

SECURITIES AND EXCHANGE COMMISSION

FORM 10QSB

Optional form for quarterly and transition reports of small business issuers under section 13 or 15(d)

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FILER

AskMeNow, Inc.

CIK: **1104538** | IRS No.: **710876952** | State of Incorporation: **DE** | Fiscal Year End: **1205**
Type: **10QSB** | Act: **34** | File No.: **000-49971** | Film No.: **071253579**
SIC: **6162** Mortgage bankers & loan correspondents

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

FORM 10-QSB

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED: September 30, 2007

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number: 000-44971

AskMeNow, Inc.

(Exact name of small business issuer as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

71-0876952

(IRS Employer
Identification No.)

26 Executive Park, Suite 250
Irvine, California 92614
(Address of principal executive offices)

(949) 861-2590

(Issuer's telephone number including area code)

Not Applicable

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

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

Yes No

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: No:

The number of shares outstanding of each of the issuer's classes of common equity as of the latest practicable date: 41,909,887 shares of common stock, par value \$.01 per share, outstanding as of November 14, 2007

Transitional Small Business Disclosure Format (Check One): Yes: No:

AskMeNow, Inc. and Subsidiaries

Quarterly Report on Form 10-QSB
Period Ended September 30, 2007

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PART I. - FINANCIAL INFORMATION*Item 1. Financial Statements***ASKMENOW, INC AND SUBSIDIARIES**
Condensed Consolidated Balance Sheets

	September 30,	December 31,
	2007	2006
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash	\$36,649	\$61,279
Accounts receivable, net	4,021	13,860
Prepaid expenses and other current assets	27,463	79,151
Total Currents Assets	68,133	154,290
Property and Equipment, net	154,763	188,974
OTHER ASSETS		
License	150,000	150,000
Other assets	51,196	47,496
TOTAL ASSETS	\$424,092	\$540,760
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$804,388	\$1,099,937
Accrued expenses	434,454	326,797
Notes payable	3,027,778	-
Notes payable - related party	100,000	102,624
Deferred tax liability	13,176	16,786
Total Current Liabilities	4,379,796	1,546,144
STOCKHOLDERS' EQUITY (DEFICIT)		
Preferred stock, \$0.01 par value, 10,000,000 shares authorized at September 30, 2007 and December 31, 2006		
Series A Preferred Stock, \$0.01 par value, 1,500,000 shares authorized, 22,458 and 362,500 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	200,000	3,625,000
Series B Preferred Stock, \$0.01 par value, 1,600,000 shares authorized, 359,567 and 235,500 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	2,925,601	2,355,000

Series C Preferred Stock, \$0.01 par value, 400,000 shares authorized, zero and 400,000 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	-	4,000
Common stock, \$0.01 par value, 300,000,000 shares authorized, 40,344,887 and 28,994,887 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	403,450	289,950
Additional paid-in-capital	28,060,822	14,907,308
Foreign currency translation	6,422	1,925
Accumulated deficit	<u>(35,551,999)</u>	<u>(22,188,567)</u>
Total Stockholders' Equity (Deficit)	<u>(3,955,704)</u>	<u>(1,005,384)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	<u><u>\$424,092</u></u>	<u><u>\$540,760</u></u>

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

ASKMENOW, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
REVENUE				
Revenue from mobile services	\$4,437	\$8,058	\$14,645	\$17,087
	<u>4,437</u>	<u>8,058</u>	<u>14,645</u>	<u>17,087</u>
COSTS AND OPERATING EXPENSES				
Cost of revenue	261,400	384,660	934,464	1,280,720
Research and development	24,231	53,541	72,693	176,378
General and administrative	435,952	974,426	1,338,731	2,196,491
Professional fees	338,412	1,698,908	1,381,210	2,253,152
Salaries and compensation	677,413	362,808	3,952,007	2,874,728
Total Operating Expenses	<u>1,737,408</u>	<u>3,474,343</u>	<u>7,679,105</u>	<u>8,781,469</u>
Net Loss from Operations	<u>(1,732,971)</u>	<u>(3,466,285)</u>	<u>(7,664,460)</u>	<u>(8,764,382)</u>
OTHER EXPENSE				
Derivative expense	-	(4,245,397)	-	(4,245,397)
Interest expense	<u>(1,187,733)</u>	<u>(11,695)</u>	<u>(5,698,972)</u>	<u>(507,491)</u>
Total other expense	<u>(1,187,733)</u>	<u>(4,257,092)</u>	<u>(5,698,972)</u>	<u>(4,752,888)</u>
Net Loss before income taxes	<u>(2,920,704)</u>	<u>(7,723,377)</u>	<u>(13,363,432)</u>	<u>(13,517,270)</u>
Income taxes	-	-	-	-
Net Loss	<u>(2,920,704)</u>	<u>(7,723,377)</u>	<u>(13,363,432)</u>	<u>(13,517,270)</u>
Preferred stock dividends	<u>(114,469)</u>	<u>-</u>	<u>(444,553)</u>	<u>-</u>
Net loss applicable to common shareholders	<u><u>\$(3,035,173)</u></u>	<u><u>\$(7,723,377)</u></u>	<u><u>\$(13,807,985)</u></u>	<u><u>\$(13,517,270)</u></u>
Basis and diluted net loss per common share	<u><u>\$(0.08)</u></u>	<u><u>\$(0.28)</u></u>	<u><u>\$(0.42)</u></u>	<u><u>\$(0.51)</u></u>
Basic and diluted weighted average number of common shares outstanding	<u>36,502,061</u>	<u>27,574,679</u>	<u>32,898,092</u>	<u>26,651,546</u>

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

ASKMENOW, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
	2007	2006
OPERATING ACTIVITIES		
Net loss	\$(13,363,432)	\$(13,517,270)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	61,936	56,658
Amortization of deferred compensation	-	235,473
Amortization of note payable discount	-	68,400
Increase in fair value derivative liability	-	4,245,397
Amortization of debt discount	3,027,778	-
Amortization of debt offering costs	2,202,972	-
Subscription receivable	1,400	-
Stock, warrants and options issued for services	3,940,777	3,922,827
Stock issued to officer for services	-	208,000
Warrants issued for financing fees	337,465	108,622
Changes in assets and liabilities		
Accounts receivable	9,839	(5,776)
Prepaid expenses	51,689	(41,074)
Deposits	(3,700)	(13,128)
Accounts payable	(295,549)	403,738
Accrued expenses	107,658	53,764
Deferred taxes	(3,611)	-
Net Cash Used In Operating Activities	(3,924,778)	(4,274,369)
INVESTING ACTIVITIES		
Purchase of license	-	(150,000)
Purchase of equipment	(27,725)	(18,015)
Net Cash Used In Investing Activities	(27,725)	(168,015)
FINANCING ACTIVITIES		
Proceeds from notes payable	3,300,000	721,500
Proceeds from notes payable - related party	-	205,000
Net proceeds from issuance of preferred stock	626,000	4,525,000
Repayment of notes payable	-	(721,500)
Repayment of notes payable - related party	(2,624)	(72,863)
Net Cash Provided By Financing Activities	3,923,376	4,657,137
EXCHANGE RATE GAIN (LOSS)	4,497	2,681

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(24,630)	217,434
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	61,279	159,622
CASH AND CASH EQUIVALENTS, END OF PERIOD	<u>\$36,649</u>	<u>\$377,056</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION:

CASH PAID DURING THE PERIOD FOR:

Interest	\$243	\$83,758
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NON-CASH TRANSACTIONS DURING THE PERIOD FOR:

Financing costs	\$2,620,937	\$671,225
Reclassification of contracts from equity to liability		\$2,581,817

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

ASKMENOW, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2007
(UNAUDITED)

NOTE 1. ORGANIZATION AND BASIS OF PRESENTATION

(A) 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 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 5,586,004 shares of authorized but unissued shares of common stock, par value \$0.01, of the Company that, together 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. As a result of the agreement, the transaction was treated for accounting purposes as a recapitalization by the accounting acquirer, InfoByPhone, Inc.

The Company has incurred significant operating losses since its inception. 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. These circumstances raise substantial doubt about the Company’s ability to continue as a going concern. Moreover, as of September 30, 2007, the Company was in default under certain of its notes payable to investors in its Bridge I senior promissory notes offering, and is currently unable to pay and is in default with respect to the full \$3 million principal amount loaned. Implementation of the Company’s plans and its ability to continue as a going concern depend upon its securing substantial additional financing. During the first nine months of 2007, the Company raised net proceeds of \$626,000 through the private sale of unregistered, convertible preferred stock. In addition, the Company raised \$3,300,000 through the issuance of notes payable to investors, \$3,000,000 of which is currently due and payable. Due to the Company’s current cash position, the Company is unable to pay any of the principal or accrued and unpaid interest on such notes and is in default pursuant to the terms of such notes. 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 curtail or cease operations. The consolidated financial statements presented herein do not include any adjustments that might result from the outcome of this uncertainty.

(B) Basis of Presentation

The condensed consolidated financial statements as of and for the periods ended September 30, 2007 and 2006 included herein are unaudited. Such condensed consolidated financial statements include, in the opinion of management, all adjustments necessary to present fairly the financial position and results of operations as of and for the periods indicated and in order to make the financial statements not misleading. All such adjustments are of a normal recurring nature. These interim results are not necessarily indicative of the results to be expected for the fiscal year ending December 31, 2007 or for any other period.

Certain information in footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto included in our Annual Report on Form 10-KSB for the year ended December 31, 2006, as filed with the SEC.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Principles of Consolidation

The condensed consolidated financial statements for the three and nine months ended September 30, 2007 and 2006 include the accounts of AskMeNow, Inc. and its wholly-owned subsidiaries: InfoByPhone, Inc., and AskMeNow, Inc., a Philippines corporation.

All significant inter-company accounts and transactions have been eliminated in consolidation.

(B) Revenue Recognition

The Company recognizes revenue for all submitted questions at the time of the inquiry. For advertising space sold, the Company will recognize 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 collectability 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 September 30, 2007 and December 31, 2006, there were no cash equivalents.

(D) Fair Value of Financial Instruments

The carrying amounts of the Company's financial instruments, including accounts receivable, accounts payable and notes payable, approximate fair value due to the relatively short period to maturity for these instruments.

(E) Concentrations of Risk

During fiscal 2005, the Company formed its AskMeNow, Inc. subsidiary in the Philippines. As of September 30, 2007 and December 31, 2006, approximately 34% and 39% of the Company's consolidated assets were located in the Philippines, respectively.

The Company at times has cash in banks in excess of FDIC insurance limits. At September 30, 2007 and December 31, 2006, the Company had no amount in excess of FDIC insurance limits. At September 30, 2007, the Company had total cash of \$25,426 in banks located in the Philippines. At December 31, 2006, the Company had total cash of \$18,282 in banks located in the Philippines.

During the three and nine months ended September 30, 2007, one customer accounted for 49% and 62% of the Company's sales, respectively. For the three and nine months ended September 30, 2006, one customer accounted for 84% and 64% of the Company's sales, respectively.

(F) 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.

(G) 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. Estimated useful lives are as follows: (1) computer equipment - 5 years, (2) office furniture and equipment 5 - 7 years, and (3) leasehold improvements - the term of the lease or the useful life of the improvement, whichever is shorter.

(H) Advertising Costs

Advertising costs are expensed as incurred. Total advertising costs charged to operations for the three months ended September 30, 2007 and 2006 were \$22,020, and \$102,000, respectively. The advertising costs for the nine months ended September 30, 2007 and 2006 were \$82,523 and \$236,995, respectively.

(I) 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.

(J) Other Comprehensive Income

The Company has adopted SFAS No. 130, "Reporting Comprehensive Income", which establishes standards for the reporting and display of comprehensive income, its components and accumulated balances. The Company discloses this information on its consolidated statement of changes in stockholders' equity (deficit).

(K) 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 occurs. 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 September 30, 2007, the translation adjustment was not material.

(L) Loss Per Share

The Company follows 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. Shares issued and shares reacquired during the period are weighted for the portion of the period that they were outstanding. Diluted loss per common share is calculated based on the weighted-average number of outstanding common shares plus the effect of dilutive common shares. Potential common shares issuable in connection with warrants, options, convertible preferred stock and convertible notes were not included in the computation of diluted loss per share for the periods presented because their inclusion is anti-dilutive. The total potential number of common shares issuable upon exercise or conversion of dilutive warrants, stock options, convertible preferred stock and convertible notes at September 30, 2007 and 2006 were 55,686,148 and 24,014,760 shares, respectively.

(M) Business Segments

The Company operates in one segment, mobile devices.

(N) Stock Based Compensation

Effective January 1, 2006, the Company adopted the provisions of SFAS No. 123 (revised), "Share-Based Payment", which replaces SFAS No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. SFAS No. 123(R) requires recognition in financial statements of compensation costs related to share-based payment transactions, including employee stock options. 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 statement's required effective date. Additionally, compensation costs for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date are recognized as the requisite service is rendered on or after the required effective date. The compensation costs for that portion of awards are based on the grant-date fair value of those awards as calculated for either recognition or pro-forma disclosures under SFAS No. 123.

