the following events shall constitute a default by Tenant:

(a) The failure by Tenant to make any payment of rent required to be made by Tenant, as and when due, where the failure continues for a period of three (3) days after written notice from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 as amended. For purposes of these default and remedies provisions, the term "additional rent" shall be deemed to include all amounts of any type whatsoever other than Basic Rent to be paid by Tenant pursuant to the terms of this Lease.

(b) The assignment, sublease, encumbrance or other transfer of the Lease by Tenant, either voluntarily or by operation of law, whether by judgment, execution, transfer by intestacy or testacy, or other means, without the prior written consent of Landlord unless otherwise authorized herein.

(c) The discovery by Landlord that any financial statement provided by Tenant, or by any affiliate, successor or guarantor of Tenant, was materially false.

(d) The failure or inability by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant, other than as specified in any other subsection of this Section, where the failure continues for a period of thirty (30) days after written notice from Landlord to Tenant; provided, however, that any such notice shall be in lieu of, and not in addition to, any notice required under California Code of Civil Procedure Section 1161 as amended. However, if the nature of the failure is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commences the cure within thirty (30) days, and thereafter diligently pursues the cure to completion.

(e) (i) The making by Tenant of any general assignment for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a Chapter 7 debtor under the Bankruptcy Code or to have debts discharged or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, if possession is not restored to Tenant within thirty (30) days; (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where the seizure is not discharged within thirty (30) days; or (v) Tenant's convening of a meeting of its creditors for the purpose of effecting a moratorium upon or composition of its debts. Landlord shall not be deemed to have knowledge of any event described in this subsection unless notification in writing is received by Landlord, nor shall there be any presumption attributable to Landlord of Tenant's insolvency. In the event that any provision of this subsection is contrary to applicable law, the provision shall be of no force or effect.

SECTION 14.2. LANDLORD'S REMEDIES.

(a) In the event of any default by Tenant, then in addition to any other remedies available to Landlord, Landlord may exercise the following remedies:

(i) Landlord may terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord. Such termination shall not affect any accrued obligations of Tenant under this Lease. Upon termination, Landlord shall have the right to reenter the Premises and remove all persons and property. Landlord shall also be entitled to recover from Tenant:

(1) The worth at the time of award of the unpaid rent and additional rent which had been earned at the time of termination;

(2) The worth at the time of award of the amount by which the unpaid rent and additional rent which would have been earned after termination until the time of award exceeds the amount of such loss that Tenant proves could have been reasonably avoided;

(3) The worth at the time of award of the amount by which the unpaid rent and additional rent for the balance of the Term after the time of award exceeds the amount of such loss that Tenant proves could be reasonably avoided;

(4) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result from Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, commissions and other expenses of reletting, including necessary repair, renovation, improvement and alteration of the Premises for a new tenant, reasonable attorneys' fees, and any other reasonable costs; and

(5) At Landlord's election, all other amounts in addition to or in lieu of the foregoing as may be permitted by law. The term "rent" as used in this Lease shall be deemed to mean the Basic Rent and all other sums required to be paid by Tenant to Landlord pursuant to the terms of this Lease, including without limitation any sums that may be owing from Tenant pursuant to Section 4.3 of this Lease. Any sum, other than Basic Rent, shall be computed on the basis of the average monthly amount accruing during the twenty-four (24) month period immediately prior to default, except that if it becomes necessary to compute such rental before the twenty-four (24) month period has occurred, then the computation shall be on the basis of the average monthly amount during the shorter

period. As used in subparagraphs (1) and (2) above, the "worth at the time of award" shall be computed by allowing interest at the rate of ten percent (10%) per annum. As used in subparagraph (3) above, the "worth at the time of award" shall be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

(ii) Landlord may elect not to terminate Tenant's right to possession of the Premises, in which event Landlord may continue to enforce all of its rights and remedies under this Lease, including the right to collect all rent as it becomes due. Efforts by the Landlord to maintain, preserve or relet the Premises, or the appointment of a receiver to protect the Landlord's interests under this Lease, shall not constitute a termination of the Tenant's right to possession of the Premises. In the event that Landlord elects to avail itself of the remedy provided by this subsection (ii), Landlord shall not unreasonably withhold its consent to an assignment or subletting of the Premises subject to the reasonable standards for Landlord's consent as are contained in this Lease.

(b) The various rights and remedies reserved to Landlord in this Lease or otherwise shall be cumulative and, except as otherwise provided by California law, Landlord may pursue any or all of its rights and remedies at the same time. No delay or omission of Landlord to exercise any right or remedy shall be construed as a waiver of the right or remedy or of any breach or default by Tenant. The acceptance by Landlord of rent shall not be a (i) waiver of any preceding breach or default by Tenant of any provision of this Lease, other than the failure of Tenant to pay the particular rent accepted, regardless of Landlord's knowledge of the preceding breach or default at the time of acceptance of rent, or (ii) a waiver of Landlord's right to exercise any remedy available to Landlord by virtue of the breach or default. The acceptance of any payment from a debtor in possession, a trustee, a receiver or any other person acting on behalf of Tenant or Tenant's estate shall not waive or cure a default under Section 14.1. No payment by Tenant or receipt by Landlord of a lesser amount than the rent required by this Lease shall be deemed to be other than a partial payment on account of the earliest due stipulated rent, nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction and Landlord shall accept the check or payment without prejudice to Landlord's right to recover the balance of the rent or pursue any other remedy available to it. Tenant hereby waives any right of redemption or relief from forfeiture under California Code of Civil Procedure Section 1174 or 1179, or under any other present or future law, in the event this Lease is terminated by reason of any default by Tenant. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender shall be valid unless in writing and signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys to the Premises prior to the termination of this Lease, and the delivery of the keys to any employee shall not operate as a termination of the Lease or a surrender of the Premises.

SECTION 14.3. LATE PAYMENTS.

(a) Any rent due under this Lease that is not paid to Landlord within five (5) days of the date when due shall bear interest at the maximum rate permitted by law from the date due until fully paid. The payment of interest shall not cure any default by Tenant under this Lease. In addition, Tenant acknowledges that the late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Those costs may include, but are not limited to, administrative, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any ground lease, mortgage or trust deed covering the Premises. Accordingly, if any rent due from Tenant shall not be received by Landlord or Landlord's designee within five (5) business days after the date due, then Tenant shall pay to Landlord, in addition to the interest provided above, a late charge for each delinquent payment equal to the greater of (i) five percent (5%) of that delinquent payment or (ii) One Hundred Dollars ($100.00). Acceptance of a late charge by Landlord shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor shall it prevent Landlord from exercising any of its other rights and remedies.

(b) Following each second consecutive installment of Basic Rent that is not paid within five (5) days following notice of nonpayment from Landlord, Landlord shall have the option (i) to require that beginning with the first payment of Basic Rent next due, Basic Rent shall no longer be paid in monthly installments but shall be payable quarterly three (3) months in advance and/or (ii) to require that Tenant increase the amount, if any, of the Security Deposit by one hundred percent (100%). Should Tenant deliver to Landlord, at any time during the Term, two (2) or more insufficient checks, the Landlord may require that all monies then and thereafter due from Tenant be paid to Landlord by cashier's check.

SECTION 14.4. RIGHT OF LANDLORD TO PERFORM. All covenants and agreements to be performed by Tenant under this Lease shall be performed at Tenant's sole cost and expense and without any abatement of rent or right of set-off. If Tenant fails to pay any sum of money, or fails to perform any other act on its part to be performed under this Lease, and the failure continues beyond any applicable grace period set forth in Section 14.1, then in addition to any other available remedies, Landlord may, at its election, make the payment or perform the other act on Tenant's part. Landlord's election to make the payment or perform the act on Tenant's part shall not give rise to any responsibility of Landlord to continue making the same or similar payments or performing the same or similar acts. Tenant shall, promptly upon demand by Landlord, reimburse Landlord for all sums paid by Landlord and all necessary incidental costs, together with interest at the maximum rate permitted by law from the date of the payment by Landlord.

SECTION 14.5. DEFAULT BY LANDLORD. Landlord shall not be deemed to be in default in the performance of any obligation under this Lease unless and until it has failed to perform the obligation within thirty (30) days after written notice by Tenant to Landlord specifying in reasonable detail the nature and extent of the failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it commences performance within the thirty (30) day period and thereafter diligently pursues the cure to completion.

SECTION 14.6. EXPENSES AND LEGAL FEES. Should either Landlord or Tenant bring any action in connection with this Lease, the prevailing party shall be entitled to recover as a part of the action its reasonable attorneys' fees, and all other costs. The prevailing party for the purpose of this paragraph shall be determined by the trier of the facts.

SECTION 14.7. WAIVER OF JURY TRIAL/RIGHT TO ARBITRATE.

(a) LANDLORD AND TENANT EACH ACKNOWLEDGES THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHT TO TRIAL BY JURY, AND EACH PARTY DOES HEREBY EXPRESSLY AND KNOWINGLY WAIVE AND RELEASE ALL SUCH RIGHTS TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER (AND/OR AGAINST ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR SUBSIDIARY OR AFFILIATED ENTITIES) ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM OF INJURY OR DAMAGE.

(b) SHOULD A DISPUTE ARISE BETWEEN THE PARTIES REGARDING ANY MATTER DESCRIBED ABOVE, THEN EXCEPT WITH RESPECT TO ACTIONS FOR UNLAWFUL OR FORCIBLE DETAINER EITHER PARTY MAY CAUSE THE DISPUTE TO BE SUBMITTED TO EITHER JAMS/ENDISPUTE ("JAMS") OR THE AMERICAN ARBITRATION ASSOCIATION ("AAA"), OR THEIR SUCCESSORS, IN THE COUNTY IN WHICH THE BUILDING IS SITUATED FOR BINDING ARBITRATION BEFORE A SINGLE ARBITRATOR. HOWEVER, EACH PARTY RESERVES THE RIGHT TO SEEK A PROVISIONAL REMEDY BY JUDICIAL ACTION. NO ARBITRATION ELECTION BY EITHER PARTY PURSUANT TO THIS SUBSECTION SHALL BE EFFECTIVE IF MADE LATER THAN THIRTY (30) DAYS FOLLOWING SERVICE OF A JUDICIAL SUMMONS AND COMPLAINT BY OR UPON SUCH PARTY CONCERNING THE DISPUTE. THE ARBITRATION ELECTION SHALL DESIGNATE WHETHER THE ARBITRATION WILL BE CONDUCTED WITH JAMS OR AAA. THE ARBITRATION SHALL BE CONDUCTED IN ACCORDANCE WITH THE RULES OF PRACTICE AND PROCEDURE OF JAMS OR THE COMMERCIAL ARBITRATION RULES OF THE AAA, AS APPLICABLE, AND OTHERWISE PURSUANT TO THE CALIFORNIA ARBITRATION ACT (CODE OF CIVIL PROCEDURE SECTIONS 1280 ET SEQ.). NOTWITHSTANDING THE FOREGOING, THE ARBITRATOR IS SPECIFICALLY DIRECTED TO LIMIT DISCOVERY TO THAT WHICH IS ESSENTIAL TO THE EFFECTIVE PROSECUTION OR DEFENSE OF THE ACTION, AND IN NO EVENT SHALL SUCH DISCOVERY BY EITHER PARTY INCLUDE MORE THAN ONE NON-EXPERT WITNESS DEPOSITION UNLESS BOTH PARTIES OTHERWISE AGREE. THE ARBITRATOR SHALL, TO THE EXTENT APPLICABLE, FOLLOW THE SUBSTANTIVE LAW OF CALIFORNIA AND SHALL RENDER A REASONED WRITTEN DECISION WITHIN TWENTY DAYS FOLLOWING THE HEARING. THE ARBITRATOR SHALL APPORTION THE COSTS OF THE ARBITRATION, TOGETHER WITH THE ATTORNEYS' FEES OF THE PARTIES, IN THE MANNER DEEMED EQUITABLE BY THE ARBITRATOR, IT BEING THE INTENTION OF THE PARTIES THAT THE PREVAILING PARTY ORDINARILY BE ENTITLED TO RECOVER ITS REASONABLE COSTS AND FEES. JUDGMENT UPON ANY AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED BY ANY COURT HAVING JURISDICTION.

ARTICLE XV. END OF TERM

SECTION 15.1. HOLDING OVER. This Lease shall terminate without further notice upon the expiration of the Term, and any holding over by Tenant after the expiration shall not constitute a renewal or extension of this Lease, or give Tenant any rights under this Lease, except when in writing signed by both parties. If Tenant holds over for any period after the expiration (or earlier termination) of the Term, Landlord may, at its option, treat Tenant as a tenant at sufferance only, commencing on the first (1st) day following the termination of this Lease. However, should Landlord accept the payment of monthly hold-over rent by Tenant, then a month-to-month tenancy shall be deemed effected and neither party shall terminate this Lease without thirty (30) days prior written notice to the other party. Any hold-over by Tenant shall be subject to all of the terms of this Lease, except that the monthly rental shall be one hundred fifty percent (150%) of the total monthly rental for the month immediately preceding the date of termination, subject to Landlord's right to modify same upon thirty

(30) days notice to Tenant. The acceptance by Landlord of monthly hold-over rental in a lesser amount shall not constitute a waiver of Landlord's right to recover the full amount due unless otherwise agreed in writing by Landlord. If Tenant fails to surrender the Premises upon the expiration of this Lease despite demand to do so by Landlord, Tenant shall indemnify and hold Landlord harmless from all loss or liability, including without limitation, any claims made by any succeeding tenant relating to such failure to surrender. The foregoing provisions of this Section are in addition to and do not affect Landlord's right of re-entry or any other rights of Landlord under this Lease or at law.

SECTION 15.2. MERGER ON TERMINATION. The voluntary or other surrender of this Lease by Tenant, or a mutual termination of this Lease, shall terminate any or all existing subleases unless Landlord, at its option, elects in writing to treat the surrender or termination as an assignment to it of any or all subleases affecting the Premises.

SECTION 15.3. SURRENDER OF PREMISES; REMOVAL OF PROPERTY. Upon the Expiration Date or upon any earlier termination of this Lease, Tenant shall quit and surrender possession of the Premises to Landlord in as good order, condition and repair as when received or as hereafter may be improved by Landlord or Tenant, reasonable wear and tear and repairs which are Landlord's obligation excepted, and shall remove or fund to Landlord the cost of removing all wallpapering and voice and/or data transmission cabling installed by or for Tenant, together with all personal property and debris, except for any items that Landlord may by written authorization allow to remain. Tenant shall repair all damage to the Premises resulting from the removal and restore the affected area to its pre-existing condition, reasonable wear and tear excepted, provided that Landlord may instead elect to repair any structural damage at Tenant's expense. If Tenant shall fail to comply with the provisions of this Section, Landlord may effect the removal and/or make any repairs, and the cost to Landlord shall be additional rent payable by Tenant upon demand. If requested by Landlord, Tenant shall execute, acknowledge and deliver to Landlord an instrument in writing releasing and quitclaiming to Landlord all right, title and interest of Tenant in the Premises.

ARTICLE XVI. PAYMENTS AND NOTICES

All sums payable by Tenant to Landlord shall be paid, without deduction or offset (except as otherwise specifically provided herein), in lawful money of the United States to Landlord at its address set forth in Item 13 of the Basic Lease Provisions, or at any other place as Landlord may designate in writing. Unless this Lease expressly provides otherwise, as for example in the payment of rent pursuant to Section 4.1, all payments shall be due and payable within five (5) days after demand. All payments requiring proration shall be prorated on the basis of the number of days in the pertinent calendar month or year, as applicable. Any notice, election, demand, consent, approval or other communication to be given or other document to be delivered by either party to the other may be delivered to the other party, at the address set forth in Item 13 of the Basic Lease Provisions, by personal service or electronic facsimile transmission, or by any courier or "overnight" express mailing service, or may be deposited in the United States mail, postage prepaid. Either party may, by written notice to the other, served in the manner provided in this Article, designate a different address. If any notice or other document is sent by mail, it shall be deemed served or delivered three (3) business days after mailing or, if sooner, upon actual receipt. The refusal to accept delivery of a notice, or the inability to deliver the notice (whether due to a change of address for which notice was not duly given or other good reason), shall be deemed delivery and receipt of the notice as of the date of attempted delivery. If more than one person or entity is named as Tenant under this Lease, service of any notice upon any one of them shall be deemed as service upon all of them.

ARTICLE XVII. RULES AND REGULATIONS

Tenant agrees to comply with the Rules and Regulations attached as Exhibit E, and any reasonable and nondiscriminatory amendments, modifications and/or additions as may be adopted and published by written notice to tenants by Landlord for the safety, care, security, good order, or cleanliness of the Premises, Building, Project and/or Common Areas. Landlord shall not be liable to Tenant for any violation of the Rules and Regulations or the breach of any covenant or condition in any lease or any other act or conduct by any other tenant, and the same shall not constitute a constructive eviction hereunder. One or more waivers by Landlord of any breach of the Rules and Regulations by Tenant or by any other tenant(s) shall not be a waiver of any subsequent breach of that rule or any other. Tenant's failure to keep and observe the Rules and Regulations shall constitute a default under this Lease. In the case of any conflict between the Rules and Regulations and this Lease, this Lease shall be controlling.

ARTICLE XVIII. BROKER'S COMMISSION

The parties recognize as the broker(s) who negotiated this Lease the firm(s), if any, whose name(s) is (are) stated in Item 10 of the Basic Lease Provisions, and agree that Landlord shall be responsible for the payment of brokerage commissions to those broker(s) unless otherwise provided in this Lease. Each party warrants that it has had no dealings with any other real estate broker or agent in connection with the negotiation of this Lease, and agrees to indemnify and hold the other party harmless from any cost, expense or liability (including reasonable attorneys' fees) for any compensation, commissions or charges claimed by any other real estate broker or agent employed or claiming to represent or to have been employed by the indemnifying party in connection with the negotiation of this Lease. The foregoing agreement shall survive the termination of this Lease.

ARTICLE XIX. TRANSFER OF LANDLORD'S INTEREST

In the event of any transfer of Landlord's interest in the Premises, the transferor shall be automatically relieved of all obligations on the part of Landlord accruing under this Lease from and after the date of the transfer, provided that Tenant is duly notified of the transfer. Any funds held by the transferor in which Tenant has an interest shall be turned over, subject to that interest, to the transferee. No holder of a mortgage and/or deed of trust to which this Lease is or may be subordinate shall be responsible in connection with the Security Deposit unless the mortgagee or holder of the deed of trust actually receives the Security Deposit. It is intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the foregoing, be binding on Landlord, its successors and assigns, only during and in respect to their respective successive periods of ownership.

ARTICLE XX. INTERPRETATION

SECTION 20.1. GENDER AND NUMBER. Whenever the context of this Lease requires, the words "Landlord" and "Tenant" shall include the plural as well as the singular, and words used in neuter, masculine or feminine genders shall include the others.

SECTION 20.2. HEADINGS. The captions and headings of the articles and sections of this Lease are for convenience only, are not a part of this Lease and shall have no effect upon its construction or interpretation.

SECTION 20.3. JOINT AND SEVERAL LIABILITY. If more than one person or entity is named as Tenant, the obligations imposed upon each shall be joint and several and the act of or notice from, or notice or refund to, or the signature of, any one or more of them shall be binding on all of them with respect to the tenancy of this Lease, including, but not limited to, any renewal, extension, termination or modification of this Lease.

SECTION 20.4. SUCCESSORS. Subject to Articles IX and XIX, all rights and liabilities given to or imposed upon Landlord and Tenant shall extend to and bind their respective heirs, executors, administrators, successors and assigns. Nothing contained in this Section is intended, or shall be construed, to grant to any person other than Landlord and Tenant and their successors and assigns any rights or remedies under this Lease.

SECTION 20.5. TIME OF ESSENCE. Time is of the essence with respect to the performance of every provision of this Lease in which time of performance is a factor.

SECTION 20.6. CONTROLLING LAW/VENUE. This Lease shall be governed by and interpreted in accordance with the laws of the State of California. Should any litigation be commenced between the parties in connection with this Lease, such action shall be prosecuted in the applicable State Court of California in the county in which the Building is located.

SECTION 20.7. SEVERABILITY. If any term or provision of this Lease, the deletion of which would not adversely affect the receipt of any material benefit by either party or the deletion of which is consented to by the party adversely affected, shall be held invalid or unenforceable to any extent, the remainder of this Lease shall not be affected and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 20.8. WAIVER. One or more waivers by Landlord or Tenant of any breach of any term, covenant or condition contained in this Lease shall not be a waiver of any subsequent breach of the same or any other term, covenant or condition. Consent to any act by one of the parties shall not be deemed to render unnecessary the obtaining of that party's consent to any subsequent act. No breach of this Lease shall be deemed to have been waived unless the waiver is in a writing signed by the waiving party.

SECTION 20.9. INABILITY TO PERFORM. In the event that either party shall be delayed or hindered in or prevented from the performance of any work or in performing any act required under this Lease by reason of any cause beyond the reasonable control of that party, then the performance of the work or the doing of the act shall be excused for the period of the delay and the time for performance shall be extended for a period equivalent to the period of the delay. The provisions of this Section shall not operate to excuse Tenant from the prompt payment of rent.

SECTION 20.10. ENTIRE AGREEMENT. This Lease and its exhibits and other attachments cover in full each and every agreement of every kind between the parties concerning the Premises, the Building, and the Project, and all preliminary negotiations, oral agreements, understandings and/or practices, except those contained in this Lease, are superseded and of no further effect. Tenant waives its rights to rely on any representations or promises made by Landlord or others which are not contained in this Lease. No verbal agreement or implied covenant shall be held to modify the provisions of this Lease, any statute, law, or custom to the contrary notwithstanding.

SECTION 20.11. QUIET ENJOYMENT. Upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, and subject to the other provisions of this Lease, Tenant shall have the right of quiet enjoyment and use of the Premises for the Term without hindrance or interruption by Landlord or any other person claiming by or through Landlord.