Common stock, stock options and common stock warrants issued to recipients that are not employees or directors are recorded on the basis of their fair value, as required by SFAS No. 123(R), which is measured as of the date required by EITF Issue 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services." In accordance with EITF 96-18, the stock options or common stock warrants are valued using the Black-Scholes option pricing model on the basis of the market price of the underlying common stock on the "valuation date," which for options and warrants related to contracts that have substantial disincentives to non-performance is the date of the contract, and for all other contracts is the vesting date. Expense related to the options and warrants is recognized on a straight-line basis over the shorter of the period over which services are to be received or the vesting period. Where expense must be recognized prior to a valuation date, the expense is computed under the Black-Scholes option pricing model on the basis of the market price of the underlying common stock at the end of the period, and any subsequent changes in the market price of the underlying common stock through the valuation date is reflected in the expense recorded in the subsequent period in which that change occurs.

(O) 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.

(P) Recent Accounting Pronouncements

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 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 or results of operations.

(Q) Reclassification

Certain amounts in the 2006 financial statements included herewith have been reclassified to conform to the 2007 financial presentation. These reclassifications have no impact on net loss.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	September 30, 2007 <u>(unaudited)</u>	December 31, 2006 <u></u>
Computer equipment	\$171,922	\$157,343
Office furniture and equipment	96,705	87,224
Leasehold improvements	15,207	26,184
Less accumulated depreciation	<u>(129,071)</u>	<u>(81,777)</u>
	<u>\$154,763</u>	<u>\$188,974</u>

Depreciation expense for the nine months ended September 30, 2007 and 2006 was \$61,936 and \$56,658, respectively.

NOTE 4. LICENSE

On November 2, 2006, the Company's subsidiary, InfoByPhone, entered into 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. As of September 30, 2007, Expert System, despite continued efforts, had not completed the installation of the required databases and thus no amortization of the license was recorded during the quarter. The Company will account for the license in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed", and amortization of the license will be over the term of the agreement and commence upon integration of the database software.

NOTE 5. PROMISSORY NOTES

Notes payable at September 30, 2007 consist of the following:

	September 30, 2007	December 31, 2006
	(unaudited)	
Bridge I senior promissory notes	\$3,000,000	\$--
Bridge II junior promissory notes	27,778	--
Total	<u>\$3,027,778</u>	<u>\$--</u>

(A) Bridge I 12% Senior Promissory Notes

Beginning in February 2007, the Company began an issue of up to \$3,000,000 in senior promissory notes to accredited investors (the “Bridge I” offering), which Bridge I offering was fully subscribed and closed on May 10, 2007. The notes bear interest at 12% per annum and are payable 90 days after the date of issuance unless extended by the Company for up to an additional 90 days. The Company elected to extend the maturity date for the additional 90 days in accordance with the extension option, and as a result the notes’ interest rate increased to 14% per annum from original maturity until payment in full. As part of the Bridge I offering, the Company was obligated to issue warrants to purchase four shares of common stock for every \$1.00 principal amount of notes issued. An aggregate 12,000,000 warrants to purchase common stock at \$.50 per share with a term of five years were issued by the Company in accordance with the fully subscribed \$3,000,000 offering. The Company calculated a debt discount for the value of the warrants issued as part of the transaction in the amount of \$3,000,000, which was amortized over the life of the notes. The Company recorded additional interest expense of \$609,721 to reflect the amortization of the discount during the quarter ended September 30, 2007. For the nine months ended September 30, 2007, the debt discount amounted to \$3,000,000 and had been fully amortized as interest expense.

As part of the Bridge I offering the Company offered the selling agent warrants to purchase 3,600,000 shares of common stock of the Company if the entire \$3,000,000 was subscribed, or a proportionately smaller number of warrants if less money was loaned. Upon closing of the fully subscribed offering, the entire 3,600,000 warrants to purchase common stock at \$.50 per share with a term of five years had been issued to the selling agent. The Company calculated a debt offering cost asset amount for the value of the warrants issued amounting to \$2,202,972, which was fully amortized over the life of the notes at September 30, 2007. The Company recorded amortization expense of \$453,646 to reflect the remaining amortization of the debt offering costs during the quarter ended September 30, 2007. For the nine months ended September 30, 2007, the debt offering cost amounted to \$2,202,972 and had been fully amortized as interest expense.

As of September 30, 2007, four Bridge I senior promissory notes in the aggregate principal amount of \$375,000 had matured and remained unpaid by the Company. The Company’s failure to pay when due such notes constitutes an event of default under such notes and, according to the terms thereof, the Company is obligated to pay each note holder the default interest rate of two percent (2%) per month on all amounts due and owing under such notes for each month or part thereof beyond the extended maturity date. In the event of a default, each note holder may proceed to protect such holder’s rights in equity or by action at law, or both, enforce payment of the notes, and/or enforce any other legal or equitable right such holder may have.

(B) Bridge II 12% Junior Convertible Promissory Notes

Beginning in August 2007, the Company commenced an issue of up to \$1,000,000 in junior convertible promissory notes to accredited investors (the “Bridge II” offering) on a “best-efforts” no minimum basis. The notes bear interest at 12% per annum and are payable 270 days after the date of issuance unless extended by the Company for up to an additional 90 days. The promissory notes are convertible, at the option of the holder, into shares of the Company’s common stock at a per share price equal to \$.50 per share. Additionally, the holder has the option to convert the note balance, upon consummation by the Company of a qualified equity securities offering with aggregate consideration valued at \$5,000,000 or more, into the securities purchased at a per share price equal to the per share sale price paid by the investor(s) in such qualified offering. As of September 30, 2007, the Company had issued a total of \$300,000 in Bridge II promissory notes.

As part of the Bridge II offering, the Company is obligated to issue warrants to purchase three shares of common stock for every \$1.00 principal amount of notes issued. An aggregate 3,000,000 warrants to purchase common stock at \$.50 per share with a term of five years will be issued by the Company in accordance with a fully subscribed \$1,000,000 Bridge II offering. As of September 30, 2007, the Company had issued 900,000 warrants in conjunction with the \$300,000 in Bridge II promissory notes issued during the quarter. The Company calculated a debt discount for the value of the warrants issued as part of the transaction in an amount of \$300,000, which will be amortized over the life of the notes. The Company recorded additional interest expense of \$27,778 to reflect the amortization of the discount during the quarter ended September 30, 2007.

NOTE 6. PROMISSORY NOTES - RELATED PARTIES

In January 2006, Sandro Sordi, 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. On May 17, 2007, the Company and the note holder agreed to extend the due date for repayment of the principal balance and accrued interest until completion of the next round of equity financing. As compensation for the note payable extension, the note holder was granted four warrants for every \$1 of principal and accrued interest outstanding on May 17, 2007, which totaled \$113,041. The Company issued 452,164 warrants to Sandro Sordi, exercisable for five years at \$.50 per share, with the same registration and other rights granted to the Bridge I promissory note holders.

NOTE 7. STOCKHOLDERS' DEFICIT

(A) Preferred Stock

The Company's Second Amended and Restated Certificate of Incorporation authorizes the issuance of 10,000,000 shares of preferred stock, \$.01 par value. 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 Series A preferred stock, \$.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 and as set forth in the Company's charter. Effective August 2, 2007, the Company declared a 10% dividend of one tenth of one share, or \$1.00 per \$10 face value per share, on each share of Series A preferred stock outstanding as of July 23, 2007, the record date for the dividend. Cumulative dividends amounted to \$24,580 as of the record date and were converted into 2,458 shares of Series A preferred stock. As of September 30, 2007, accrued dividends for the quarter then-ended were \$5,506. As of September 30, 2007, there were 22,458 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, \$.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 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 and is redeemable by the Company as set forth in the Second Amended and Restated Certificate of Incorporation. The Series B preferred stock has no voting rights except as provided by the Delaware General Corporation Law and as set forth in the Company's charter. Effective August 2, 2007, the Company declared a 10% dividend of one tenth of one share, or \$1.00 per \$10 face value per share, on each share of Series B preferred stock outstanding as of July 23, 2007, the record date for the dividend. Cumulative dividends amounted to \$670,070 as of the record date and were converted into 67,007 shares of Series B preferred stock. As of September 30, 2007, accrued dividends for the quarter then-ended were \$108,963.

On August 2, 2007, holders of 33,000 shares of Series B preferred stock elected to convert their shares into an aggregate 660,000 shares of unregistered, restricted common stock. On August 21, 2007, holders of 319,000 shares of Series B preferred stock elected to convert their shares into an aggregate 6,380,000 shares of unregistered, restricted common stock. As of September 30, 2007, there were 359,567 shares of Series B preferred stock issued and outstanding.

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, which occurred on December 18, 2006. On January 10, 2007, the Series C preferred stock was converted into 4,000,000 shares of unregistered, restricted common stock. As of September 30, 2007, no shares of Series C preferred stock were issued or outstanding.

Preferred Stock Offerings

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 \$0.50 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 for 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 issuable to the placement agent also increased from 1,000,000 to 2,000,000 (or such proportionately smaller number if less than the maximum offering amount was raised), exercisable at \$.50 per share of common stock rather than \$1.00 per share.

The Company completed the sale of an additional 14.5 Units amounting to \$725,000 in the first quarter of 2007 until the offering was closed to new investment on February 28, 2007. The offering closed with a total of 134 Units of the Series A and B preferred stock issued for aggregate gross proceeds of \$6,705,000 (\$2,375,000 from the sale of 237,500 shares of Series A preferred stock, and \$4,330,000 from the sale of 433,000 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 for a term of five years, as well as (1) an aggregate of \$707,000 sales commissions, (2) \$162,000 in non-accountable expenses, and (3) 1,200,000 shares of common stock. During the quarter ended September 30, 2007, Series A holders exchanged 7,500 Series A shares for 7,500 Series B shares. During the nine months ended September 30, 2007, Series A holders exchanged 342,500 Series A shares for 342,500 Series B shares.

In May 2007, the Board of Directors of the Company approved an offer to holders of the Series A and Series B preferred stock in settlement of claims such holders may have had against the Company in connection with the Company's Bridge I offering that closed in the second quarter of 2007. Specifically, for an 18 month period following completion of the preferred stock offering, the Company was prohibited from offering securities (including derivative securities) at less than \$1.25 per share without the consent of the investor representative appointed by the investors in the preferred stock offerings. The Company provided participants in the Bridge I note financing with warrants to purchase shares of common stock at \$.50 per share and did not obtain the investor representative's approval.

As consideration for the waiver of any breach and as consideration for the termination of the \$1.25 floor going forward, and with the approval of the investor representative, the Board approved the issuance to holders of the Series A and Series B preferred stock of additional warrants to purchase 2 shares of common stock for each \$1.00 in principal at \$.50 per share for a term of five years. Any such holder will receive the additional warrants upon such holder's acceptance of the settlement offer and execution of a waiver of any breach or claims. In the event the settlement offer was accepted by the holders of at least 50% of the outstanding Series A and Series B preferred stock, the Company would no longer be prohibited from offering securities (including derivative securities) at less than \$1.25 per share, provided that any new securities were offered at a price at or above \$.50 per share. As of September 30, 2007, holders of 5,000 shares of Series A preferred stock and holders of 330,500 shares of Series B preferred stock had accepted the settlement offer, which aggregate 335,500 shares represented 50.04% of the shares of preferred stock then-outstanding. Having received the required consent, the Company thereafter submitted the signed waiver documents to, and received the written consent of, the investor representative on October 8, 2007.

(B) Warrants Issued

In September 2007, the Company issued warrants to purchase 50,000 shares of common stock to an attorney 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 2007: dividend yield of zero, expected volatility of 245%, risk-free interest rate of 3.97%, and expected lives of three years. The Company recorded \$23,714 in additional professional fees for the quarter ended September 30, 2007.

In July 2007, the Company issued warrants to purchase 100,000 shares of common stock to a law firm with an exercise price of \$0.57 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 2007: dividend yield of zero, expected volatility of 245%, risk-free interest rate of 4.55%, and expected lives of three years. The Company recorded \$55,205 in additional professional fees for the quarter ended September 30, 2007.

As discussed elsewhere herein, during the three months ended September 30, 2007, the Company issued warrants to purchase (a) 75,000 shares of common stock in connection with the modification of the preferred stock Unit offering and conversion of Series A to Series B preferred stock shares, and (b) 900,000 shares of common stock in connection with \$300,000 raised in the Bridge II junior convertible promissory note offering.

During the nine months ended September 30, 2007, the Company issued warrants to purchase (a) 1,450,000 shares of common stock in connection with \$725,000 of new subscriptions for preferred stock Units, (b) 3,425,000 shares of common stock in connection with the modification of the preferred stock Unit offering and conversion of Series A to Series B preferred stock shares, (c) 12,000,000 shares of common stock in connection with \$3,000,000 raised in its Bridge I note offering, (d) 900,000 shares of common stock in connection with \$300,000 raised in the Bridge II convertible promissory note offering, (e) 3,600,000 shares of common stock to the placement agent in the Bridge I note offering, (f) 150,000 shares in lieu of cash payments for legal fees as discussed above, and (g) 452,164 shares of common stock to a director for the extension of his note payable to the Company as discussed above in Note 6. Promissory Notes-Related Parties.