SECTION 20.12. SURVIVAL. All covenants of Landlord or Tenant which reasonably would be intended to survive the expiration or sooner termination of this Lease, including without limitation any warranty or indemnity hereunder, shall so survive and continue to be binding upon and inure to the benefit of the respective parties and their successors and assigns.

ARTICLE XXI. EXECUTION AND RECORDING

SECTION 21.1. COUNTERPARTS. This Lease may be executed in one or more counterparts, each of which shall constitute an original and all of which shall be one and the same agreement.

SECTION 21.2. CORPORATE AND PARTNERSHIP AUTHORITY. If Tenant is a corporation, limited liability company or partnership, each individual executing this Lease on behalf of the entity represents and warrants that he is duly authorized to execute and deliver this Lease and that this Lease is binding upon the corporation, limited liability company or partnership in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of its organizational documents or an appropriate certificate authorizing or evidencing the execution of this Lease.

SECTION 21.3. EXECUTION OF LEASE; NO OPTION OR OFFER. The submission of this Lease to Tenant shall be for examination purposes only, and shall not constitute an offer to or option for Tenant to lease the Premises. Execution of this Lease by Tenant and its return to Landlord shall not be binding upon Landlord, notwithstanding any time interval, until Landlord has in fact executed and delivered this Lease to Tenant, it being intended that this Lease shall only become effective upon execution by Landlord and delivery of a fully executed counterpart to Tenant.

SECTION 21.4. RECORDING. Tenant shall not record this Lease without the prior written consent of Landlord. Tenant, upon the request of Landlord, shall execute and acknowledge a "short form" memorandum of this Lease for recording purposes.

SECTION 21.5. AMENDMENTS. No amendment or mutual termination of this Lease shall be effective unless in writing signed by authorized signatories of Tenant and Landlord, or by their respective successors in interest. No actions, policies, oral or informal arrangements, business dealings or other course of conduct by or between the parties shall be deemed to modify this Lease in any respect.

ARTICLE XXII. MISCELLANEOUS

SECTION 22.1. NONDISCLOSURE OF LEASE TERMS. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of the terms could adversely affect the ability of Landlord to negotiate other leases and impair Landlord's relationship with other tenants. Accordingly, Tenant agrees that it, and its partners, officers, directors, employees and attorneys, shall not intentionally and voluntarily disclose the terms and conditions of this Lease to any other tenant or apparent prospective tenant of the Building or Project, either directly or indirectly, without the prior written consent of Landlord, provided, however, that Tenant may disclose the terms to prospective subtenants or assignees under this Lease or pursuant to any legal requirement.

SECTION 22.2. REPRESENTATIONS BY TENANT. The application, financial statements and tax returns, if any, submitted and certified to by Tenant as an accurate representation of its financial condition have been prepared, certified and submitted to Landlord as an inducement and consideration to Landlord to enter into this Lease. The application and statements are represented and warranted by Tenant to be correct and to accurately and fully reflect Tenant's true financial condition as of the date of execution of this Lease by Tenant. Tenant shall during the Term promptly furnish Landlord with current annual financial statements accurately reflecting Tenant's financial condition upon written request from Landlord.

SECTION 22.3. CHANGES REQUESTED BY LENDER. If, in connection with obtaining financing for the Building, the lender shall request reasonable modifications in this Lease as a condition to the financing, Tenant will not unreasonably withhold or delay its consent, provided that the modifications do not materially increase the obligations of Tenant or materially and adversely affect the leasehold interest created by this Lease.

SECTION 22.4. MORTGAGEE PROTECTION. No act or failure to act on the part of Landlord which would otherwise entitle Tenant to be relieved of its obligations hereunder or to terminate this Lease shall result in such a release or termination unless (a) Tenant has given notice by registered or certified mail to any beneficiary of a deed of trust or mortgage covering the Building whose address has been furnished to Tenant and (b) such beneficiary is afforded a reasonable opportunity to cure the default by Landlord, including, if necessary to effect the cure, time to obtain possession of the Building by power of sale or judicial foreclosure provided that such foreclosure remedy is diligently pursued.

SECTION 22.5. SDN LIST. Tenant hereby represents and warrants that neither Tenant nor any officer, director, employee, partner, member or other principal of Tenant (collectively, "Tenant Parties") is listed as a "Specially Designated National and Blocked Person ("SDN") on the list of such persons and entities issued by the U.S. Treasury Office of Foreign Assets Control (OFAC). In the event Tenant or any Tenant Party is or becomes listed as an SDN, Tenant shall be deemed in breach of this Lease and Landlord shall have the right to terminate this Lease immediately upon written notice to Tenant.

SECTION 22.6. DISCLOSURE STATEMENT. Tenant acknowledges that it has read, understands and, if applicable, shall comply with the provisions of Exhibit F to this Lease, if that Exhibit is attached.

LANDLORD:	TENANT:
THE IRVINE COMPANY	OCEAN WEST HOLDING CORPORATION
By ________ Steven M. Case Senior Vice President, Leasing, Office Properties	By [signature] Printed Name Darryl Cohen Title President
By ________ Steven E. Claton Vice President, Operations, Office Properties	By [signature] Printed Name Colleen Kent Title Corp Sec'y

THE IRVINE COMPANY

26 Executive Park
Suite 250

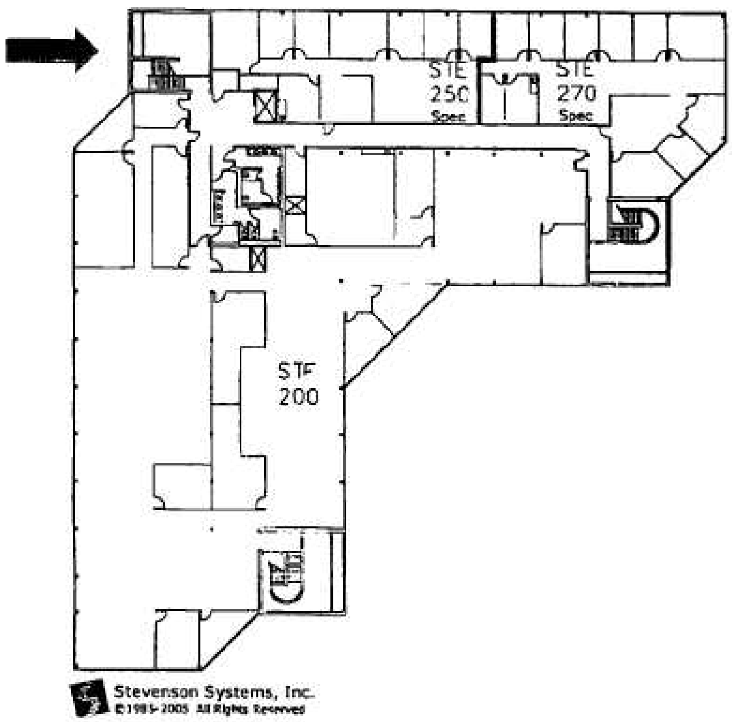

EXHIBIT A

EXHIBIT B

UTILITIES AND SERVICES

The following standards for utilities and services shall be in effect at the Building. Landlord reserves the right to adopt nondiscriminatory modifications and additions to these standards; provided that the hours of availability of services shall not be reduced and services shall not be materially lessened. In the case of any conflict between these standards and the Lease, the Lease shall be controlling. Subject to all of the provisions of the Lease, including but not limited to the restrictions contained in Section 6.1, the following shall apply:

1. Landlord shall make available to the Premises during the hours of 8:00 a.m. to 6:00 p.m., Monday through Friday, and if requested by Tenant on a week-by-week basis, from 8:00 a.m. to 1:00 p.m. on Saturday ("Building Hours"), generally recognized national holidays excepted, reasonable HVAC services. Subject to the provisions set forth below, Landlord shall also furnish at all times (except in force majeure circumstances) the Building with elevator service (if applicable), reasonable amounts of electric current for normal lighting by Landlord's standard overhead fluorescent and incandescent fixtures and for the operation of office equipment consistent in type and quantity with that utilized by typical office tenants of the Building and Project, and water for lavatory purposes. Tenant will not, without the prior written consent of Landlord, connect any apparatus, machine or device with water pipes or electric current (except through existing electrical outlets in the Premises) for the purpose of using electric current or water. Because the Building systems have been designed for normal occupancy of approximately four persons per one thousand usable square feet, Tenant understands that excess occupancy of the Premises may result in excessive use of power and other services and may inhibit the efficient cooling of the Premises. This paragraph shall at all times be subject to applicable governmental regulations.

2. Upon written request from Tenant delivered to Landlord at least 24 hours prior to the period for which service is requested, but during normal business hours, Landlord will provide any of the foregoing building services to Tenant at such times when such services are not otherwise available. Tenant agrees to pay Landlord for those after-hour services at rates that Landlord may establish from time to time. If Tenant requires electric current in excess of that which Landlord is obligated to furnish under this Exhibit B, Tenant shall first obtain the consent of Landlord, and Landlord may cause an electric current meter to be installed in the Premises to measure the amount of electric current consumed. The cost of installation, maintenance and repair of the meter shall be paid for by Tenant, and Tenant shall reimburse Landlord promptly upon demand for all electric current consumed for any special power use as shown by the meter. The reimbursement shall be at the rates charged for electrical power by the local public utility furnishing the current, plus any additional expense incurred in keeping account of the electric current consumed.

3. Landlord shall furnish water for drinking, kitchenette, personal hygiene and lavatory purposes only. If Tenant requires or uses water for any purposes in addition to ordinary drinking, cleaning and lavatory purposes, Landlord may, in its discretion, install a water meter to measure Tenant's water consumption. Tenant shall pay Landlord for the cost of the meter and the cost of its installation, and for consumption throughout the duration of Tenant's occupancy. Tenant shall keep the meter and installed equipment in good working order and repair at Tenant's own cost and expense, in default of which Landlord may cause the meter to be replaced or repaired at Tenant's expense. Tenant agrees to pay for water consumed, as shown on the meter and when bills are rendered, and on Tenant's default in making that payment Landlord may pay the charges on behalf of Tenant. Any costs or expenses or payments made by Landlord for any of the reasons or purposes stated above shall be deemed to be additional rent payable by Tenant to Landlord upon demand.

4. In the event that any utility service to the Premises is separately metered or billed to Tenant, Tenant shall pay all charges for that utility service to the Premises and the cost of furnishing the utility to tenant suites shall be excluded from the Operating Expenses as to which reimbursement from Tenant is required in the Lease. If any utility charges are not paid when due Landlord may pay them, and any amounts paid by Landlord shall immediately become due to Landlord from Tenant as additional rent. If Landlord elects to furnish any utility service to the Premises, Tenant shall purchase its requirements of that utility from Landlord as long as the rates charged by Landlord do not exceed those which Tenant would be required to pay if the utility service were furnished it directly by a public utility.

5. Landlord shall provide janitorial services five days per week, equivalent to that furnished in comparable buildings, and window washing as reasonably required; provided, however, that Tenant shall pay for any additional or unusual janitorial services required by reason of any nonstandard improvements in the Premises, including without limitation wall coverings and floor coverings installed by or for Tenant, or by reason of any use of Premises other than exclusively as offices. The cleaning services provided by Landlord shall also exclude refrigerators, eating utensils (plates, drinking containers and silverware), and interior glass partitions. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish, to the extent that they exceed the refuse and rubbish usually attendant with general office usage.

6. Tenant shall have access to the Building 24 hours per day, 7 days per week, 52 weeks per year; provided that Landlord may install access control systems as it deems advisable for the Building. Such systems may, but need not, include full or part-time lobby supervision, the use of a sign-in sign-out log, a card identification access system, building parking and access pass system, closing hours procedures, access control stations, fire stairwell exit door alarm system, electronic guard system, mobile paging system, elevator control system or any other access controls. In the event that Landlord elects to provide any or all of those services, Landlord may discontinue providing them at any time with or without notice. Landlord may impose a reasonable charge for access control cards and/or keys issued to Tenant. Landlord shall have no liability to Tenant for the provision by Landlord of improper access control services, for any breakdown in service, or for the failure by Landlord to provide access control services. Tenant further acknowledges that Landlord's access systems may be temporarily inoperative during building emergency and system repair periods. Tenant agrees to assume responsibility for compliance by its employees with any regulations established by Landlord with respect to any card key access or any other system of building access as Landlord may establish. Tenant shall be liable to Landlord for any loss or damage resulting from its or its employees use of any access system.

EXHIBIT C

PARKING

The following parking regulations shall be in effect at the Building. Landlord reserves the right to adopt reasonable, nondiscriminatory modifications and additions to the regulations by written notice to Tenant. In the case of any conflict between these regulations and the Lease, the Lease shall be controlling.

1. Landlord agrees to maintain, or cause to be maintained, an automobile parking area ("Parking Area") in reasonable proximity to the Building for the benefit and use of the visitors and patrons and, except as otherwise provided, employees of Tenant, and other tenants and occupants of the Building. The Parking Area shall include, whether in a surface parking area or a parking structure, the automobile parking stalls, driveways, entrances, exits, sidewalks and attendant pedestrian passageways and other areas designated for parking. Landlord shall have the right and privilege of determining the nature and extent of the automobile Parking Area, whether it shall be surface, underground or other structure, and of making such changes to the Parking Area from time to time which in its opinion are desirable and for the best interests of all persons using the Parking Area. Landlord shall keep the Parking Area in a neat, clean and orderly condition, and shall repair any damage to its facilities. Landlord shall not be liable for any damage to motor vehicles of visitors or employees, for any loss of property from within those motor vehicles, or for any injury to Tenant, its visitors or employees, unless ultimately determined to be caused by the sole active negligence or willful misconduct of Landlord. Unless otherwise instructed by Landlord, every parker shall park and lock his or her own motor vehicle. Landlord shall also have the right to establish, and from time to time amend, and to enforce against all users of the Parking Area all reasonable rules and regulations (including the designation of areas for employee parking) as Landlord may deem necessary and advisable for the proper and efficient operation and maintenance of the Parking Area. Garage managers or attendants are not authorized to make or allow any exceptions to these regulations.

2. Landlord may, if it deems advisable in its sole discretion, charge for parking and may establish for the Parking Area a system or systems of permit parking for Tenant, its employees and its visitors, which may include, but not be limited to, a system of charges against nonvalidated parking, verification of users, a set of regulations governing different parking locations, and an allotment of reserved or nonreserved parking spaces based upon the charges paid and the identity of users. In no event shall Tenant or its employees park in reserved stalls leased to other tenants or in stalls within designated visitor parking zones, nor shall Tenant or its employees utilize more than the number of parking stalls allotted in this Lease to Tenant. It is understood that Landlord shall not have any obligation to cite improperly parked vehicles or otherwise attempt to enforce reserved parking rules during hours when parking attendants are not present at the Parking Area. Tenant shall comply with such system in its use (and in the use of its visitors, patrons and employees) of the Parking Area, provided, however, that the system and rules and regulations shall apply to all persons entitled to the use of the Parking Area, and all charges to Tenant for use of the Parking Area shall be no greater than Landlord's then current scheduled charge for parking.

3. Tenant shall, upon request of Landlord from time to time, furnish Landlord with a list of its employees' names and of Tenant's and its employees' vehicle license numbers. Tenant agrees to acquaint its employees with these regulations and assumes responsibility for compliance by its employees with these parking provisions, and shall be liable to Landlord for all unpaid parking charges incurred by its employees. Any amount due from Tenant shall be deemed additional rent. Tenant authorizes Landlord to tow away from the Building any vehicle belonging to Tenant or Tenant's employees parked in violation of these provisions, and/or to attach violation stickers or notices to those vehicles. In the event Landlord elects or is required to limit or control parking by tenants, employees, visitors or invitees of the Building, whether by validation of parking tickets, parking meters or any other method of assessment, Tenant agrees to participate in the validation or assessment program under reasonable rules and regulations as are established by Landlord and/or any applicable governmental agency.

4. Landlord may establish an identification system for vehicles of Tenant and its employees which may consist of stickers, magnetic parking cards or other parking access devices supplied by Landlord. All such parking access devices shall remain the property of Landlord, shall be displayed as required by Landlord or upon request and may not be mutilated or obliterated in any manner. Those devices shall not be transferable and any such device in the possession of an unauthorized holder shall be void and may be confiscated. Landlord may impose a reasonable fee for access devices and a replacement charge for devices which are lost or stolen. Each access device shall be returned to Landlord promptly following the Expiration Date or sooner termination of this Lease. Loss or theft of parking access devices shall be reported to Landlord or its Parking Area operator immediately and a written report of the loss filed if requested by Landlord or its Parking Area operator.

5. Persons using the Parking Area shall observe all directional signs and arrows and any posted speed limits. Unless otherwise posted, in no event shall the speed limit of 5 miles per hour be exceeded. All vehicles shall be parked entirely within painted stalls, and no vehicles shall be

parked in areas which are posted or marked as "no parking" or on or in ramps, driveways and aisles. Only one vehicle may be parked in a parking space. In no event shall Tenant interfere with the use and enjoyment of the Parking Area by other tenants of the Building or their employees or invitees.

6. Parking Areas shall be used only for parking vehicles. Washing, waxing, cleaning or servicing of vehicles, or the parking of any vehicle on an overnight basis, in the Parking Area (other than emergency services) by any parker or his or her agents or employees is prohibited unless otherwise authorized by Landlord. Tenant shall have no right to install any fixtures, equipment or personal property (other than vehicles) in the Parking Area, nor shall Tenant make any alteration to the Parking Area.

7. It is understood that the employees of Tenant and the other tenants of Landlord within the Building and Project shall not be permitted to park their automobiles in the portions of the Parking Area which may from time to time be designated for patrons of the Building and/or Project and that Landlord shall at all times have the right to establish rules and regulations for employee parking. Landlord shall lease to Tenant, and Tenant shall be obligated to lease from Landlord for the Term of this Lease, the total number of vehicle parking spaces set forth in Item 12 of the Basic Lease Provisions (the "Allotted Stalls"). Tenant shall pay to Landlord for the lease of the Allotted Stalls the monthly amounts as Landlord shall from time to time determine. Should any monthly parking charge not be paid within five (5) days following the date due, then a late charge shall be payable by Tenant equal to the greater of (i) five percent (5%) of the delinquent installment or (ii) One Hundred Dollars ($100.00), which late charge shall be separate and in addition to any late charge that may be assessed pursuant to Section 14.3 of the Lease for other than delinquent monthly parking charges. Landlord may authorize persons other than those described above, including occupants of other buildings, to utilize the Parking Area. In the event of the use of the Parking Area by other persons, those persons shall pay for that use in accordance with the terms established above; provided, however, Landlord may allow those persons to use the Parking Area on weekends, holidays, and at other non-office hours without payment. Notwithstanding any provision in this Exhibit to the contrary, provided Tenant is not in default under the Lease, the monthly charge for the Allotted Stalls shall be waived through the end of the initial Lease Term.

8. Notwithstanding the foregoing paragraphs 1 through 7, Landlord shall be entitled to pass on to Tenant its proportionate share of any charges or parking surcharge or transportation management costs levied by any governmental agency. The foregoing parking provisions are further subject to any governmental regulations which limit parking or otherwise seek to encourage the use of carpools, public transit or other alternative transportation forms or traffic reduction programs. Tenant agrees that it will use its best efforts to cooperate, including registration and attendance, in programs which may be undertaken to reduce traffic. Tenant acknowledges that as a part of those programs, it may be required to distribute employee transportation information, participate in employee transportation surveys, allow employees to participate in commuter activities, designate a liaison for commuter transportation activities, distribute commuter information to all employees, and otherwise participate in other programs or services initiated under a transportation management program.

9. Should any parking spaces be allotted by Landlord to Tenant, either on a reserved or nonreserved basis, Tenant shall not assign or sublet any of those spaces, either voluntarily or by operation of law, without the prior written consent of Landlord, except in connection with an authorized assignment of this Lease or subletting of the Premises.

EXHIBIT D

TENANT'S INSURANCE

The following standards for Tenant's insurance shall be in effect at the Building, and Tenant shall also cause any of its subtenants to comply with the requirements below. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions to those standards. Tenant agrees to obtain and present evidence to Landlord that it has fully complied with the insurance requirements.

1. Tenant shall, at its sole cost and expense, commencing on the date Tenant is given access to the Premises for any purpose and during the entire Term, procure, pay for and keep in full force and effect: (i) commercial general liability insurance with respect to the Premises and the operations of or on behalf of Tenant in, on or about the Premises, including but not limited to coverage for personal injury, independent contractors, broad form property damage, fire legal liability, products liability (if a product is sold from the Premises), and liquor law liability (if alcoholic beverages are sold, served or consumed within the Premises), which policy(ies) shall be written on an "occurrence" basis and for not less than $2,000,000 combined single limit (with a $50,000 minimum limit on fire legal liability) per occurrence for bodily injury, death, and property damage liability, or the current limit of liability carried by Tenant, whichever is greater, and subject to such increases in amounts as Landlord may determine from time to time; (ii) workers' compensation insurance coverage as required by law, together with employers' liability insurance coverage of at least $1,000,000; (iii) with respect to improvements, alterations, and the like required or permitted to be made by Tenant under this Lease, builder's risk insurance, in amounts satisfactory to Landlord; (iv) insurance against fire, vandalism, malicious mischief and such other additional perils as may be included in a standard "special form" policy, insuring all Tenant Installations, trade fixtures, furnishings, equipment and items of personal property in the Premises, in an amount equal to not less than ninety percent (90%) of their actual replacement cost (with replacement cost endorsement), which policy shall also include loss of income/business interruption/extra expense coverage in an amount not less than nine months loss of income from Tenant's business in the Premises. In no event shall the limits of any policy be considered as limiting the liability of Tenant under this Lease.