Warrants outstanding at September 30, 2007 were as follows:

Warrants and Options

Outstanding at beginning of year	10,919,043
Granted	21,977,164
Exercised	---
Warrants at September 30, 2007	<u>32,896,207</u>

(C) Second Amended and Restated Certificate of Incorporation

On September 10, 2007, the Company filed with the State of Delaware its Second Amended and Restated Certificate of Incorporation which (a) increased the number of authorized shares of common stock, \$.01 par value, of the Company from 100,000,000 shares to 300,000,000 shares, (b) eliminated the Class B and Class D common stock of the Company and all related provisions, and (c) eliminated the Series E, Series F, Series G, Series I and Series L preferred stock of the Company and all related provisions. The Company had proposed also eliminating the voting provisions relating to the Company's Series A and Series B preferred stock from the charter but could not do so because of the failure to obtain a quorum of the Series A and Series B stock at the Company's annual meeting of stockholders held on August 1, 2007.

NOTE 8. STOCK OPTION PLANS

Effective January 1, 2006, the Company's 2005 and 2006 Plans (as defined below) were accounted for in accordance with the recognition and measurement provisions of SFAS No. 123 (revised), "Share-Based Payment", which replaces SFAS No. 123, "Accounting for Stock-Based Compensation", and supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations. SFAS No. 123(R) requires recognition in financial statements of compensation costs related to share-based payment transactions, including employee stock options. In addition, the Company adheres to the guidance set forth within SEC Staff Accounting Bulletin No. 107, which provides the Staff's views 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 statement's required effective date. Additionally, compensation costs for the portion of awards for which the requisite service has not been rendered that are outstanding as of the required effective date are recognized as the requisite service is rendered on or after the required effective date. The compensation costs for that portion of awards are 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 three and nine months ended September 30, 2007 include share-based compensation expense totaling \$369,167 and \$3,091,479, respectively, 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 2007 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 has had no material impact on the accounting for non-employee awards.

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 nine months ended <u>September 30, 2007</u>
Expected term (in years)	1 to 5
Expected volatility	245%
Expected dividend yield	0%
Risk-free interest rate	4.01% to 4.85%

There were 4,043,000 and 200,000 non-employee (including non-employee director) stock option awards granted in the nine months ended September 30, 2007 and 2006, respectively. There were 2,883,000 and 2,270,000 employee stock options granted in the nine months ended September 30, 2007 and 2006, respectively. There were 129,000 options granted to employees under the Company's 2006 Plan, and 247,000 options granted under the Company's 2005 Plan during the nine months ended September 30, 2007.

In July 2007, the Board of Directors amended options granted to Darryl Cohen to purchase 2,000,000 shares, Sandro Sordi to purchase 100,000 shares, and Alan Smith to purchase 100,000 shares of common stock, \$.01 par value of the Company. The amendment provided for an increase in the exercise price of such options from \$.50 to \$.59 per share, the closing price of the common stock on the date of the grant. All other terms of such options remained the same. In addition, the Board approved the extension of the exercise periods by one year of options granted to two former employees of the Company to purchase an aggregate 243,000 shares. All other terms of such options remained the same.

Plan Information

In August 2006, the 2006 Employee Stock Incentive Plan was approved and adopted by the Board of Directors, and subsequently amended in June 2007 (as amended, the "2006 Plan"). The 2006 Plan became effective upon the approval of the holders of a majority of the Company's common stock at the Company's annual stockholders meeting held on August 1, 2007. 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 10,000,000 shares of common stock. Options are granted at various times and vest over various periods. As of September 30, 2007, the Company had issued a total of 1,831,000 options pursuant to the 2006 Plan.

Under the 2005 Management and Director Equity Incentive and Compensation Plan (the "2005 Plan"), the Company may grant incentive and non-qualified stock options to its employees, officers, directors, and consultants 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 September 30, 2007, the Company had issued a total of 1,924,000 options pursuant to the 2005 Plan.

A summary of the status of the Company's stock options as of September 30, 2007 and the changes during the nine months then-ended is presented below:

<u>Fixed Options</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at beginning of year	7,722,000	\$.58
Issued	6,926,000	.71
Expired	(243,000)	(.72)
Outstanding at September 30, 2007	<u>14,405,000</u>	<u>\$.65</u>
Exercisable at September 30, 2007	<u>11,509,343</u>	
Weighted average exercise price of options granted to employees at September 30, 2007	<u>\$.64</u>	

<u>Exercise Price</u>	<u>Number Outstanding at September 30, 2007</u>	<u>Weighted Average Remaining Contractual Life</u>	<u>Weighted Average Exercise Price</u>	<u>Number Exercisable at September 30, 2007</u>	<u>Weighted Average Exercise Price</u>
\$0.50-\$0.85	14,135,000	7.5	\$0.63	11,239,343	\$0.61
\$1.59-\$2.00	270,000	5.0	\$1.73	270,000	\$1.73

NOTE 9. COMMITMENTS AND CONTINGENCIES

(A) 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 content costs associated with these contracts are included in cost of revenues.

Future minimum payments are approximately as follows:

Year Ended September 30,

2007	\$23,970
2008	98,495
2009	<u>8,475</u>
	<u>\$130,940</u>

(B) Employment Contracts

In July 2005, InfoByPhone Inc. entered into an employment agreement with Darryl Cohen 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 Mr. Cohen's base salary to \$250,000 per year and provided for an automobile allowance of \$6,840 per year.

In May 2007, the Board of Directors of the Company determined that in the event of a change of control as defined in Mr. Cohen's employment agreement, which definition was revised to include the issuance of 25% or more of the issued and outstanding shares of the Company to one or more persons acting together as a group (with certain exceptions), all options, warrants and restricted shares outstanding and not then vested held by Messrs. Cohen, Sordi and Smith and Dennis Bergquist, financial consultant to the Company, would accelerate and become fully vested. In addition, each of such four individuals would be granted a non-qualified option or warrant granting each the right to purchase that number of shares equal to the number of shares subject to all of each such individual's options and warrants outstanding as of May 17, 2007, such change of control options and warrants to be exercisable at the fair market value of the common stock at the time of the change of control.

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 fringe benefits as determined by the Board of Directors. In May 2007, the Board of Directors amended the employment agreements of two of these officers to provide for the issuance of (a) 700,000 options to the Company's Director of Interactive Media, and (b) 700,000 options to the Company's Director of Revenue and Content. In both cases, 500,000 options were granted at \$.80 per share and vested when the Company entered into an agreement with the Wikimedia Foundation on May 25, 2007, and 200,000 of which were granted on May 17, 2007, at \$.75 per share, of which 50,000 vest in the sole discretion of the CEO each time (up to four times) a material contract is executed between the Company and a licensed third-party content provider, or an "Enterprise Contract" (as defined in the employment agreements, as amended) is executed.

(C) Financial Advisory Agreements

In July 2006, the Company entered into a financial advisory agreement with Arjent Ltd. for twenty-four months at a rate of \$5,000 per month. Pursuant to an underwriting agreement with the 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. Management believes that the financial advisor has not performed in accordance with the agreement and has ceased to provide services to the Company. Due to this breach of the agreement, management believes that the Company has no further obligation or exclusivity with the financial advisor.

In February 2007, the Company entered into a financial advisory agreement for twelve months with Halpern Capital, Inc. In the event that Halpern Capital, Inc. successfully completes a securities offering with at least \$25 million in gross proceeds, the Company has agreed to purchase additional financial services for a minimum of twelve months at a rate of \$20,000 per month. The Company may cancel after six months for cause if the financial advisor fails to perform the duties specified in the agreement.

(D) Financial Consulting Agreement

In January 2007, the Company entered into a financial consulting agreement with an individual who agreed to provide financial consulting and CFO services for twelve months at a rate of \$14,600 per month. The agreement also provided for the grant to the consultant of non-qualified stock options to purchase an aggregate 1 million shares of common stock at \$0.55 per share, the closing price of the common stock on the date of grant, vesting as to 600,000 shares immediately and 100,000 shares each 90 days thereafter.

(E) 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, Remsen Funding Corporation (a former consultant of the Company), filed a lawsuit in the United States District Court for the Southern District of New York (06 CV 609) on February 1, 2006 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 then 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 and denied the claims. On July 16, 2007, the plaintiff filed an amended

complaint. The amended complaint alleged damages of not less than \$525,000, which the Company believes is without merit. The Company has filed a motion to dismiss the amended complaint, which motion is currently pending. As of September 30, 2007, the Company has not accrued any liability related to the claim and no further developments have occurred regarding this claim.

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 then-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 September 30, 2007, the Company has not accrued any liability 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 IndyMac Bank, F.S.B., in the Los Angeles Superior Court against the Company (then known as Ocean West Holding Corporation), former subsidiary Ocean West Enterprises, Inc. ("OWE"), CDA, and Does 1 through 100, inclusive. The underlying complaint brought by the federal bank alleged a default by OWE under settlement agreements with the bank, which had purchased certain loans from OWE. 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, but the Company was never served and sought to remove the judgment. On August 8, 2007, the default judgment against the Company was vacated in the Los Angeles Superior Court on the basis that the Company had not been properly served. During the quarter ended September 30, 2007, OWE and the Company were named as defendants in the legal matter of IndyMac Bank, F.S.B. vs. Ocean West Enterprises, Inc. (Case No. GC036470). The Company served a cross-complaint against the plaintiffs and has not received a legal response. As of September 30, 2007, the Company has not accrued any liability related to the claim.

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, 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 September 30, 2007, the Company has not accrued any liability for this guarantee.

NOTE 10. SUBSEQUENT EVENTS

(A) AskFrank and AskWiki

AskFrank

On October 17, 2007, the Company entered into a Services Agreement with Ask Frank Limited ("Ask Frank"), pursuant to which AskMeNow will provide mobile phone information services under the private label name of "AskFrank", a question and answer service for mobile phones. Specifically, under the agreement AskMeNow will provide text answers via text-messaging/SMS to queries on topics of general interest received from users of the AskFrank service in Australia and New Zealand. The company will provide the service on an exclusive basis in Australia and New Zealand unless Ask Frank defaults in certain payments owed to the company and fails to timely cure such default, in which case AskMeNow may elect to provide the service on a non-exclusive basis.

In consideration of providing the service, AskMeNow shall receive a one-time start-up fee and a monthly fee for answering a certain minimum number of questions. Questions answered by the company in excess of the agreed-upon minimum will be answered at a per-question fee. The agreement's initial term is 12 months, and is renewable at the option of Ask Frank for an additional 12-month period. In the event Ask Frank extends the initial term by such 12 month period, the agreement thereafter automatically renews for subsequent 12 month periods unless either party provides written notice of termination at least 120 days prior to the end of the then-current term.

On October 29, 2007, the Company announced the successful initial roll-out of AskWiki, the first public natural language search of the Wikipedia database. AskWiki is now in the planned early stage development Beta period.

(B) Bridge I Settlement Offer and Waiver

As of November 6, 2007, the Company was in default under each of the notes issued in its Bridge I offering. The Company's failure to pay such notes when due constitutes an event of default and, according to the terms thereof, the Company is obligated to pay each note holder the default interest rate of two percent (2%) per month on all amounts due and owing under such notes for each month or part thereof beyond the extended maturity date. In the event of a default, each note holder may proceed to protect such holder's rights in equity or by action at law, or both, enforce payment of the notes, and/or enforce any other legal or equitable right such holder may have.

The Company has presented the holders of the Bridge I notes an offer whereby the Company has requested that each holder waive any default (including any payment default) under such notes, extend the maturity of the notes by a 270-day period, and permit the notes to continue to bear interest at 12% during the requested extension period. The Company also requested that the holders waive any right to default interest, and proposed amending the notes to permit optional conversion of the note balance at the holder's option at any time into shares of the Company's common stock at a conversion price of \$.50 per share. As consideration for the requested waivers and amendments to the Bridge I notes, the Company is offering warrants to purchase three shares of common stock of the Company for every \$1.00 principal loaned at an exercise price of \$.50 for a term of three years.

(C) Preferred Stock Settlement Offer and Waiver

The investor representative for the holders of the Company's Series A and Series B preferred stock executed the waiver agreement, effective October 8, 2007, upon the Company's submission of evidence supporting the approval of 50.04% of the preferred shareholders. Therefore, in accordance with the terms and conditions of the settlement offer and waiver, there is no longer any restriction on the Company issuing its common stock or common stock derivatives at less than \$1.25 per share, provided that any such issuance is at a price at or above \$.50 per share, for an eighteen month period from May 15, 2007. As consideration for the waiver of any breach and as consideration for the termination of the \$1.25 floor going forward, only those investors who execute a settlement offer and waiver shall be entitled to compensation of additional warrants to purchase 2 shares of common stock for each \$1.00 in principal held at \$.50 per share for a term of five years. As of November 5, 2007, the electing investors had been issued an additional 6,710,000 warrants as consideration for their execution of the settlement offer and waiver.

(D) Series B Convertible Preferred Stock Conversions

During October 2007, holders of Series B Convertible Preferred Stock elected to convert 63,250 shares and accrued dividends into 1,265,000 shares of unregistered common stock.