2. All policies of insurance required to be carried by Tenant pursuant to this Exhibit shall be written by responsible insurance companies authorized to do business in the State of California and with a general policyholder rating of not less than "A-" and financial rating of not less than "VIII" in the most current Best's Insurance Report. Any insurance required of Tenant may be furnished by Tenant under any blanket policy carried by it or under a separate policy. A certificate of insurance, certifying that the policy has been issued, provides the coverage required by this Exhibit and contains the required provisions, together with endorsements acceptable to Landlord evidencing the waiver of subrogation and additional insured provisions required under Paragraph 3 below, shall be delivered to Landlord prior to the date Tenant is given the right of possession of the Premises. Proper evidence of the renewal of any insurance coverage shall also be delivered to Landlord not less than thirty (30) days prior to the expiration of the coverage. Landlord may at any time, and from time to time, inspect and/or copy any and all insurance policies required by this Lease.

3. Unless otherwise provided below, each policy evidencing insurance required to be carried by Tenant pursuant to this Exhibit shall contain the following provisions and/or clauses satisfactory to Landlord: (i) with respect to Tenant's commercial general liability insurance, a provision that the policy and the coverage provided shall be primary and that any coverage carried by Landlord shall be excess and noncontributory, together with a provision including Landlord and any other parties in interest designated by Landlord as additional insureds; (ii) except with respect to Tenant's commercial general liability insurance, a waiver by the insurer of any right to subrogation against Landlord, its agents, employees, contractors and representatives which arises or might arise by reason of any payment under the policy or by reason of any act or omission of Landlord, its agents, employees, contractors or representatives; and (iii) a provision that the insurer will not cancel or change the coverage provided by the policy without first giving Landlord thirty (30) days prior written notice.

4. In the event that Tenant fails to procure, maintain and/or pay for, at the times and for the durations specified in this Exhibit, any insurance required by this Exhibit, or fails to carry insurance required by any governmental authority, Landlord may at its election procure that insurance and pay the premiums, in which event Tenant shall repay Landlord all sums paid by Landlord, together with interest at the maximum rate permitted by law and any related costs or expenses incurred by Landlord, within ten (10) days following Landlord's written demand to Tenant.

NOTICE TO TENANT: IN ACCORDANCE WITH THE TERMS OF THIS LEASE, TENANT MUST PROVIDE EVIDENCE OF THE REQUIRED INSURANCE TO LANDLORD'S MANAGEMENT AGENT PRIOR TO BEING AFFORDED ACCESS TO THE PREMISES.

EXHIBIT E

RULES AND REGULATIONS

The following Rules and Regulations shall be in effect at the Building. Landlord reserves the right to adopt reasonable nondiscriminatory modifications and additions at any time. In the case of any conflict between these regulations and the Lease, the Lease shall be controlling.

1. Except with the prior written consent of Landlord, or unless otherwise specifically authorized in this Lease, Tenant shall not sell or permit the retail sale of goods or services in or from the Premises, nor shall Tenant allow the Premises to be utilized for any manufacturing or medical practice.

2. The sidewalks, halls, passages, elevators, stairways, and other common areas shall not be obstructed by Tenant or used by it for storage, for depositing items, or for any purpose other than for ingress to and egress from the Premises. The halls, passages, entrances, elevators, stairways, balconies and roof are not for the use of the general public, and Landlord shall in all cases retain the right to control and prevent access to those areas of all persons whose presence, in the judgment of Landlord, shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants. Should Tenant have access to any balcony or patio area, Tenant shall not place any furniture or other personal property in such area without the prior written approval of Landlord. Nothing contained in this Lease shall be construed to prevent access to persons with whom Tenant normally deals only for the purpose of conducting its business on the Premises (such as clients, customers, office suppliers and equipment vendors and the like) unless those persons are engaged in illegal activities. Neither Tenant nor any employee or contractor of Tenant shall go upon the roof of the Building without the prior written consent of Landlord.

3. The sashes, sash doors, windows, glass lights, solar film and/or screen, and any lights or skylights that reflect or admit light into the halls or other places of the Building shall not be covered or obstructed. The toilet rooms, water and wash closets and other water apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind shall be thrown in those facilities, and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by Tenant.

4. No sign, advertisement or notice visible from the exterior of the Premises shall be inscribed, painted or affixed by Tenant on any part of the Building or the Premises without the prior written consent of Landlord. If Landlord shall have given its consent at any time, whether before or after the execution of this Lease, that consent shall in no way operate as a waiver or release of any of the provisions of this Lease, and shall be deemed to relate only to the particular sign, advertisement or notice so consented to by Landlord and shall not be construed as dispensing with the necessity of obtaining the specific written consent of Landlord with respect to any subsequent sign, advertisement or notice. If Landlord, by a notice in writing to Tenant, shall object to any curtain, blind, tinting, shade or screen attached to, or hung in, or used in connection with, any window or door of the Premises, the use of that curtain, blind, tinting, shade or screen shall be immediately discontinued and removed by Tenant. No awnings shall be permitted on any part of the Premises. No antenna or satellite dish shall be installed by Tenant that is either located or visible from outside the Premises without the prior written agreement of Landlord.

5. Tenant shall not do or permit anything to be done in the Premises, or bring or keep anything in the Premises, which shall in any way increase the rate of fire insurance on the Building, or on the property kept in the Building, or obstruct or interfere with the rights of other tenants, or in any way injure or annoy them, or conflict with the regulations of the Fire Department or the fire laws, or with any insurance policy upon the Building, or any portion of the Building or its contents, or with any rules and ordinances established by the Board of Health or other governmental authority.

6. The installation and location of any unusually heavy equipment in the Premises, including without limitation file storage units, safes and electronic data processing equipment, shall require the prior written approval of Landlord. Landlord may restrict the weight and position of any equipment that may exceed the weight load limits for the structure of the Building, and may further require, at Tenant's expense, the reinforcement of any flooring on which such equipment may be placed and/or an engineering study to be performed to determine whether the equipment may safely be installed in the Building and the necessity of any reinforcement. The moving of large or heavy objects shall occur only between those hours as may be designated by, and only upon previous written notice to, Landlord, and the persons employed to move those objects in or out of the Building must be reasonably acceptable to Landlord. Without limiting the generality of the foregoing, no freight, furniture or bulky matter of any description shall be received into or moved out of the lobby of the Building or carried in any elevator other than the freight elevator designated by Landlord unless approved in writing by Landlord.

7. Landlord shall clean the Premises as provided in the Lease, and except with the written consent of Landlord, no person or persons other than those approved by Landlord will be permitted to enter the Building for that purpose. Tenant shall not cause unnecessary labor by reason of

Tenant's carelessness and indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant or its employees for loss or damage to property in connection with the provision of janitorial services by third party contractors.

8. Tenant shall not sweep or throw, or permit to be swept or thrown, from the Premises any dirt or other substance into any of the corridors or halls or elevators, or out of the doors or windows or stairways of the Building, and Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business with other tenants, nor shall any animals or birds be kept by Tenant in or about the Building. Smoking or carrying of lighted cigars, cigarettes, pipes or similar products anywhere within the Premises or Building is strictly prohibited, and Landlord may enforce such prohibition pursuant to Landlord's leasehold remedies. Smoking is permitted outside the Building and within the project only in areas designated by Landlord.

9. No cooking shall be done or permitted by Tenant on the Premises, except pursuant to the normal use of a U.L. approved microwave oven and coffee maker for the benefit of Tenant's employees and invitees, nor shall the Premises be used for the storage of merchandise or for lodging. Any pipes or tubing used by Tenant to transmit water to an appliance or device in the Premises must be made of copper or stainless steel, and in no event shall plastic tubing be used for that purpose.

10. Tenant shall not use or keep in the Building any kerosene, gasoline, or inflammable fluid or any other illuminating material, or use any method of heating other than that supplied by Landlord.

11. If Tenant desires telephone, telegraph, burglar alarm or similar connections, Landlord will direct electricians as to where and how the wires are to be introduced. No boring or cutting for wires or otherwise shall be made without directions from Landlord.

12. Upon the termination of its tenancy, Tenant shall deliver to Landlord all the keys to offices, rooms and toilet rooms and all access cards which shall have been furnished to Tenant or which Tenant shall have had made.

13. Tenant shall not mark, drive nails, screw or drill into the partitions, woodwork or plaster or in any way deface the Premises, except to install normal wall hangings. Tenant shall not affix any floor covering to the floor of the Premises in any manner except by a paste, or other material which may easily be removed with water, the use of cement or other similar adhesive materials being expressly prohibited. The method of affixing any floor covering shall be subject to approval by Landlord. The expense of repairing any damage resulting from a violation of this rule shall be borne by Tenant.

14. On Saturdays, Sundays and legal holidays, and on other days between the hours of 6:00 p.m. and 8:00 a.m., access to the Building, or to the halls, corridors, elevators or stairways in the Building, or to the Premises, may be refused unless the person seeking access complies with any access control system that Landlord may establish. Landlord shall in no case be liable for damages for the admission to or exclusion from the Building of any person whom Landlord has the right to exclude under Rules 2 or 18 of this Exhibit. In case of invasion, mob, riot, public excitement, or other commotion, or in the event of any other situation reasonably requiring the evacuation of the Building, Landlord reserves the right at its election and without liability to Tenant to prevent access to the Building by closing the doors or otherwise, for the safety of the tenants and protection of property in the Building.

15. Tenant shall be responsible for protecting the Premises from theft, which includes keeping doors and other means of entry closed and securely locked. Tenant shall cause all water faucets or water apparatus to be shut off before Tenant or Tenant's employees leave the Building, and that all electricity, gas or air shall likewise be shut off, so as to prevent waste or damage, and for any default or carelessness Tenant shall make good all injuries sustained by other tenants or occupants of the Building or Landlord.

16. Tenant shall not alter any lock or install a new or additional lock or any bolt on any door of the Premises without the prior written consent of Landlord. If Landlord gives its consent, Tenant shall in each case promptly furnish Landlord with a key for any new or altered lock.

17. Tenant shall not install equipment, such as but not limited to electronic tabulating or computer equipment, requiring electrical or air conditioning service in excess of that to be provided by Landlord under the Lease except in accordance with Exhibit B.

18. Landlord shall have full and absolute authority to regulate or prohibit the entrance to the Premises of any vendor, supplier, purveyor, petitioner, proselytizer or other similar person if, in the good faith judgment of Landlord, such person will be involved in general solicitation activities, or the proselytizing, petitioning, or disturbance of other tenants or their customers or invitees, or engaged or likely to engage in conduct which may in Landlord's opinion distract from the use of the Premises for

its intended purpose. Notwithstanding the foregoing, Landlord reserves the absolute right and discretion to limit or prevent access to the Buildings by any food or beverage vendor, whether or not invited by Tenant, and Landlord may condition such access upon the vendor's execution of an entry permit agreement which may contain provisions for insurance coverage and/or the payment of a fee to Landlord.

19. Tenant shall, at its expense, be required to utilize the third party contractor designated by Landlord for the Building to provide any telephone wiring services from the minimum point of entry of the telephone cable in the Building to the Premises.

20. Tenant shall, upon request by Landlord, supply Landlord with the names and telephone numbers of personnel designated by Tenant to be contacted on an after-hours basis should circumstances warrant.