(E) Financial Consulting Agreement

In October 2007, the Company entered into a financial consulting agreement with Boston Financial Partners, Inc. for a one-year agreement commencing October 1, 2007 through September 30, 2008 to provide investor relations and financial consulting services. The agreement provided for the grant to the consultant of warrants to purchase 600,000 shares of common stock at \$0.50 per share for a period of five years, and the issuance and grant of 300,000 shares of restricted common stock of the Company.

Item 2. Management's Discussion and Analysis or Plan of Operation

Forward-Looking Statements

Statements contained herein and elsewhere in this document that are not historical or current facts may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the actual financial or operating results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially from those expressed or implied in any such forward-looking statements include: our ability to continue to lower our costs, our timely development and customers' acceptance of our products, pricing pressures, rapid technological changes in the industry, increased competition, our ability to attract and retain qualified personnel, our ability to identify and successfully consummate future acquisitions, adverse changes in general economic conditions in the United States and internationally, and political and economic uncertainties associated with current world events. Such forward-looking statements are based on our best estimates of future results, performance and/or achievements, based on current conditions and the most recent results of the Company. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "may," "will," "potential," "opportunity," "believes," "expects," "intends," "estimates," "anticipates," "plans" or similar expressions to be uncertain and forward-looking. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.

General

AskMeNow, Inc. 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 mobile information content service that enables users of any mobile device, with text messaging/SMS or email capability, to email or text message questions to the Company. An answer is then text messaged or emailed back to the consumer's mobile device, usually within a matter of minutes. The Company is also developing an automated enterprise solution in conjunction with Expert System S.p.A., a developer of knowledge management tools. The automated enterprise solution is being designed to enable users of a mobile device to text message customer service-related questions and receive an answer through text. The Company plans to launch the enterprise service in the next three to six months.

The AskMeNow 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, directory assistance, and random trivia (literature, history, science, etc.). Once information is accessed from third party content providers, 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 AskMeNow service was launched from beta in November 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 also expect to generate revenues through monthly or quarterly service fees generated from enterprise customers and revenues from advertisers utilizing our ad space to promote products. We also plan to generate revenues through outsourcing our call center services in the Philippines.

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 an aggregate of 5,586,004 shares of authorized but unissued shares of common stock, par value \$0.01, of the Company that, together 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.

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. 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 this Management's Discussion and Analysis or Plan of Operations where such policies affect our reported and expected financial results. Note that our preparation of the financial statements in conformity with accounting principles generally accepted in the United States 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. Actual results could differ from those estimates.

There have been no material changes in our critical accounting policies or critical accounting estimates since December 31, 2006, nor have we adopted any accounting policy that has or is expected to have a material impact on our consolidated financial statements. For further discussion of our accounting policies see Note 2. Summary of Significant Accounting Policies in the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-QSB for the quarter ended September 30, 2007, as well as our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006.

Revenue Recognition

The Company recognizes revenue for all submitted questions at the time of the inquiry. For advertising space sold, the Company will recognize 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 collectability is probable.

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.

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 the U.S. dollar 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. As of September 30, 2007, the translation adjustment was (\$6,422).

Recent Accounting Pronouncements

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 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 or results of operations.

Results of Operations

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements presented in Part I, Item 1 of this Quarterly Report and notes thereto, and our audited consolidated financial statements and notes thereto, as well as our Management’s Discussion and Analysis, contained in our Annual Report on Form 10-KSB for the year ended December 31, 2006 as filed with the SEC.

Three Months Ended September 30, 2007 as compared to Three Months Ended September 30, 2006

Revenue

Revenues for the three months ended September 30, 2007 were \$4,437, a decrease of \$3,621, or 45%, over revenues of \$8,058 for the three months ended September 30, 2006.

The decrease in revenues was due to the Company transitioning its revenue model to providing an automated enterprise solution as well as a consumer product that the Company anticipates will be supported by advertising revenue. During the three month period ended September 30, 2007, the Company continued to generate revenue from various customers on a per use basis. In addition, the Company anticipates an increase in sales in the United States as it develops its enterprise solution customer base and expands its current marketing program within the next six to nine months.

Costs and Operating Expenses

Cost of Revenue

Cost of revenue for the quarter ended September 30, 2007 amounted to \$261,400, a decrease of \$123,260, or 32%, over cost of revenue of \$384,660 for the quarter ended September 30, 2006. The decrease relates primarily to a decrease in payroll costs and other associated call center costs as the Company focuses its marketing and development efforts on its automated enterprise solution and consumer product mobile service offerings. The Company expects to continue to incur significant costs as it continues to expand its service offerings. The Company’s costs of revenue primarily relate to its call center in the Philippines, fixed amounts paid to third-party content providers and its database content integration with Expert System S.p.A.

Research and Development

For the quarter ended September 30, 2007, our research and development expenditures were \$24,231, a decrease of \$29,310, or 55%, over expenses of \$53,541 for the quarter ended September 30, 2006. The decrease was the result of a reduction in research and development payroll costs incurred by the Company. Our research and development costs primarily relate to product development as the Company adds new features and upgrades to its mobile services technology. The Company expects to incur additional research and development expenses as it enhances its services and features.

General and administrative expenses for the quarter ended September 30, 2007 amounted to \$435,952, a decrease of \$538,474, or 55%, over general and administrative expenses of \$974,426 for the quarter ended September 30, 2006. Lock-up compensation expense of \$371,000, which related to shares issued by the Company in exchange for the execution by certain stockholders of a lock-up agreement and which was a significant expense during the three months ended September 30, 2006, was not incurred during the period ended September 30, 2007 and was the primary reason for the decrease. The decrease was also in part the result of a decrease in investor relations and consulting costs during the quarter as management worked to reduce the Company's overhead costs. The Company's primary general and administrative costs are for travel, consulting fees, insurance premiums, facilities and office expenses, public and/or investor relations services, marketing-related costs, and amortization/depreciation charges.

Professional Fees

Professional fees for the three months ended September 30, 2007 were \$338,412, a decrease of \$1,360,496, or 80%, over professional fees of \$1,698,908 for the three month period ended September 30, 2006. The decrease is the result of a reduction in the one-time financial advisory fees related to the Expert System S.p.A. license agreement. Professional fees consist of legal, financial advisory and accounting fees associated with the Company's SEC reporting obligations and attorney fees associated with litigation matters and various contracts and agreements prepared on behalf of the Company.

Salaries and Compensation

Salaries and compensation expense for the three months ended September 30, 2007 increased by \$314,605 to \$677,413, or 87%, over expenses of \$362,808 for the same period ended September 30, 2006. This increase is primarily related to the compensation expense recorded pursuant to SFAS No. 123(R) for employee stock option awards and other officer and director compensation.

Other Income/Expense

Derivative Expense

Derivative expense during the quarter was zero, a decrease of \$4,245,397 over the derivative expense of the same amount for the quarter ended September 30, 2006. The prior year expense was the result of the Company not having a sufficient number of authorized shares of common stock available for issuance under its then-existing commitments to holders of convertible preferred shares, warrants and stock options that were exercisable during the three months ended September 30, 2006.

Interest Expense

Interest expense during the quarter was \$1,187,733, an increase of \$1,176,038 over interest expense of \$11,695 for the same period ended September 30, 2006. The increase was comprised of \$638,000 in debt discounts amortized during the period relating to the warrants given to the debt holders as part of the Company's Bridge I and II promissory note offerings, \$454,000 in amortization of debt offering costs relating to warrants given to the selling agent in the Bridge I offering, and \$83,000 in additional financing costs related to the Bridge I and Bridge II promissory note financings.

Net Loss

The net loss for the three-month period ended September 30, 2007 before preferred dividends totaled \$2,920,704, compared with \$7,723,377 for the same period in 2006, a decrease of \$4,802,673 or 62%. The decrease resulted primarily from the \$4,245,397 decrease in the derivative expense and a decrease in professional fees, offset by an increase of salary compensation recorded pursuant to SFAS No. 123(R). In addition, cumulative dividends on the outstanding Series A and Series B convertible preferred stock totaled \$114,469 for the three months ended September 30, 2007 compared with zero for the same period in 2006. The combined net loss applicable to common shareholders for the three months ended September 30, 2007 was \$3,035,173, or \$0.08 per share, on 36,502,061 weighted average common shares outstanding. This

compared with the net loss applicable to common shareholders for the three-month period ended September 30, 2006 of \$7,723,377, or \$0.28 per share, on 27,574,679 weighted average common shares outstanding.

Nine Months Ended September 30, 2007 as compared to Nine Months Ended September 30, 2006

Revenue

Revenues for the nine months ended September 30, 2007 were \$14,645, a decrease of \$2,442, or 14%, over revenues of \$17,087 for the nine months ended September 30, 2006.

The decrease in revenues was due to the Company transitioning its revenue model to providing an automated enterprise solution as well as a consumer product that the Company expects will be supported by advertising revenue. During the nine month period ended September 30, 2007, the Company continued to generate revenue from various customers on a per use basis. In addition, the Company anticipates an increase in sales in the United States as it develops its enterprise solution customer base and expands its current marketing program within the next six to nine months.

Costs and Operating Expenses

Cost of Revenue

Cost of revenue for the nine months ended September 30, 2007 amounted to \$934,464, a decrease of \$346,256, or 27%, over cost of revenue of \$1,280,720 for the nine months ended September 30, 2006. The decrease primarily is the result of a reduction in payroll costs and other associated call center costs as the Company focuses its marketing and development efforts on its automated enterprise solution and consumer product mobile service offerings. The Company expects to continue to incur significant costs as it continues to expand its service offerings. Most of the costs are derived from its call center in the Philippines, fixed amounts paid to third-party content providers and its database content integration with Expert System S.p.A.

Research and Development

For the nine months ended September 30, 2007, our research and development expenditures were \$72,693, a decrease of \$103,685, or 59%, over expenses of \$176,378 for the nine months ended September 30, 2006. The decrease was the result of a reduction in research and development payroll costs incurred by the Company. Our research and development costs primarily relate to product development as the Company adds new features and upgrades to its mobile services technology. The Company expects to incur additional research and development expenses as it enhances its services and features.

General and Administrative

General and administrative expenses for the nine months ended September 30, 2007 amounted to \$1,338,731, a decrease of \$857,760, or 39%, over general and administrative expenses of \$2,196,491 for the nine months ended September 30, 2006. Lock-up compensation expense of \$371,000, which related to shares issued by the Company in exchange for the execution by certain stockholders of a lock-up agreement and which was a significant expense during the nine months ended September 30, 2006, was not incurred during the same period ended September 30, 2007 and was the primary reason for the decrease. The decrease was also in part the result of significant decreases in consulting fees of \$184,000, travel expenses of \$100,000 and investor relations costs of \$200,000 during the period as management worked to reduce the Company's overhead costs. The Company's primary general and administrative costs are for travel, consulting fees, insurance premiums, facilities and office expenses, public and/or investor relations services, marketing-related costs, and amortization/depreciation charges.

Professional Fees

Professional fees for the nine months ended September 30, 2007 were \$1,381,210, a decrease of \$871,942, or 39%, over professional fees of \$2,253,152 for the nine month period ended September 30, 2006. The decrease is the result of a reduction in the one-time financial advisory fees related to the Expert System S.p.A. license agreement. Professional fees consist of legal, financial advisory and accounting

fees associated with the Company's SEC reporting obligations and attorney fees associated with litigation matters and various contracts and agreements prepared on behalf of the Company.

Salaries and Compensation

Salaries and compensation expense for the nine months ended September 30, 2007 increased by \$1,077,279 to \$3,952,007, or 37%, over expenses of \$2,874,728 for the same period ended September 30, 2006. This increase is primarily related to the compensation expense recorded pursuant to SFAS No. 123(R) for employee stock option awards and other officer and director compensation.

Other Income/Expense

Derivative Expense

Derivative expense during the nine months ended September 30, 2007 was zero, a decrease of \$4,245,397 over the derivative expense of the same amount for the same period ended September 30, 2006. This expense was the result of the Company not having a sufficient number of authorized shares of common stock available for issuance under then-existing commitments to holders of convertible preferred shares, warrants and stock options that were exercisable during the nine months ended September 30, 2006.

Interest Expense

Interest expense during the nine months ended September 30, 2007 was \$5,698,972, an increase of \$5,191,481 over interest expense of \$507,491 for the same period ended September 30, 2006. The increase was comprised of \$3,028,000 in debt discounts amortized during the period relating to the warrants given to the debt holders as part of the Company's Bridge I and II promissory note offerings, \$2,159,000 in amortization of debt offering costs relating to warrants given to the selling agent of the Company's Bridge I offering, and \$4,000 in additional financing costs related to the Bridge I and Bridge II promissory note financings.

Net Loss

The net loss for the nine month period ended September 30, 2007 before preferred dividends totaled \$13,363,432, compared with \$13,517,270 for the same period in 2006, a decrease of \$153,838. The decrease resulted primarily from the overall \$1,100,000 reduction in costs and operating expenses, which was offset by corresponding increases in other expenses. In addition, cumulative dividends on the outstanding Series A and Series B convertible preferred stock totaled \$444,553 for the nine months ended September 30, 2007 compared with zero for the same period in 2006. The combined net loss applicable to common shareholders for the nine months ended September 30, 2007 was \$13,807,985, or \$0.42 per share, on 32,898,092 weighted average common shares outstanding. This compared with the net loss applicable to common shareholders for the nine month period ended September 30, 2006 of \$13,517,270, or \$0.51 per share, on 26,651,546 weighted average common shares outstanding.

Liquidity and Capital Resources

Product development, the national rollout of our service, 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 securities 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 are fully introduced into the market and reach profitability. We used \$3,924,778 and \$4,274,369 of cash for the nine months ended September 30, 2007 and 2006, respectively, in operating activities.

We were able to raise \$3,926,000 in net proceeds from the sale of convertible preferred stock and bridge notes payable during the nine months ended September 30, 2007, compared to \$5,451,500 from the sale of convertible preferred stock and notes payable for the same period in 2006. The proceeds of the preferred stock and bridge note offerings were used to continue product development, introduce the product into the market, and pay current operational expenses. At September 30, 2007, the Company had \$36,649 cash on hand compared to \$61,279 as of December 31, 2006. This cash position results from the securing of additional bridge financing and a continuing effort to pay the Company's

operating expenses and best manage available cash. The Company's current constrained cash position renders the Company unable to repay the \$3 million principal amount raised in its Bridge I note offering or any accrued and unpaid interest thereon. The Company is currently in default under its Bridge I promissory notes and will remain in default until such time as the note holders extend the maturity of the notes and/or the Company obtains sufficient funds to repay the amounts due and payable.

Our operations have been, and will continue to be, dependent upon management's ability to raise operating capital by offering equity and debt securities of the Company. We have incurred significant operating losses since inception of the business. We expect that on-going operating expenditures will be necessary to successfully implement our business plan and develop, manufacture and market our products and services. 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 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, enterprise contracts or acceptance of our consumer products. 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 in 2007 to date of \$13,363,432 and net cash used in operations in 2007 of \$3,924,778 raise substantial doubt about our ability to continue as a going concern.

Off-Balance Sheet Arrangements

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

Item 3. 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) promulgated under the Securities Exchange Act of 1934, as amended, the "Exchange Act") as of the end of the period covered by this report. Based on that review and evaluation, our chief executive officer has concluded that our current disclosure controls and procedures, as designed and implemented, are effective to ensure that such officer is provided with information related to the Company required to be disclosed in the reports filed or submitted by the Company under the Exchange Act and that such information is recorded, processed, summarized and reported within the time periods specified.

Changes in Internal Control over Financial Reporting

During the quarter to which this report relates, there were no changes in internal control over financial reporting that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. *Legal Proceedings*

In the ordinary course of business, the Company may be involved in legal proceedings from time to time. As of the date of this quarterly report on Form 10-QSB, there have been no material changes to any legal proceedings relating to the Company previously reported except as discussed in Note 9. Commitments and Contingencies - Litigation in the notes to the condensed consolidated financial statements included herewith.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

Bridge II 12% Junior Convertible Promissory Notes

Beginning in August 2007, the Company commenced an issue of up to \$1,000,000 in junior convertible promissory notes to accredited investors on a “best-efforts”, no minimum basis. The notes bear interest at 12% per annum and are payable 270 days after the date of issuance unless extended by the Company for up to an additional 90 days. The promissory notes are convertible, at the option of the holder, into shares of the Company’s common stock at a per share price equal to \$.50 per share. Additionally, the holder has the option to convert the note balance, upon consummation by the Company of a qualified equity securities offering with aggregate consideration valued at \$5,000,000 or more, into the same securities purchased at a per share price equal to the per share sale price paid by the investor(s) in such qualified offering. As of September 30, 2007, the Company had issued a total of \$300,000 in Bridge II promissory notes.

As part of the Bridge II offering, the Company is obligated to issue warrants to purchase three shares of common stock for every \$1.00 principal amount of notes issued. An aggregate 3,000,000 warrants to purchase common stock at \$.50 per share with a term of five years will be issued by the Company in accordance with a fully subscribed \$1,000,000 Bridge II offering. As of September 30, 2007, the Company had issued 900,000 warrants in conjunction with the \$300,000 in Bridge II promissory notes issued during the quarter.

Warrants

In September 2007, the Company issued warrants to purchase 50,000 shares of common stock to a law firm with an exercise price of \$0.50 per share for past services rendered. Such warrants are exercisable immediately with a three year term and permit cashless exercise.

In July 2007, the Company issued warrants to purchase 100,000 shares of common stock to a law firm with an exercise price of \$0.57 per share for past services rendered. Such warrants are exercisable immediately with a three year term and permit cashless exercise.

During the nine months ended September 30, 2007, the Company also issued the following warrants related to the raising of debt and equity capital:

Warrants issued with new issuances of preferred stock Units	1,450,000
Warrants issued in conversion of Series A to Series B preferred stock	3,425,000
Warrants issued with Bridge I notes payable	12,000,000
Warrants issued with the Bridge II convertible notes payable	900,000
Warrants issued to a director for a promissory note extension	452,164
Warrants issued to placement agent in Bridge I financing	3,600,000
Total	<u>21,827,164</u>

See Notes 5, 6, 7 and 8 to the condensed consolidated financial statements included herein for more information regarding these warrant issuances.

Warrants issued by the Company during the quarter expire three or five years from the date of issuance and are generally exercisable immediately upon issuance. The exercise price and number of shares issuable upon exercise of such warrants are subject to anti-dilution protection in the event the Company effects a subdivision or combination of its common stock or declares or pays a dividend or distribution in common stock; the warrants also provide for adjustments in the event the Company declares or pays a dividend or other distribution in other securities or property of the Company or is a party to a reorganization, reclassification, merger or similar event. Warrants issued in connection with the Company's Series A and Series B preferred stock and Bridge I notes also contain anti-dilution protection in the event the Company issues common stock or common stock equivalents at a price less than the then-applicable exercise price of such warrants.

The Company issues securities in reliance on the safe harbor and exemptions from registration provided under Regulation S, Rule 506 of Regulation D and/or Section 4(2) of the Securities Act of 1933, as amended. No advertising or general solicitation was employed in offering the securities. The offerings and sales or issuances were made to a limited number of persons, all of which were accredited or foreign investors, and transfer was restricted by the Company in accordance with the requirements of applicable law. In addition to representations by the above-referenced persons, the Company has made independent determinations that all of the investors were accredited or sophisticated investors, that they were capable of analyzing the merits and risks of their investment, and that they understood the speculative nature of their investment. Furthermore, these investors were provided with access to the Company's SEC filings.

Company Repurchases of Securities

During the three months ended September 30, 2007, no purchases of equity securities of the Company were made by or on behalf of the Company or any affiliated purchaser of the Company.

Item 3. Defaults Upon Senior Securities.

As of September 30, 2007, four Bridge I senior promissory notes in the aggregate principal amount of \$375,000 had matured and remained unpaid by the Company and accrued and unpaid interest at such date amounted to \$2,466. As of November 6, 2007, the Company was in default under the remaining notes issued in its Bridge I offering. The Company's failure to pay such notes when due constitutes an event of default and, according to the terms thereof, the Company is obligated to pay each note holder the default interest rate of two percent (2%) per month on all amounts due and owing under such notes for each month or part thereof beyond the extended maturity date. In the event of a default, each note holder may proceed to protect such holder's rights in equity or by action at law, or both, enforce payment of the notes, and/or enforce any other legal or equitable right such holder may have.

The Company has presented the holders of the Bridge I notes an offer whereby the Company has requested that each holder waive any default (including any payment default) under such notes, extend the maturity of the notes by a 270-day period, and permit the notes to continue to bear interest at 12% during the requested extension period. The Company also requested that the holders waive any right to default interest, and proposed amending the notes to permit optional conversion of the note balance at the holder's option at any time into shares of the Company's common stock at a conversion price of \$.50 per share. As consideration for the requested waivers and amendments to the Bridge I notes, the Company is offering warrants to purchase three shares of common stock of the Company for every \$1.00 principal loaned at an exercise price of \$.50 for a term of three years.

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

The Company held its annual meeting of stockholders at its principal executive offices in Irvine, California on August 1, 2007. The holders of the common stock of the Company voted on the proposals set forth at such meeting as follows:

- (1) To elect three directors to serve on the Board of Directors until the next annual meeting of stockholders and until their successors are elected and qualified.

<u>Name of Nominee</u>	<u>Number of Shares</u>	
	<u>For</u>	<u>Withhold Authority</u>
Darryl Cohen	24,336,871	645,251
Alan Smith	24,336,871	645,251
Sandro Sordi	24,270,121	712,001

(2) To approve and adopt the Second Amended and Restated Certificate of Incorporation that (a) increases the number of authorized shares of common stock, \$.01 par value, of the Company from 100,000,000 shares to 300,000,000 shares, (b) eliminates the Class B and Class D common stock of the Company and all related provisions, (c) eliminates the Series E, Series F, Series G, Series I and Series L preferred stock of the Company and all related provisions, and (d) eliminates the voting provisions relating to the Company's existing Series A and Series B preferred stock.

	<u>Number of Shares</u>
For	19,647,018
Against	594,514
Abstain	12,900
Broker Non-Votes	4,727,690

(3) To approve the 2006 Employee Stock incentive Plan (as amended).

	<u>Number of Shares</u>
For	19,554,068
Against	655,764
Abstain	44,600
Broker Non-Votes	4,727,690

At the meeting, the holders of the Company's Series A and B preferred stock were entitled to vote on the election of directors and the elimination of the voting rights of their respective series of preferred stock as set forth in the Second Amended and Restated Certificate of Incorporation. Because a quorum of neither of the Series A nor Series B preferred stock existed at the meeting, no voting occurred on such proposals. As a result, the three nominees to the Board were not elected but shall remain in office until their successors are duly elected and qualified. In addition, the Second Amended and Restated Certificate of Incorporation was approved but without the elimination of the voting rights of the Series A and Series B preferred stock.

Item 5. Other Information

None.

Item 6. Exhibits

See Exhibit Index

SIGNATURES

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

Dated: November 16, 2007

AskMeNow, Inc.

By: /s/ Darryl Cohen

Darryl Cohen, Chief Executive Officer
(Principal executive officer and
principal financial officer)

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Agreement of Investor Representative effective October 8, 2007
10.2	Form of Bridge II 12% Junior Convertible Promissory Note and Warrant
10.3	Common Stock Warrant to purchase 100,000 shares of common stock issued to Michael Brown, legal counsel
10.4	Common Stock Warrant to purchase 50,000 shares of common stock issued to Phillips Nizer LLP
31.1	Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

AGREEMENT

This Agreement (this "Agreement") is made effective as of October 8, 2007 by and between Gary S. Schonwald, acting in the capacity of the Investor Representative (defined below), and AskMeNow, Inc., a Delaware corporation (the "Company").

RECITALS

WHEREAS, the investors (the "Investors") to the Company's private placement of its preferred stock (the "Preferred Stock") between March 21, 2006 and February 27, 2007 (the "Offering") appointed Gary Schonwald, attorney at law, as their investor representative (the "Investor Representative") with full power and discretion and full rights to enforce all of the contractual rights of the Investors including, but not limited to, acting on behalf of the Investors with respect to future pricing and to indemnify the Investor Representative against any and all claims that might arise now or in the future regarding any issue in which he has been empowered, until the Preferred Stock is converted and in connection therewith to execute any and all documents which are deemed necessary or advisable to carry out the foregoing powers on behalf of the Investors;

WHEREAS, the terms of the Offering provided that for an 18-month period following the completion of the Offering, the Company would not sell any securities or any derivative securities at a per share price of less than \$1.25 per share without the consent of Gary Schonwald, as the Investor Representative;

WHEREAS, the Company subsequently issued derivative securities that priced the common stock of the Company below \$1.25 per share, without the consent of the Investor Representative;

WHEREAS, in order to avoid litigation, the Company, with the approval of Gary Schonwald, as the Investor Representative, submitted a settlement offer and waiver (the "Settlement Offer and Waiver") to the Investors requesting that they waive the Company's breach of the \$1.25 floor and relinquish their rights to enforce that floor (as outlined in the July 20, 2006 supplement to the confidential private placement memorandum dated March 21, 2006) and be entitled to the compensation offered by the Company (i.e., two additional warrants for every \$1.00 principal amount of Preferred Stock purchased by the Investors, exercisable at \$.50 per share for five years);

WHEREAS, by the Investors' acceptance of the Settlement Offer and Waiver, there shall no longer be any restriction on the Company issuing its common stock or common stock derivatives at less than \$1.25 per share provided that they are at or above \$.50 per share, for an 18-month period from May 15, 2007; and

WHEREAS, the Settlement Offer and Waiver is conditioned upon the Company obtaining the approval of at least 50% in interest of the Investors.

NOW THEREFORE, in exchange for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Gary Schonwald, as the Investor Representative, and the Company hereby agree as follows:

1. Waiver by Participating Investors. The Company has evidenced to the Investor Representative that it has obtained the approval of at least 50% in interest of the Investors. Therefore, in accordance with the terms and conditions of the Settlement Offer and Waiver, there shall no longer be any restriction on the Company issuing its common stock or common stock derivatives at less than \$1.25 per share provided that they are at or above \$.50 per share, for an 18-month period from May 15, 2007.