21. Tenant shall cause its employees and agents, and shall endeavor to instruct its invitees, to wear attire suitable for a first class office project while such persons are in the Building or Project.

22. Landlord may from time to time grant tenants individual and temporary variances from these Rules, provided that any variance does not have a material adverse effect on the use and enjoyment of the Premises by Tenant.

AMENDED AND RESTATED

EMPLOYMENT AGREEMENT

AGREEMENT made and entered into as of July 19, 2005 by and between InfoByPhone, Inc., a Delaware corporation (the "Company"), and Darryl Cohen ("Executive").

WITNESSETH

WHEREAS, the Company is a development stage communications technology company, dedicated to optimizing the use of mobile cellular devices to improve individual productivity and efficiency, providing users with easier access to information regardless of location through its AskMeNow™ service (the "Service"). The Service is a brand new mobile information content service that provides the answer to virtually any question one can ask from anywhere and at any time. (the "Business");

WHEREAS, the Executive provides expertise in business management; and

WHEREAS, the Company desires to enter into this Employment Agreement with the Executive and the Executive desires to be employed by the Company on the terms and conditions set forth in this Employment Agreement.

NOW, THEREFORE, the parties hereto, in consideration of the premises and the mutual covenants herein contained, hereby agree as follows:

1 Term of Employment.

Subject to the terms and conditions hereinafter set forth, the Company shall employ Executive and Executive shall be employed by the Company, for an employment term commencing as of the date hereof and terminating three years from the date hereof unless sooner

terminated pursuant to the provisions of Paragraph 8 hereof (the "Initial Term").

2. Scope of Employment. During the Term, Executive shall be employed as President and Chief Executive Officer of the Company and shall perform such duties customarily expected to be performed by such officer. In addition, Executive shall faithfully render and perform such other reasonable executive and managerial services as may be assigned to him, from time to time, by or under the authority of the Board of Directors of the Company or of Ocean West Holding Corporation (the "Parent"). Executive will devote his full working time and efforts to the business and affairs of the Company, as now or hereafter conducted, except as set forth below, and shall be at all times subject to the direction and control of the Board of Directors of the Company or of the Parent. Executive shall render such services to the best of his ability and shall use his best efforts to promote the best interests of the Company. Executive will not engage in any capacity or activity which is, or reasonably may be, contrary to the welfare, interest or benefit of the business now or hereafter conducted by the Company. Notwithstanding the foregoing, Executive may devote such amount of time as may reasonably be required for business activities he was engaged in prior to the commencement of this Agreement.

3. Compensation.

(a) As full compensation for all services provided for herein, the Company will pay, or cause to be paid, to Executive, and Executive will accept, a base salary (as increased from time to time, the "Base Salary") during the Term at an annual rate of not less than One Hundred and Ten Thousand Dollars and 00/100 ($110,000.00), provided that as of each anniversary of the date of this Agreement, the Base Salary shall be increased by an amount equal to the annual percentage increase in the "All-Urban" consumer price index published by the United States Bureau of Labor Statistics for the immediately preceding 12-month period (or, if

such index is no longer published, by an amount equal to the annual percentage increase in the most closely comparable index). The Board of Directors shall review Executive's performance annually and may, in its sole discretion, increase the Base Salary by an amount greater than that provided for in the preceding sentence. The Base Salary shall be paid in regular installments in accordance with the Company's usual paying practices, but not less frequently than monthly.

(b) In conjunction with the execution of this Agreement, the Executive shall also be granted two hundred thousand (200,000) options to purchase stock of the Company ("Options") upon the terms set forth in the Option Agreement between the Company and Executive to be dated July 20, 2005.

(c) During the Term of this Agreement, the Executive shall also have use of an automobile owned or leased by the Company or if leased by the Executive ("Executive's Company Car"). Executive shall also be entitled to reimbursement of costs related to the use by Executive of Executive's Company Car, including, but not limited to, insurance, repairs, maintenance, mileage charges and fuel costs, reasonably incurred on the Company's behalf, upon submission of a detailed accounting for such car expenses by Executive to the Company in accordance with the Company's expense reimbursement policy and procedures then in effect.

(d) In addition to the compensation set forth in subparagraphs (a) and (b) of this Paragraph 3, at the end of each 12 months from the date of commencement, Executive shall be entitled to receive an annual incentive bonus, which amount shall be determined by the Board of Directors.

The Base Salary and any bonus payments will be subject to such deductions by the Company as the Company is from time to time required to make pursuant to law, government regulations or order or by agreement with, or consent of, Executive. Such payments may be

made by check or checks of the Company or any of its parent, subsidiaries or affiliates as the Company may, from time to time, find proper and appropriate.

4. Vacation. During the Term, Executive shall be entitled to four (4) weeks of vacation per annum.

5. Benefits.

(a) During the Term, Executive shall be entitled to participate in all group insurances as are presently being offered by the Company or which may hereafter, during the Term, be offered to its executive and/or non-executive employees on a company wide basis (including group life insurance, group disability insurance, group medical and hospitalization plans, pension and profit sharing plans). During the Term, Executive shall be entitled to medical and hospitalization coverage for himself, his spouse, and dependents (including prescription drug coverage) pursuant to which he currently has coverage. In the event the Company fails to provide such coverage, or such coverage is otherwise unavailable, then the Company shall provide Executive, his spouse, and dependents with at least equivalent coverage (including healthcare provider choices, deductibles, co-pays, etc.).

(b) The Company shall use its best efforts to obtain and maintain for the Term of this Agreement "key man" term life insurance on the life of Executive in the amount of $3,000,000, the first $2,000,000 of which shall be payable to the Corporation as beneficiary and the balance of which shall be payable to Executive's designee(s). Executive shall have the right to change Executive's designee(s), at Executive's sole discretion, subject to the provisions of the applicable insurance policy. The entire premium expense for such life insurance shall be paid by the Company.

(c) From and after the date of this Employment Agreement, the terms "compensation" as used in any pension or profit sharing plan maintained by the Company shall include only the Base Salary (exclusive of any bonus payments) payable hereunder, unless the plan or applicable law provides otherwise.

6. Expenses. Executive shall be entitled to reimbursement by the Company for reasonable expenses actually incurred by him on its behalf or on behalf of the Parent in the course of his employment by the Company, upon the presentation by Executive, from time to time, of an itemized account of such expenditures together with such vouchers and other receipts as the Company may request, in accordance with Company policy and Internal Revenue Service regulations.

7. Termination.

(a) Disability. If, during the Term, Executive shall be unable, for a period of more than six (6) consecutive months or for periods aggregating more than twenty-six (26) weeks in any fifty-two (52) consecutive weeks to perform the services provided for herein as a result of illness, incapacity or a physical or other disability of any nature, the Company may, upon not less than thirty (30) days' written notice, terminate Executive's employment and the Term hereunder.

Executive shall be considered unable to perform the services provided for herein if he is unable, with or without reasonable accommodation, to attend to the essential duties required of him.

(b) Death. If Executive shall die during the Term, Executive's employment hereunder and the Term shall terminate upon Executive's death. Executive's estate shall continue to receive the compensation specified in Paragraph 4 hereof until 6 months after the end

of the month in which Executive's death occurs. Medical and hospitalization insurance coverage, as provided for in Paragraph 6(a), will continue for Executive's spouse and dependents for a period of twelve (12) months thereafter, without prejudice to the rights of his spouse and dependents) under Section 4980B of the Internal Revenue Code.

(c) For Cause. In addition to the provisions for the cancellation and/or termination hereof hereinabove provided, the Company may, at any time and in its sole discretion, terminate and/or cancel the Term and this Employment Agreement for cause (as hereinafter defined) by sending written notice to the Executive of its intention to so cancel and/or terminate. Cancellation and/or termination under this paragraph shall become effective within ten (10) business days of Executive's receipt of the notice provided for under this paragraph.

For purposes of this Employment Agreement, "cause" shall be defined to mean: (i) fraud, dishonesty or similar malfeasance; (ii) substantial refusal to comply or default in complying with the reasonable, ethical, and lawful directions of the Board of Directors of the Company or the Parent, and/or failure to comply with or perform any of the material terms and/or obligations of this Employment Agreement and such refusal, default or failure continues for a period of more than ten (10) days after receipt by Executive of written notice from the Company setting forth in reasonable detail the activity by Executive which the Company deems to be cause for termination of this Employment Agreement; (iii) Executive's repeated and intemperate use of alcohol or illegal drugs after written notice from the Company that such use, if continued, will result in termination of Executive's employment; (iv) Executive's conviction of a felony involving personal dishonesty, moral turpitude, or willfully violent conduct; or, (v) Executive materially breaching any provision of this Employment Agreement, which breach continues for a period of more than ten (10) days after receipt by Executive of written notice

from the Company setting forth in reasonable detail the breach by Executive which the Company deems to be cause for termination of this Employment Agreement.

(d) Resignation for Good Reason. Executive's employment and the Term may be terminated by Executive for "Good Reason" if any of the following occurs without Executive's written consent:

(i) a substantial and adverse alteration of Executive's position, duties, and responsibilities under this Agreement such that they are no longer consistent with the position, duties, and/or responsibilities of an executive level employee;

(ii) a material breach of this Agreement by the Company or the Parent;

(iii) a change in Executive's principal place of employment to a location at least twenty (20) miles from the California offices;

(iv) a material and adverse change in the compensation and benefits provided to Executive under this Agreement; and/or

(v) the Company materially breaches the Securities Exchange Agreement and Plan of Reorganization ("Exchange Agreement").

In order to be eligible for the severance benefits referred to in Paragraph 7(f) below, Executive shall be required to provide the Company with written notice of Good Reason to resign within twenty (20) days after Executive becomes aware of the circumstances constituting Good Reason. The Company shall have a period of ten (10) days after Executive provides such written notice within which to take measures to correct the circumstances constituting Good Reason. Should Executive fail to provide twenty (20) days written notice of Good Reason and/or should the Company correct the

circumstances within ten (10) days after receiving written notice from the Executive, Good Reason for Executive's resignation shall cease to exist.

(e) Change of Control.

In the event of a change of control (as defined below) of the Company, the Employee shall continue to serve the Company in the same capacity and have the same authority, responsibilities and status as he had as of the date immediately prior to the change of control. Following a change of control, the Employee's services shall be performed at such location as may be mutually agreed upon between the Company and the Employee. For the purposes of this Agreement, a "change of control" shall be deemed to have occurred when:

(a) an individual or a group of individuals acting together acquire twenty-five percent (25%) or more of the issued and outstanding capital stock of the Company (whether by merger, consolidation or issuance, sale or transfer of the Company's capital stock);

(b) the sale of the Company to one or more parties (none of which either owns more than 5% of the issued and outstanding capital stock of the Company or is an affiliate of the Company), pursuant to which such party or parties acquire all or substantially all of the Company's assets or any reorganization, merger, or consolidation of all or substantially all of the assets of the Company; or

(c) individuals who today constitute the Board of Directors (hereinafter "Continuing Directors") cease to be at least a majority of the Board. For purposes of this subsection Continuing Directors shall mean (i) the Directors

of the Company on July 19, 2005; and (ii) any person who was or is recommended to (A) succeed a Continuing Director, or (B) become a director as a result of an increase in the size of the Board, in each case, by a majority of the Continuing Directors then on the Board.

(f) Severance.

(i) In the event the Company terminates Executive's employment, for the reasons set forth in Paragraphs 7(a) or (b), or Executive resigns for Good Reason as set forth in Paragraph 7(d), or after a Change of Control as set forth in Paragraph 7(e): all stock options and restricted shares granted to Executive currently outstanding and not then vested, shall be accelerated and shall immediately become fully vested. In addition, Executive shall be granted a non-qualified stock option to purchase an additional 200,000 shares of Common Stock at the then fair market value of the Company's Common Stock.

(ii) In the event the Company terminates Executive's employment, for the reasons set forth in Paragraph 7(a) or (b); or Executive resigns for Good Reason as set forth in Paragraph 7(d); or within three years of the effective date of a Change of Control (as defined in Paragraph 7(c)) Executive's employment by the Company is terminated without Cause (as defined in Paragraph 7(c)) or Executive resigns for Good Reason: Employer will pay to Executive (or the (Executive's estate, heirs or guardian, as the case may be) a severance benefit. Severance shall be in an amount equal to fifty percent (50%) times the Executive's Base

Salary for the immediately preceding calendar year, plus bonuses paid to Executive for the immediately preceding calendar year (the "Severance Benefit"). The Severance Benefit will be subject to payroll deductions required by law and/or authorized by Executive. The Severance Benefit shall be payable in substantially equal installments on regularly scheduled paydays commencing with the regularly scheduled payday following the effective date of the termination of employment and continuing for 6 months. Should Executive resign where no Good Reason exists, or should Executive's employment terminate pursuant to Paragraph 7(c), Executive shall not be entitled to the Severance Benefit.

(iii) Executive will also be entitled, subject to the terms and conditions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and the Company's policies, to make a COBRA election to continue the medical and hospitalization benefits referred to in Paragraph 7(a) for Executive, his spouse, and his eligible dependents. In the event Executive elects COBRA coverage, the Executive will reimburse the Company for premium payments made on behalf of Executive to keep medical and/or hospitalization coverage in effect for a period of eighteen (18) months from the effective date of the termination of employment.

(iv) Executive shall have no duty to seek other employment or to engage in self-employment in mitigation of the Severance Benefit and premium reimbursement provided for hereunder, and any compensation which

Executive may receive in the course of any such employment or self-employment shall not reduce the Company's obligations hereunder.

(v) The Executive will have no vested right to make the election provided in subparagraph 7(f)(i) above, unless and until Executive's employment is terminated for the reasons set forth in Paragraph 7(a), (b), (d) or (e) (hereinafter defined as the "Vesting Event"). The Company and the Executive agree that any payments (the "Payments") made to Executive under this Section 7(f) shall be made in the same calendar year as the Vesting Event, or no later than March 15th of the calendar year following the Vesting Event. In the event the Executive resigns for Good Reason as set forth in Paragraph 7(d) or resigns because of a Change of Control as set forth in Paragraph 7(e) and such election the ("Election") occurs later than March 15th of the calendar year following the Vesting Event and the Employee is classified as a "key employee" within the meaning of Code Section 409A at such time, the Payments will not be made until six (6) months following his separation from service from the Company in accordance with the requirements of Code Section 409A. In addition, Full Compensation as defined in Section 3 above shall be paid to Employee on or before March 15th of the calendar year following his separation from service with the Company.

8. Disclosure. Except as may be required or appropriate in connection with Executive's carrying out his duties under this Agreement, Executive will not, without the prior written consent of the Company, or unless otherwise required by law or any legal process, at any

time, directly or indirectly, disclose or furnish to any other person, firm or corporation:

(a) any of the Company's confidential non-public information concerning the methods of conducting or obtaining business, of manufacturing or advertising products, or of obtaining customers;

(b) any of the Company's confidential non-public information acquired by Executive during the course of his employment by the Company, including without limiting the generality of the foregoing, the name of any customers or prospective customers of, or any person, firm or corporation who or which have or shall have traded or dealt with, the Company (whether such customers have been obtained by Executive or otherwise); and/or

(c) any of the Company's confidential non-public information relating to the products, designs, processes, discoveries, materials, ideas, creations, inventions or properties of the Company.

9. Covenants Not to Compete.

(a) During the Term, Executive agrees not to engage, directly or indirectly, in any business which is competitive with the business now, or at any time during the Term, conducted by the Company (the "Competitive Business Activities").

(b) During the Term, or if the Executive is terminated for cause, until the scheduled expiration of the Term, Executive agrees not to directly or indirectly, on behalf of himself or any business in which he may, directly or indirectly, be engaged, recruit, solicit, induce (or attempt to induce), or have any part in, the diversion of any of the Company's employees or sales representatives from their relationships with the Company, or retain or employ any of the Company's employees or sales representatives

(c) In addition, for a period of twelve (12) months after termination of the Executive's employment under this Agreement or any renewal or extension thereof (the "Restricted Period"), for whatever reason, anywhere, Executive will not individually or in conjunction with others, directly engage in Competitive Business Activities other than on behalf of the Company and as agreed by the Company and Executive, whether as an officer, director, proprietor, employer, employee, partner independent contractor, investor (other than as a holder of less than three (3%) of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or otherwise.

(d) For a period of Twenty-Four (24) months after termination of the Executives employment under this Agreement or any renewal or extension thereof (the "Additional Restricted Period"), Executive will not, indirectly or directly, compete with the Company by soliciting, inducing or influencing any of the Company's clients or other entities or individuals which have a business relationship with the Company at any time during the Additional Restricted Period to discontinue or reduce the extent of such relationship with the Company.

During the Additional Restricted Period, Executive will not (a) directly or indirectly recruit or solicit any employee or agent of the Company to discontinue such employment or agency relationship with the Company, or (b) employ or seek to employ, or cause to permit any business which engages in Competitive Business Activities, competes directly or indirectly with the Business of the Company (the "Competitive Business") to employ or seek to employ for any Competitive Business any person who is then (or was at any time within six (6) months prior to the date Executive or the Competitive Business employs or seeks to employ such person) employed by the Company.

During the Additional Restricted Period, Executive also will not interfere with, disrupt attempt to disrupt any past or present relationship contractual or otherwise, between the Company and any Company's clients, employees or agents.

(c) Executive shall not at any time, during or after the termination of this Employment Agreement, engage in any business which uses as its name, in whole or in part, InfoByPhone, Inc. or AskMeNow, Inc., or any other name used by the Company, and known by Executive to be so used, during or prior to the Term.

For the purpose of this Paragraph 10, Executive will be deemed directly or indirectly engaged in a business if he participates in such business as proprietor, partner, joint venturer, stockholder, director, officer, lender, manager, employee, consultant, advisor or agent, or if he controls such business. Executive shall not for purposes of this paragraph be deemed a stockholder or lender if he holds less than three (3%) percent of the outstanding equity or debt of any publicly owned corporation engaged in the same or similar business to that of the Company, provided that Executive shall not be in a control position with regard to such corporation.

10. Inventions As between Executive and the Company, all products, designs, processes, discoveries, materials, ideas, creations, inventions and properties, whether or not furnished by Executive, created, developed, invented, or used in connection with Executive's employment hereunder or prior to this Employment Agreement, will be the sole and absolute property of the Company for any and all purposes whatever in perpetuity, whether or not conceived, discovered and/or developed during regular working hours. Executive will not have, and will not claim to have, under this Employment Agreement or otherwise, any right, title or interest of any kind or nature whatsoever in or to any such products, designs, processes, discoveries, materials, ideas, creations, inventions and properties.

11. Arbitration. Any controversy arising out of or relating to this Employment Agreement, including any modification or amendment thereof, shall be resolved by arbitration, by a single arbitrator pursuant to the employment dispute resolution rules then obtaining of the American Arbitration Association. The venue for arbitration shall be in Newport Beach, California. The parties consent to the application of the California or Federal Arbitration Statutes and to the jurisdiction of the Orange County Court of the State of California, and of the United States District Court for the Southern District of California, for judgment on an award and for all other purposes in connection with said arbitration. Judgment upon the written award rendered may be entered by any Court having jurisdiction. Any provisional remedy which, but for this provision to arbitrate disputes, would be available at law, shall be available to the parties hereto pending the final word of the arbitrator.

12. Injunctive Relief. The parties hereto recognize that irreparable damage may result to the Company and its business and properties if Executive fails or refuses to perform his obligations under this Employment Agreement and that the remedy at law for any such failure or refusal may be inadequate. Accordingly, notwithstanding the provisions of Paragraph 12 hereof to arbitrate disputes arising hereunder, it is understood that the Company has not waived its rights to seek any provisional remedies (including, without limitation, injunctive relief) and damages. The institution of any arbitration proceedings shall not bar injunctive relief, or any other provisional remedy, pending the final award of the arbitrators.

13. Absence of Restrictions. Executive represents and warrants that he is not a party to any agreement or contract pursuant to which there is any restriction or limitation upon his entering into this Employment Agreement or performing the services called for by this Employment Agreement.

14. Further Instruments. Executive will execute and deliver all such other further instruments and documents as may be reasonably necessary, to carry out the purposes of this Employment Agreement, or to confirm, assign or convey to the Company any products, designs, processes, discoveries, materials, ideas, creations, inventions or properties referred to in Paragraph 11 hereof, including the execution of all patent, design patent, copyright, trademark or trade name applications.

15. Invalidity and Severability. If any provisions of this Employment Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of this Employment Agreement, and, to that extent, the provisions of this Employment Agreement are intended to be and shall be deemed severable. In particular and without limiting the foregoing sentence, if any provision of Paragraph 10 of this Employment Agreement shall be held to be invalid or unenforceable by reason of geographic or business scope or the duration thereof, such invalidity or unenforceability shall attach only to such provisions and shall not affect or render invalid or unenforceable any other provisions of this Employment Agreement, and any such provision of this Employment Agreement shall be construed as if the geographic or business scope or the duration of such provision had been more narrowly drawn so as not to be invalid or unenforceable.

16. Notices. Any notice required or permitted to be given under this Employment Agreement shall be sufficient if in writing and if sent by registered or certified mail, telegram, or overnight courier as follows:

As to Executive:

Darryl Cohen
InfoByPhone, Inc.
4117 West 16th Square
Vero Beach, FL 32967

As to the Company: InfoByPhone, Inc.
4117 West 16th Square
Vero Beach, FL 32967

with a copy to: Elliot H. Lutzker, Esq.
Robinson & Cole LLP
885 Third Avenue, Suite 2800
New York, NY 10022-4835

or to such other address as either party hereto may designate by notice given in accordance with this Employment Agreement.