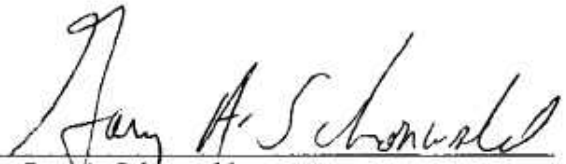
2. Waiver by Investor Representative. The Investor Representative hereby agrees to accept the Company's Settlement Offer. Notwithstanding the Investor Representative's waiver, only those Investors who have executed a Settlement Offer and Waiver shall be entitled to the compensation offered by the Company in its July 20, 2006 Supplement.

3. Governing Law. This Agreement shall be governed by, and shall be construed in accordance with, the laws of the State of New York without regard to principles of conflicts of law. The parties hereto agree that the exclusive forum for the resolution of disputes hereunder shall be the state or federal courts located in New York County, New York, and hereby waive any objection thereto on the basis of personal jurisdiction and venue.


4. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which, taken together, shall constitute but one and the same agreement among the parties.

5. Binding Nature. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

By: 
Name: Gary A. Schonwald
Title: Investor Representative

AskMeNow, Inc.

By: 
Name: Darryl Cohen
Title: Chief Executive Officer

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. NO INTEREST IN THIS NOTE MAY BE OFFERED OR SOLD EXCEPT PURSUANT TO (i) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE LAWS, (ii) TO THE EXTENT APPLICABLE, PURSUANT TO RULE 144 UNDER THE ACT (OR ANY SIMILAR RULE UNDER THE ACT), OR (iii) AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE LAWS WHERE PAYEE HAS FURNISHED TO THE COMPANY AN OPINION OF ITS COUNSEL THAT AN REGISTRATION IS NOT REQUIRED.

ASKMENOW, INC.
12% JUNIOR CONVERTIBLE PROMISSORY NOTE

\$ _____, 2007

FOR VALUE RECEIVED, the undersigned, AskMeNow, Inc., a Delaware corporation (the "Company" or "Payor"), having its executive office and principal place of business at 26 Executive Park, Suite 250, Irvine, CA 92614, hereby promises to pay to _____, a _____ with its principal place of business at _____ (the "Payee") at such address for Payee (or at such other place as Payee may from time to time hereafter direct by notice in writing to Payor), the principal sum of _____ Dollars (\$ _____), together with interest at the Note Rate set forth in Section 2 on the principal balance outstanding from time to time. Any or all amounts of the amounts outstanding under this 12% Junior Convertible Promissory Note (this "Note"), including principal and accrued interest, are convertible into shares of the Company's capital stock in accordance with Section 3 hereof.

This Note is being issued in connection with a bridge financing (the "Bridge Offering") by the Company on a "best efforts" no minimum basis, up to a maximum of \$1,000,000 of Bridge Offering units (each a "Bridge Unit"). Each Bridge Unit consists of \$1.00 principal amount of 12% Junior Convertible Promissory Notes and Warrants to purchase Three (3) shares of common stock, \$.01 par value, of the Company at \$.50 per share (the "Common Stock"), to be offered on a "best efforts" basis. The Bridge Offering is being made only to investors who qualify as "accredited investors" as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended (the "Act"). Partial Bridge Units may be sold by the Company in its sole discretion.

All of the proceeds of the Bridge Offering will be used by the Company for general corporate purposes, including working capital.

1. Maturity Date. Subject to the provisions of Section 3 below, the entire outstanding balance of this Note, including principal and unpaid accrued interest thereon (together, the "Note Balance"), will be due and payable in a single instalment on _____, 2008 (270 days following the issue date of this Note) (the "Maturity Date"). Notwithstanding the foregoing, the Maturity Date may be extended by an additional 90 days from the Maturity Date to _____, 2008 (the "Extended Maturity Date") upon delivery by the Company of written notice thereof to the Payee no later than 12:00 P.M. EST on the business day immediately preceding the Maturity Date.

2. **Interest And Payment; Prepayment.**

2.1 The principal amount of this Note outstanding from time to time shall bear simple interest at the annual rate (the “Note Rate”) of twelve (12%) percent from the date hereof through the date of repayment or conversion, payable upon such date of repayment or conversion, as applicable.

2.2 The principal amount of this Note may be prepaid in whole at any time, or in part from time to time, without penalty or premium, together with unpaid interest thereon.

2.3 All payments made by the Payor on this Note, including all prepayments, shall be applied first to the payment of accrued unpaid interest on this Note and then to the reduction of the unpaid principal balance of this Note.

2.4 All payments made by the Payor on this Note shall be made in such currency of the United States as shall be legal tender for the payment of public and private debts at the time of payment, at the address of the Payee set forth above, or at such other place as the Payee shall have designated in advance in writing to the Payor.

2.5 In the event that the date for the payment of any amount payable under this Note falls due on a Saturday, Sunday or public holiday under the laws of the State of California, the time for payment of such amount shall be extended to the next succeeding business day and interest at the Note Rate shall continue to accrue on any principal amount so effected until the payment thereof on such extended due date.

3. **Conversion.**

3.1 Optional Conversion at Any Time. At the option of the Payee exercised by written notice to the Company at any time while this Note remains outstanding, all but not less than all of the Note Balance may be converted into shares of the Company’s Common Stock, at a per share price equal to \$.50 per share, with the same rights and preferences as the currently issued and outstanding shares of Common Stock. The number of shares of Common Stock to which the Payee will be entitled upon conversion of this Note pursuant to this Section 3.1 will be determined by dividing the dollar amount of the Note Balance on the Conversion Date (as defined below) by \$.50 per share.

3.2 Optional Conversion at Qualified Investment. If a person, business entity, or group of persons or business entities acting in concert (the “Qualified Investor”), acting after the date hereof and before the Maturity Date or Extended Maturity Date, as applicable, acquires, in a single arms-length transaction or in a series of related arms-length transactions, shares of the Company’s common stock, \$.01 par value (the “Common Stock”) or other equity securities of the Company convertible into or exercisable for Common Stock, for an aggregate consideration valued at Five Million Dollars (\$5,000,000) or more (the “Qualified Investment”), then at the same time the Qualified Investor pays the consideration for the Qualified Securities (as defined below), the Payee may elect by written notice thereof to the Company to convert all but not less than all of the Note Balance into securities that are the same series and with the same rights and preferences as the equity securities purchased by the Qualified Investor (the “Qualified Securities”), at a per share price equal to the per share sale price paid by the Qualified Investor (the “Conversion Price”). For these purposes, any equity securities of the Company issued in respect of this Note and any other Notes issued in the Bridge Offering of which this Note is a part shall not be counted towards the aforesaid Five Million Dollars (\$5,000,000). The number of Qualified Securities to which the Payee will be entitled upon conversion of this Note pursuant to this Section 3.2 will be determined by dividing the dollar amount of the Note Balance on the Conversion Date by the Conversion Price.

3.3 **Mechanics of Conversion; No Fractional Shares.** In the event of a conversion pursuant to this Section 3, the Company covenants and agrees to take any and all actions that may be reasonably necessary or desirable in order to issue the Qualified Securities or Common Stock under the terms and conditions of this Note. Before the Payee shall be entitled to receive a certificate for the shares of the Qualified Securities or Common Stock into which this Note has been converted, the Payee shall surrender this Note duly endorsed, at the office of the Company, and shall execute and deliver to the Company all other agreements requested by the Company which relate to the Qualified Securities or Common Stock. The Company shall, as soon as reasonably practicable thereafter, and in any event within ten (10) business days of the date of conversion, issue and deliver to the Payee, at the address specified by the Payee, a certificate or certificates for the Qualified Securities or Common Stock to which the Payee shall be entitled. No fractional shares shall be issued upon conversion of this Note and the number of Qualified Securities or Common Stock to be issued shall be rounded to the nearest whole share. Any conversion pursuant to this Section 3 shall be deemed effective as of immediately prior to the close of business on the date on which the applicable conversion notice is delivered, and this Note is surrendered, by the Payee to the Company (the "Conversion Date").

4. **No Rights as Shareholder.** Nothing contained in this Note shall be construed as conferring upon the Payee or its permitted transferees, prior to the conversion of this Note, the right to vote, receive dividends, consent or receive notice as a shareholder in respect of any meeting of shareholders for the election of directors of the Company or of any other matter, or any other rights as a shareholder of the Company.

5. **Replacement Of Note.**

5.1 In the event that this Note is mutilated, destroyed, lost or stolen, Payor shall, at its sole expense, execute, register and deliver a new Note, in exchange and substitution for this Note, if mutilated, or in lieu of and substitution for this Note, if destroyed, lost or stolen. In the case of destruction, loss or theft, Payee shall furnish to Payor indemnity reasonably satisfactory to Payor, and in any such case, Payee shall also furnish to Payor evidence to its reasonable satisfaction of the mutilation, destruction, loss or theft of this Note and of the ownership thereof. Any replacement Note so issued shall be in the same outstanding principal amount as this Note and dated the date to which interest shall have been paid on this Note or, if no interest shall have yet been paid, dated the date of this Note.

5.2 Every Note issued pursuant to the provisions of Section 5.1 above in substitution for this Note shall constitute a contractual obligation of the Payor, whether or not this Note shall be found at any time or be enforceable by anyone.

6. Covenants of Payor.

Payor covenants and agrees that, so long as this Note remains outstanding and unpaid, in whole or in part:

6.1 Payor will not sell, transfer or dispose of a material part of its assets;

6.2 Payor will not make any loan to any person who is or becomes a shareholder or executive employee of Payor, other than for reasonable advances for expenses in the ordinary course of business;

6.3 Payor will promptly pay and discharge all lawful taxes, assessments and governmental charges or levies imposed upon it, its income and profits, or any of its property, before the same shall become in default, as well as all lawful claims for labor, materials and supplies which, if unpaid, might become a lien or charge upon such properties or any part thereof; provided, however, that Payor or such subsidiary shall not be required to pay and discharge any such tax, assessment, charge, levy or claim so long as the validity thereof shall be contested in good faith by appropriate proceedings and Payor or such subsidiary, as the case may be, shall set aside on its books adequate reserves (if required by generally accepted accounting principles) with respect to any such tax, assessment, charge, levy or claim so contested;

6.4 Payor will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights and franchises and substantially comply with all laws applicable to Payor as its counsel may advise;

6.5 Payor will at all times maintain, preserve, protect and keep its property used or useful in the conduct of its business in good repair, working order and condition (except for the effects of reasonable wear and tear in the ordinary course of business) and will, from time to time, make all necessary and proper repairs, renewals, replacements, betterments and improvements thereto;

6.6 Payor will keep adequately insured, by financially sound reputable insurers, all property of a character usually insured by similar corporations and carry such other insurance as is usually carried by similar corporations;

6.7 Payor will, promptly following the occurrence of an Event of Default or of any condition or event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default, furnish a statement of Payor's Chief Executive Officer or Chief Financial Officer to Payee setting forth the details of such Event of Default or condition or event and the action which Payor intends to take with respect thereto;

6.8 Payor will, and will cause each of its subsidiaries to, at all times maintain books of account in which all of its financial transactions are duly recorded in conformance with generally accepted accounting principles;

6.9 Payor shall not create, incur, assume or suffer to exist any pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, or security interest, mortgage, deed of trust, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (except for liens for taxes not yet due and payable or being contested in good faith, mechanics' materialmen's or similar liens, and liens securing rental or lease payments, together the "Permitted Liens") with respect to the assets of Payor or such subsidiary; and

6.10 Payor shall not issue any debt, equity or other instrument which would give the holder thereof, directly or indirectly, a right in any assets of Payor or such subsidiary that are pari passu, senior or superior to any right of the Payee in or to such assets.

7. **Events of Default.** If any of the following events (each an "Event of Default") occurs:

7.1 The dissolution of Payor or any vote in favor thereof by the board of directors and shareholders of Payor;

7.2 Payor makes an assignment for the benefit of creditors, or files with a court of competent jurisdiction an application for appointment of a receiver or similar official with respect to it or any substantial part of its assets, or Payor files a petition seeking relief under any provision of the Federal Bankruptcy Code or any other federal or state statute now or hereafter in effect affording relief to debtors, or any such application or petition is filed against Payor, which application or petition is not dismissed or withdrawn within thirty (30) days from the date of its filing;

7.3 Payor fails to pay the principal amount, or interest on, or any other amount payable under, this Note within ten (10) days of the date such amount becomes due and payable;

7.4 Payor admits in writing its inability to pay its debts as they mature;

7.5 Payor sells all or substantially all of its assets or merges or is consolidated with or into another corporation, other than a merger with or into a publicly traded corporation or a merger to change Payor's jurisdiction of incorporation;

7.6 A proceeding is commenced to foreclose a security interest or lien in any property or assets of Payor as a result of a default in the payment or performance of any debt (in excess of \$50,000 and secured by such property or assets) of Payor or of any subsidiary of Payor;

7.7 A final judgment for the payment of money in excess of \$50,000 is entered against Payor by a court of competent jurisdiction, and such judgment is not discharged (nor the discharge thereof duly provided for) in accordance with its terms, nor a stay of execution thereof procured, within thirty (30) days after the date such judgment is entered, and, within such period (or such longer period during which execution of such judgment is effectively stayed), an appeal therefrom has not been prosecuted and the execution thereof caused to be stayed during such appeal;

7.8 An attachment or garnishment is levied against the assets or properties of Payor or any subsidiary of Payor involving an amount in excess of \$50,000 and such levy is not vacated, bonded or otherwise terminated within thirty (30) days after the date of its effectiveness;

7.9 Payor defaults in the due observance or performance of any covenant, condition or agreement on the part of Payor to be observed or performed pursuant to the terms of this Note (other than the default specified in Section 7.3 above) and such default continues uncured for a period of thirty (30) days;

7.10 Payor creates, incurs, assumes or suffers to exist any pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, or security interest, mortgage, deed of trust, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (except permitted Liens) with respect to the assets of Payor or such subsidiary; or

7.11 If Payor issues any debt, equity or other instrument which would give the holder thereof, directly or indirectly, a right in any assets of Payor or such subsidiary that are senior or superior to any right of the Payee in or to such assets.