17. Assignment. A party hereto may not assign this Employment Agreement or any rights or obligations hereunder without the consent of the other party hereto; provided, however, that upon the sale or transfer of all or substantially all of the assets of the Company, or upon the merger by the Company into, or the combination with, another corporation, this Employment Agreement will inure to the benefit of and be binding upon the person, firm or corporation purchasing such assets, or the corporation surviving such merger or consolidation, as the case may be, and the Company shall require any such person, firm or corporation to expressly assume the Company's obligations and liabilities hereunder. The provisions of this Employment Agreement, where applicable, are binding upon the heirs of Executive and upon the successors and assigns of the parties hereto.

18. Waiver of Breach. Waiver by either party of a breach of any provision of this Employment Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such other party.

19. Material Actions. If the Company becomes a party to any material action or proceeding during the term of this Agreement, the Company agrees to notify the Executive on a timely basis of any material action or proceeding.

20. Entire Employment Agreement. This document, together with the Option Agreement, contains the entire agreement of the parties as to the subject matter hereof and supersedes and replaces all prior oral or written agreements between the parties. This Agreement may not be changed orally, but only by an amendment in writing signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

21. Applicable Law. This Employment Agreement shall be construed, enforced and governed by and under the laws of the State of California, without regard to conflict of laws principles.

22. Separate Counsel. The Executive has been advised and encouraged by the Company to consult with an attorney of his choosing.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement as of the day and year first above written.

InfoByPhone, Inc

By: Colleen E. Kent
Name: COLLEEN E. KENT
Its: CORPORATE SECY

Daryl Cohen

EXCHANGE AGREEMENT is dated as of November [ ], 2005 between Ocean West Holding Corporation, a Delaware corporation (the "Company"), and

____

____

____

(Type in Name)

the "Holder" of the Company three-year Common Stock Purchase Warrant, exercisable at $2.00 per share (referred to as the "Warrant"), as indicated on the signature page hereto.

In consideration of the covenants and agreements set forth herein, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

EXCHANGE; DELIVERY OF CONSIDERATION

Section 1.1 Exchange of the Warrant and Cash for Company's Common Stock and New Warrant. In consideration of the issuance by the Company to the Holder of (a) that number of shares (one share for each share of Common Stock issuable upon exercise of the Warrant) of the Company's Common Stock, $.01 par value (referred to as the "Shares") set forth below the name of such Holder on the signature page hereof, and (b) the new three-year Common Stock Purchase Warrant, exercisable to purchase two shares of Common Stock at $0.90 per share (referred to as the "New Warrant"), the Holder hereby irrevocably assigns, conveys, transfers and delivers to the Company, effective at the Time of Exchange (as hereinafter defined), the Warrant and the exercise price of the Warrant in cash (the "Cash"). The Warrants in the aggregate amount of 483,123 Warrants, were issued on October 14, 2004 as part of a Unit, each consisting of one share of common stock and a three-year common stock purchase warrant.

Section 1.2 Delivery of Consideration. The delivery of the Shares and the New Warrant (the "Exchange Consideration") in the exchange for the Warrant and Cash (the "Exchange") will take place simultaneously with the execution of this Agreement at a closing (the "Closing"). The date and time at which the Closing is to be concluded is referred to as the "Time of Exchange." The Holder's Warrant and Cash will be delivered to the Company simultaneously with the execution of this Agreement.

Delivery of the Shares to be issued to the Holder shall be made by the Company promptly following the Closing by delivery to the Holder of certificates for the total number of Shares to be issued to the Holder hereunder registered in the name of the Holder or such other Person as the Holder may have designated.

Section 1.3 Redemption. The New Warrant may be redeemed at the option of the Company, at a redemption price of $.001 per Warrant (the "Redemption Price"), at any time after the date of the issuance and prior to the Expiration Date upon 20 business days' written notice delivered to the Holder, provided: (a) the Closing Bid or last sales price of the Common Stock issuable upon exercise of such New Warrant has been at least $4.00 per share for twenty (20) consecutive trading days ending not more than 15 days prior to the date of notice of redemption, and (b) there is an effective registration statement with a current prospectus available covering the shares of Common Stock issuable upon exercise of this New Warrant.

The notice of redemption shall specify: (i) the Redemption Price; (ii) the date fixed for redemption (the "Redemption Date"); (iii) the place where New Warrant Certificates shall be delivered and the Redemption Price paid; and (iv) that the right to exercise the New Warrants shall terminate at 5:00 p.m. EST on the business day immediately preceding the Redemption Date. An affidavit of the Secretary of the Company that notice of redemption has been mailed shall, in the absence of fraud, be conclusive evidence of the facts stated therein.

Section 1.4 Registration Agreement. The Company hereby grants to the Holder in respect of the Shares and the New Warrant Shares, and any securities of the Company into which the Shares and the New Warrant Shares are convertible, "piggy-back" registration rights similar to and at least as favorable as the "piggy-back" registration rights afforded to holders of Company's Common Stock, as such rights are in effect from time to time.

Section 1.5 Termination. This Agreement shall terminate and be of no further force and effect if the Closing does not occur by December 1, 2005. There is no minimum number of Warrants which must be exchanged in order for there to be a Closing.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE HOLDER

(a) The Holder is the record owner of the Warrant set forth below the name of the Holder on the signature page hereof, and has, and is hereby transferring to the Company, good and marketable title to such Warrant free and clear of all potential claims. No consent or approval of any person is required in order to enable the Holder to execute, deliver and perform this Agreement.

(b) This Agreement is a binding obligation of the Holder, enforceable in accordance with its terms and will not conflict with or give rise to any default under any other agreement or obligation of the Holder or under which any of such Holder's properties or assets are bound.

(c) The Holder represents and warrants (as to himself only) to the Company that (i) the Holder is an officer or director of the Company or otherwise an "accredited investor" as defined in Rule 501(a) under the Securities Act of 1933 (the "Act") and/or (ii) by reason of the Holder's business and financial experience, and the business and financial experience of those persons retained by the Holder to advise the Holder with respect to the Holder's investment in the Company, the Holder, together with such advisors, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment, is able to bear the economic risk of such investment and is able to afford a complete loss of such investment.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 3.1 Organization and Good Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company has full corporate power and authority to own its properties and to carry on its business as it is now being conducted. The Company is duly qualified to transact business and is in good standing in each jurisdiction wherein the nature of the business done or the property owned, leased or operated by it requires such qualification, except where the failure to be so qualified would not have a material adverse effect. True, correct and complete copies of the certificate of incorporation and by-laws of the Company and all amendments thereto have been delivered to the Holder.

Section 3.2 Authority; No Conflict.

(a) The Company has the right, power, authority and capacity to execute and deliver this Agreement, to consummate the Exchange and the other transactions contemplated hereby and to perform its obligations under this Agreement.

(b) Neither the execution, delivery or performance of this Agreement by the Company nor the consummation by the Company of the transactions contemplated hereby will, directly or indirectly (with or without notice or lapse of time or both):

(i) contravene, conflict with or result in a violation or breach of (A) any provision of the organizational documents of the Company, (B) any resolution adopted by the Board of Directors, or any committee thereof, or the stockholders of the Company, or (C) any legal requirement or any governmental order to which the Company or any of the properties or assets owned or used by the Company may be subject.

(ii) result in a violation or breach of or constitute a default, give rise to a right of termination, cancellation or acceleration, create any entitlement to any payment or benefit or require the consent or approval of or any notice to or filing with any third party under any contract to which the Company is a party or to which it or its properties

or assets may be bound, or require the consent or approval of or any notice to or filing with any governmental authority to which the Company or its properties or assets may be subject.

Section 3.3 Capitalization.

The authorized equity securities of the Company consist solely of 45,600,000 shares, of which 35,600,000 shares have been designated as common stock, par value $.01 per share, of which 25,733,280 shares were issued and outstanding on November 2, 2005, and 10,000,000 shares as preferred stock, par value $.01 per share. All of the outstanding equity securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. Except as set forth in the Company's filings with the Securities and Exchange Commission (available via Internet at www.sec.gov), there are no voting trusts or other agreements or understandings to which the Company is a party with respect to the transfer, voting, issuance, purchase, redemption, repurchase or registration of the capital stock of the Company. The Company does not own or have any contract to acquire, any equity securities or other securities of any Person or any, direct or indirect, equity or ownership interest in any other business. No Person has any pre-emptive rights with respect to any security of the Company.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together shall constitute but one and the same Agreement.

Section 4.2 Binding Effect; Assignment. This Agreement shall not be construed so as to confer any right or benefit upon any person other than the parties to this Agreement, and their respective successors and assigns. This Agreement shall be binding upon the Company and the Holder, and their successors and assigns.

Section 4.3 Governing Law. This Agreement shall be deemed to be a contract made under the laws of the State of Delaware and for all purposes shall be construed in accordance with the laws of said State, without regard to principles of conflicts of law.

Section 4.4 Severability of Provisions. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 4.5 Headings. The Section headings used or contained in this Agreement are for convenience of reference only and shall not affect the construction of this Agreement.

Section 4.6 Merger. This Agreement merges all prior written or oral communications relating to the matters contemplated hereby.

Section 4.7 Legend and Transfer.

(a) The following legend (or a substantially similar legend) will be placed on the Escrowed Shares:

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDERTHE SECURITIES ACT OF 1933 (THE "ACT") . THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT."

(b) The Holder by acceptance hereof agrees, prior to any transfer of any Shares, to give written notice to the Company of the Holder's intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer and shall be accompanied by the written opinion, addressed to the Company, of counsel for the Holder of such Shares, as to whether in the opinion of such counsel (which counsel shall be reasonably satisfactory to counsel to the Company) such proposed transfer involves a transaction requiring registration of such Shares under the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers hereunto duly authorized, as of the date first above written.

Ocean West Holding Corporation

By: ______________________________
Darryl Cohen, President and CEO

Holder

By: ______________________________
[ ]
Holder

Number of Warrants	______________
Exercise Price (Cash) x $2.00	$ ______________
Number of Shares of Common Stock (equal to number of Warrants)	______________
Number of New Warrants (equal to twice the number of Shares of Common Stock)	______________

Exhibit 21

Subsidiary	Jurisdiction
InfoByPhone, Inc.	Delaware
AskMeNow, Inc.	Philippines

Exhibit 31.1

Certification

I, Darryl Cohen, President, Chief Executive Officer and Chief Financial Officer of AskMeNow, Inc. (formerly known as Ocean West Holding Corporation), certify that:

1. I have reviewed this Annual Report on Form 10-KSB of AskMeNow, Inc.;

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

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

4. The small business issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:

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

b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures presented in this report and our conclusions about the effectivness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.

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

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

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

Date: April __, 2007

____

Darryl Cohen, President/Chief Executive Officer/
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (SUBSECTIONS (a) AND (b) OF SECTION 1350, CHAPTER 63 OF TITLE 18, UNITED STATES CODE)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of Title 18, United States Code), the undersigned officer of AskMeNow, Inc. (the "Company") hereby certifies with respect to the Annual Report on Form 10-KSB of the Company for the year ended December 31, 2006 as filed with the Securities and Exchange Commission (the "10-KSB Report") that to his knowledge:

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

2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the dates and periods covered by the Report.

: April __, 2007

____
Darryl Cohen
President, Chief Executive Officer and Chief Financial Officer