8. Suits for Enforcement and Remedies. Upon the occurrence of an Event of Default and Payor's failure to cure such default, the Payee shall have the right, at Payee's option, to declare the Note Balance to be forthwith due and payable, and, in the case of an Event of Default pursuant to Section 7.3 above, the Payee shall automatically be entitled to full and immediate payment of all amounts due under this Note without any action on the part of or declaration by Payee required. If any one or more Events of Default shall occur and be continuing, the Payee further may proceed to (i) protect and enforce Payee's rights either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, condition or agreement contained in this Note or in any agreement or document referred to herein or in aid of the exercise of any power granted in this Note or in any agreement or document referred to herein, (ii) enforce the payment of this Note, or (iii) enforce any other legal or equitable right of Payee. No right or remedy herein or in any other agreement or instrument conferred upon Payee is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and shall be in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise.

9. Unconditional Obligation; Fees, Waivers, Other.

9.1 The obligations to make the payments provided for in this Note are absolute and unconditional and not subject to any defense, set-off, counterclaim, rescission, recoupment or adjustment whatsoever.

9.2 If, following the occurrence of an Event of Default, Payee shall seek to enforce the collection of any amount of principal of and/or interest on this Note, there shall be immediately due and payable from Payor, in addition to the then unpaid principal of, and accrued unpaid interest on, this Note, all costs and expenses incurred by Payee in connection therewith, including, without limitation, reasonable attorneys' fees and disbursements.

9.3 No forbearance, indulgence, delay or failure to exercise any right or remedy with respect to this Note shall operate as a waiver or as an acquiescence in any default, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy.

9.4 This Note may not be modified or discharged (other than by payment or exchange) except by a writing duly executed by Payor and Payee; provided that no material provision of this Note may be amended without the written consent of the Company and the holders of at least one-half of the aggregate principal amount of all of the Notes issued in the Bridge Offering to which this Note relates.

9.5 Payor hereby expressly waives demand and presentment for payment, notice of nonpayment, notice of dishonor, protest, notice of protest, bringing of suit, and diligence in taking any action to collect amounts called for hereunder, and shall be directly and primarily liable for the payment of all sums owing and to be owing hereon, regardless of and without any notice, diligence, act or omission with respect to the collection of any amount called for hereunder or in connection with any right, lien, interest or property at any and all times which Payee had or is existing as security for any amount called for hereunder.

10. Restriction on Transfer. This Note has been acquired for investment, and this Note has not been registered under the securities laws of the United States of America or any state thereof, including the Act. Accordingly, no interest in this Note may be offered for sale, sold or transferred in the absence of registration and qualification of this Note, under applicable federal and state securities laws, including the Act, or an opinion of counsel of Payee reasonably satisfactory to Payor that such registration and qualification are not required.

11. Subordination. The rights of the Payee hereunder in and to the assets of the Company are hereby expressly subordinated to the rights in and to such assets of the holders of the Company's Senior Indebtedness, as hereinafter defined. Senior Indebtedness shall mean those certain 12% Senior Promissory Notes issued by the Company in its \$3,000,000 best efforts, no minimum bridge offering completed in May 2007. Subject to the rights of the holders of Senior Indebtedness, nothing contained in this Section 11 shall impair, as between the Payor and the Payee, the obligation of the Payor, subject to the terms and conditions hereof, to pay to the Payee the principal hereof and interest hereon as and when the same become due and payable, or shall prevent the Payee, upon default hereunder, from exercising all rights, powers and remedies otherwise provided herein or by applicable law.

12. Piggyback Registration Rights. If, at any time during the two-year period commencing with the issuance of this Note, the Payor proposes or is required to file a registration statement registering any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than on Form S-4 or Form S-8, or such other forms as the U.S. Securities and Exchange Commission may hereafter promulgate for registration of securities in transactions for which Form S-4 or Form S-8 may be used as of the date hereof), whether or not for its own account, the Payor shall give at least 20 days prior written notice to the Payee of its intention to do so. Upon written request by the Payee within 10 days after receipt of such notice, the Payor shall use its commercially reasonable efforts to include in the securities to be registered by such registration statement all shares of Common Stock issued or issuable upon conversion of this Note (which registration right with respect to such conversion shares shall be in addition to any registration rights with respect to any shares underlying that certain Warrant, dated as of the date hereof, issued by the Payor to the Payee in connection with Payee's participation in the Bridge Offering) that the Payee indicates in such notice that the Payee desires to sell, subject to the following terms and conditions: (i) if such registration statement is for a prospective underwritten offering, the Payee shall agree to (a) enter into an underwriting agreement, if required, in customary form with the underwriter or underwriters selected by the Company, and (b) sell the Payee's securities, if the Company so requests, on the same basis and upon the same terms as the other securities covered by such registration statement, other than securities proposed to be registered by the holders of the Preferred Stock (as defined below), and provided that if the number of shares requested by the Payee to be registered in such offering exceeds the amount of shares which the underwriters reasonably believe is compatible with the success of such underwritten offering, the Company shall only be required to include in such offering that number of shares requested to be registered by the Payee as the underwriters believe will not jeopardize the success of such offering, provided, however that any such decrease in the number of shares sought to be registered by the Payee shall occur on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; (ii) if the number of shares the Payor is able to register is limited due to Rule 415 or other SEC shelf registration rules, Payor shall only be required to register the shares Payee elects to convert on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; and (iii) the Payor may withdraw any such registration statement before it becomes effective or postpone the offering of securities contemplated by such registration statement without any obligation to the Payee or any other Payee. The Payor shall have exclusive control over the preparation and filing of any registration statement proposed to be filed under this Section 12 as well as any amendments and supplements thereto and the withdrawal or revocation thereof. The Payor's obligations pursuant to this Section 12 are subject to the Payee's cooperation with respect to any such proposed registration, including but not limited to the provision of such information as may reasonably be requested by the Payor, the underwriter(s) or any other authorized parties and the execution and delivery of such agreements (including indemnification and contribution agreements), instruments and documents as may be reasonably requested thereby, and the Payee's compliance with all applicable laws. The Payor shall pay all reasonable expenses incurred in connection with the registration contemplated hereby, including without limitation registration and filing fees, printing expenses, and fees and expenses of counsel for the Payor. Notwithstanding the foregoing, underwriting discounts and commissions and transfer taxes relating to the Payee's registered securities included in any registration hereunder, and all fees and expenses for counsel to the Payee, shall be borne and paid by the Payee. The registration rights and other rights granted in this Section 12 are not assignable, in whole or in part, without the prior written consent of the Payor. Notwithstanding anything to the contrary set forth herein, the Payee hereby expressly agrees and acknowledges that any registration rights of the Payee hereunder are subordinate to those of the holders of the Company's 10% (PIK) Series A Preferred Stock and the Company's 10% (PIK) Series B Preferred Stock (together, the "Preferred Stock") and warrants issued to such holders in connection with the purchase and sale of the Preferred Stock.

13. Miscellaneous.

13.1 The headings of the various paragraphs of this Note are for convenience of reference only and shall in no way modify any of the terms or provisions of this Note.

13.2 All notices required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when personally delivered or sent by registered or certified mail (return receipt requested, postage prepaid), facsimile transmission or overnight courier to the address of the intended recipient as set forth in the preamble to this Note or at such other address as the intended recipient shall have hereafter given to the other party hereto pursuant to the provisions of this Note. Any such notice shall be deemed received (i) in the case of personal delivery or delivery by facsimile, on the date of such delivery, (ii) in the case of overnight courier, on the next business day following when sent, and (iii) in the case of mailing, on the third business day following the date on which the notice was post-marked.

13.3 This Note and the obligations of Payor and the rights of Payee shall be governed by and construed in accordance with the substantive laws of the State of California without giving effect to the choice of laws rules thereof.

13.4 This Note shall bind Payor and its successors and assigns. Neither the Payor nor the Payee may assign this Note without the prior written consent of the other party, provided that under no circumstances may the Payee assign this Note to any individual or entity that is a competitor, directly or indirectly, with the Payor.

ASKMENOW, INC.

By: _____
Name: Darryl Cohen
Title: CEO

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

2007-_____

**WARRANT TO PURCHASE SHARES
OF THE COMMON STOCK OF**

ASKMENOW, INC.

(Void after Expiration Date - _____, 2012)

Issue Date: _____, 2007

This certifies that _____, a _____ with a principal business address of _____ (or any valid transferee thereof, the "Holder"), for value received, shall be entitled to purchase from AskMeNow, Inc., a Delaware corporation having its principal place of business at 26 Executive Park, Suite 250, Irvine, California 92614 (together with its successors and assigns, the "Company"), subject to the terms and conditions set forth herein, _____ (#) fully paid and non-assessable shares of the Company's common stock, par value \$.01 per share ("Common Stock"), at a price equal to \$.50 per share, at any time and from time to time commencing as of the issue date set forth above (the "Issue Date") and continuing up to and including 12:00 p.m. (California time) on _____, 2012 ("Expiration Date"); provided, however, if such date is not a Business Day, then on the Business Day immediately following such date. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter sometimes referred to as the "Warrant Shares" and the "Exercise Price," respectively.

This Warrant is being issued to the Holder in connection with the Company's \$1,000,000 bridge note offering (the "Bridge Offering") of 12% junior convertible promissory notes due and payable 270 days (unless extended by the Company for up to an additional 90 days) from the date of issuance (the "Notes"). This Warrant is one of several that will be issued in the Bridge Offering, all identical except for names and amounts. An aggregate of 3,000,000 warrants will be issued by the Company if the full \$1,000,000 Bridge Offering is completed. Such warrants are being issued on the basis of three (3) warrants for every \$1.00 principal amount of Notes issued by the Company.

1. Exercise; Issuance of Certificates; Payment for Shares.

1. General. This Warrant is exercisable upon the surrender to the Company at its principal place of business (or at such other location as the Company may advise the Holder in writing) of this Warrant properly endorsed with an exercise notice in substantially the form attached hereto as *Schedule A* duly completed and signed and, if applicable, upon payment in cash, certified or bank check or other immediately available funds of the aggregate Exercise Price for the number of Warrant Shares for which this Warrant is being exercised as determined in accordance with the provisions hereof. This Warrant is exercisable in whole or in part, in increments of 5,000 shares, and in no event shall any exercise hereof be for fewer than 5,000 Warrant Shares unless fewer than 5,000 Warrant Shares are then purchasable under this Warrant. In the case of the exercise for less than all of the Warrant Shares represented by this Warrant, the Company shall cancel this Warrant certificate upon the surrender hereof and shall execute and deliver a new Warrant certificate or certificates of like tenor for the balance of the Warrant Shares for which this Warrant has not yet been exercised. The Company agrees that the shares of Common Stock purchased under this Warrant shall be deemed to be issued to the Holder hereof, and the Holder deemed to be the record owner of such shares, as of immediately prior to the close of business on the date on which the exercise notice attached hereto as *Schedule A* is delivered, and this Warrant surrendered, to the Company as provided herein (such date, the “Exercise Date”). Certificates for the shares of Common Stock purchased upon exercise, together with any other securities or property to which the Holder is entitled upon such exercise, shall be delivered to the Holder by the Company at the Company’s expense within a reasonable time after the rights represented by this Warrant have been so exercised, and in any event within 10 business days of the Exercise Date. Each Common Stock certificate so delivered shall be in such denominations as may be requested by the Holder hereof and shall be registered on the Company’s books in the name designated by such Holder.

1.2 Exercise for Cash. This Warrant may be exercised, in whole at any time or in part from time to time, commencing on the Issue Date and prior to 12:00 P.M. (California time) on the Expiration Date, for cash by delivery of the exercise notice attached hereto as *Schedule A* and surrender of this Warrant to the Company, together with proper payment of the aggregate Exercise Price payable hereunder for the Warrant Shares being purchased upon such exercise for cash. Payment for the Warrant Shares shall be made by cash, certified or bank check or wire transfer of immediately available funds to the Company. If this Warrant is exercised for cash in part, this Warrant must be exercised for a number of whole shares of the Common Stock, and the Holder is entitled to receive a new Warrant covering the shares for which this Warrant has not yet been exercised, in accordance with Section 1.1 above. Upon surrender of this Warrant and payment in full of the aggregate Exercise Price for the Warrant Shares then being purchased upon such exercise for cash, the Company will issue a certificate or certificates in the name of the Holder for the largest number of whole shares of the Common Stock to which the Holder shall be entitled, and deliver the other securities and properties receivable upon the exercise of this Warrant, or the proportionate part thereof if this Warrant is exercised in part, pursuant to the provisions of this Warrant, in accordance with Section 1.1 above.

1.3 Cashless Exercise. In lieu of exercising this Warrant for cash as set forth in Section 1.2 above, the Holder may at any time and from time to time elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or portion thereof) through a cashless exercise (a “Cashless Exercise”), as hereinafter provided. The Holder may effect a Cashless Exercise by surrendering this Warrant to the Company and noting on the Holder’s duly executed exercise notice attached hereto as *Schedule A* that the Holder wishes to effect a Cashless Exercise, upon which the Company shall issue to the Holder the number of shares determined as follows:

$$X = Y * (A-B) / A$$

where:

X = the number of Warrant Shares to be issued to the Holder upon the Cashless Exercise;

Y = the number of Warrant Shares with respect to which this Warrant is being exercised;

A = the Market Price (as defined below) of one share of Common Stock as of the Exercise Date; and

B = the Exercise Price (as adjusted, if applicable).

“Market Price” means, for any date, the average of the daily Closing Prices per share of Common Stock for the 10 consecutive trading days immediately prior to such date. The “Closing Price” per share of Common Stock for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the “Over the Counter Market” (“OTC BB”), the NASDAQ National Market System, the New York Stock Exchange or the American Stock Exchange, as applicable. If on any such trading day or days such securities are not quoted by any such organization, such trading day or days shall be replaced for purposes of the foregoing calculation by the requisite trading day or days preceding the commencement of such 10 trading day period on which such securities are so quoted. If shares of Common Stock are not so listed or traded, the Market Price shall mean the fair value per share of Common Stock as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a notice to the Holder, based on (a) the most recently completed arm’s-length transaction between the Company and a person other than an existing shareholder or other affiliate of the Company, the closing of which occurred on such date or within the three-month period preceding such date, or (b) if no such transaction shall have occurred on such date or within such three-month period, the good faith reasonable judgment of the Board of Directors.

For purposes of Rule 144, it is intended and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares required by Rule 144 shall be deemed to have been commenced, on the Issue Date.

1.4 Shares to be Fully Paid; Reservation of Shares. The Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any shareholder and free of all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that, during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Common Stock when and as required to provide for the exercise of the rights represented by this Warrant. The Company will take all such action as may be reasonably necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock or other securities may be listed; provided, however, that the Company shall not be required to effect a registration under federal or state securities laws with respect to any exercise hereunder.

2. Determination or Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of Warrant Shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 2. Upon each adjustment of the Exercise Price, the Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

2.1 Subdivision or Combination of Common Stock. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the Company shall subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined or reclassified into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this Subsection 2.1 shall become effective at the close of business on the date the subdivision or combination becomes effective.

2. Dividends in Common Stock or Other Stock or Securities. If at any time or from time to time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor, shares of Common Stock or any shares of capital stock or other securities which are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, then and in each such case, the Holder shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock or other capital stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities which such Holder would hold on the date of such exercise had the Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities.

2. Reorganization, Reclassification, Consolidation, Merger or Sale. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an “Organic Change”), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right, upon exercise of this Warrant, to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof.

2. No Adjustments in Certain Cases. No adjustment in the number of Warrant Shares purchasable pursuant to this Warrant shall be required unless the adjustment would require an increase or decrease of at least one percent (1.0%) in the number of Warrant Shares then purchasable upon the exercise of this Warrant. Except as provided in this Section 2, no other adjustments in the number, kind or price of shares constituting Warrant Shares shall be made during the term, or upon the exercise, of this Warrant. Further, no adjustments shall be made pursuant to this Section 2 hereof in connection with the grant or exercise of presently authorized or outstanding options to purchase, or the issuance of shares of Common Stock under, the Company’s director or employee benefit, option and incentive plans.

3. Issue Tax. The issuance of certificates for shares of Common Stock issuable upon the exercise of this Warrant shall be made without charge to the Holder for any issue tax (other than any applicable income taxes) in respect thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer of this Warrant or any Warrant Shares.

4. No Voting or Dividend Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof the right to vote, give consent or receive notices as a shareholder of the Company. No dividends or interest shall be payable or accrued in respect of this Warrant, the interest represented hereby, or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised. No provisions hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by its creditors.

5. Representations and Covenants of the Holder. This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Holder:

5. Investment Purpose. This Warrant and, if exercised, the Warrant Shares issuable upon exercise of this Warrant, will be acquired for the Holder's own account for investment only and not with a view to the sale or distribution of any part hereof or thereof, and the Holder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption therefrom under the Securities Act of 1933, as amended (the "Act").

5. Private Issue. The Holder understands that (a) this Warrant and the Warrant Shares issuable upon exercise of this Warrant are not registered under the Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualifications requirements thereof, and (b) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 5.

5. Disposition of Holder's Rights. In no event will the Holder make a disposition of this Warrant or the Warrant Shares issuable upon exercise of this Warrant unless and until (a) the Holder shall have notified the Company of the proposed disposition, and (b) if requested by the Company, the Holder shall have furnished the Company with an opinion of counsel (which counsel may either be inside or outside counsel to the Holder) satisfactory to the Company and its counsel to the effect that (i) appropriate action necessary for compliance with the Act has been taken, or (ii) an exemption from the registration requirements of the Act is available. Notwithstanding the foregoing, the restrictions imposed upon the transferability of any of its rights to acquire Common Stock issuable on the exercise of such rights do not apply to transfers from the beneficial owner of any of the aforementioned securities to its nominee or from such nominee to its beneficial owner, and shall terminate as to any particular share of stock when (1) such security shall have been effectively registered under the Act and sold by the Holder thereof in accordance with such registration or (2) such security shall have been sold without registration in compliance with Rule 144 under the Act, or (3) a letter shall have been issued to the Holder at its request by the staff of the Securities and Exchange Commission or a ruling shall have been issued to the Holder at its request by such Commission stating that no action shall be recommended by such staff or taken by such Commission, as the case may be, if such security is transferred without registration under the Act in accordance with the conditions set forth in such letter or ruling and such letter or ruling specifies that no subsequent restrictions on transfer are required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Holder or holder of a share of stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such Holder, one or more new certificates for the Warrant or for such shares of stock not bearing any restrictive legend.

5. Financial Risk. The Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of an investment in the Company, and has the ability to bear the economic risks of such investment.

5. Accredited Investor. The Holder is an "accredited investor" within the meaning of Regulation D promulgated under the Act.

6. Piggyback Registration Rights. If, at any time during the two-year period commencing with the issuance of the final Note under the Bridge Offering, the Company proposes or is required to file a registration statement registering any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than on Form S-4 or Form S-8, or such other forms as the U.S. Securities and Exchange Commission may hereafter promulgate for registration of securities in transactions for which Form S-4 or Form S-8 may be used as of the date hereof), whether or not for its own account, the Company shall give at least 20 days prior written notice to the Holder of its intention to do so. Upon written request by the Holder within 10 days after receipt of such notice, the Company shall use its commercially reasonable efforts to include in the securities to be registered by such registration statement all Warrant Shares (which registration rights with respect to such Warrant Shares shall be in addition to any registration rights with respect to any shares issued or issuable upon conversion of that certain 12% Junior Convertible Promissory Note in the principal amount of \$300,000 made by the Company in favor of the Holder as of the date hereof in connection with the Holder's participation in the Bridge Offering) that the Holder indicates in such notice that the Holder desires to sell, subject to the following terms and conditions: (a) if such registration statement is for a prospective underwritten offering, the Holder shall agree to (i) enter into an underwriting agreement, if required, in customary form with the underwriter or underwriters selected by the Company, and (ii) sell the Holder's securities, if the Company so requests, on the same basis and upon the same terms as the other securities covered by such registration statement, other than securities proposed to be registered by the holders of the Preferred Stock (as defined below), and provided that if the number of shares requested by the Holder to be registered in such offering exceeds the amount of shares which the underwriters reasonably believe is compatible with the success of such underwritten offering, the Company shall only be required to include in such offering that number of shares requested to be registered by the Holder as the underwriters believe will not jeopardize the success of such offering, provided, however that any such decrease in the number of shares sought to be registered by the Holder shall occur on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; (b) if the number of shares the Company is able to register is limited due to Rule 415 or other SEC shelf registration rules, the Company shall only be required to register the Warrant Shares the Holder elects to include on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; and (c) the Company may withdraw any such registration statement before it becomes effective or postpone the offering of securities contemplated by such registration statement without any obligation to the Holder or any other holder. The Company shall have exclusive control over the preparation and filing of any registration statement proposed to be filed under this Section 6 as well as any amendments and supplements thereto and the withdrawal or revocation thereof. The Company's obligations pursuant to this Section 6 are subject to the Holder's cooperation with respect to any such proposed registration, including but not limited to the provision of such information as may reasonably be requested by the Company, the underwriter(s) or any other authorized parties and the execution and delivery of such agreements (including indemnification and contribution agreements), instruments and documents as may be reasonably requested thereby, and the Holder's compliance with all applicable laws. The Company shall pay all reasonable expenses incurred in connection with the registration contemplated hereby, including without limitation registration and filing fees, printing expenses, and fees and expenses of counsel for the Company. Notwithstanding the foregoing, underwriting discounts and commissions and transfer taxes relating to the Holder's registered securities included in any registration hereunder, and all fees and expenses for counsel to the Holder, shall be borne and paid by the Holder. The registration rights and other rights granted in this Section 6 are not assignable, in whole or in part, without the prior written consent of the Company. Notwithstanding anything to the contrary set forth herein, the Holder hereby expressly agrees and acknowledges that any registration rights of the Holder hereunder are subordinate to those of the holders of the Company's 10% (PIK) Series A Preferred Stock and the Company's 10% (PIK) Series B Preferred Stock (together, the "Preferred Stock") and warrants issued to such holders in connection with the purchase and sale of the Preferred Stock.

7. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by (a) the party against which enforcement of the same is sought or (b) the Company and the holders of at least a majority of the number of shares into which all Warrants issued in connection with the Bridge Offering are exercisable (without regard to any limitation contained herein or otherwise on such exercise), it being understood that upon the satisfaction of the conditions described in (a) and (b) above, each Warrant (including any Warrant held by the Holder who did not execute the agreement specified in (b) above) shall be deemed to incorporate any amendment, modification, change or waiver effected thereby as of the effective date thereof. Notwithstanding the foregoing, no modification to this Section 7 will be effective against any Holder without such Holder's consent.

8. Transfer; Legends.

(a) The Holder may sell, transfer, assign, pledge or otherwise dispose of this Warrant or the Warrant Shares, in whole or in part, so long as such sale or other disposition is made pursuant to an effective registration statement or an exemption from the registration requirements of the Act and applicable state securities laws and compliance with Section 5.3 above, and provided that no sale, transfer, pledge or other disposition may be made to a competitor, direct or indirect, of the Company at any time. Upon such transfer or other disposition (other than a pledge), the Holder shall deliver this Warrant to the Company together with a written notice to the Company, substantially in the form of the transfer notice attached hereto as *Schedule B*, indicating the person or persons to whom this Warrant shall be transferred and, if less than all of this Warrant is transferred, the number of Warrant Shares to be covered by the part of this Warrant to be transferred to each such person. Within ten (10) business days of receiving a transfer notice and the original of this Warrant, the Company shall deliver to the each transferee designated by the Holder another Warrant(s) of like tenor and terms for the appropriate number of Warrant Shares and, if less than all this Warrant is transferred, shall deliver to the Holder another Warrant for the remaining number of Warrant Shares not so transferred. Until this Warrant is transferred on the books of the Company (with the Company's consent), the Company may treat the person in whose name this Warrant is issued as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

(b) Each Warrant and certificate representing Warrant Shares shall bear a legend substantially in the following form:

“THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.”

The foregoing legend shall be removed from the certificates representing any Warrant Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144 under the Act.

9. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given upon (a) personal delivery, against written receipt thereof, (b) delivery via facsimile with written confirmation, (c) one business day after deposit with Federal Express or another nationally recognized overnight courier service, or (d) five business days after being mailed, postage paid, via certified or registered mail, return receipt requested, addressed to each of the other parties thereunto entitled, at the addresses set forth on in the introductory paragraph hereof or at such other addresses as a party may designate by 10 days advance written notice.

10. Binding Effect. This Warrant shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

11. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the State of Delaware.

12. Lost Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or bond reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of this Warrant, the Company, at its expense, will make and deliver a new Warrant, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant.

13. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. The Company shall, in lieu of issuing any fractional share, pay the Holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then-effective Market Price.

In Witness Whereof, the Company has caused this Warrant to be duly executed by its officers, thereunto duly authorized this _____ day of _____, 2007.

AskMeNow, Inc.,
a Delaware corporation

By: _____

Name: Darryl Cohen

Title: President and CEO

Address:

AskMeNow, Inc.

26 Executive Park, Suite 250

Irvine, CA 92614

Phone: (949)

861-2590

Fax: (949) 861-2591

E-mail: dcohen@askmenow.com

SCHEDULE A

EXERCISE NOTICE

Date: _____, _____

AskMeNow, Inc.

Attn: Chief Executive Officer

Ladies and Gentlemen:

The undersigned hereby elects to exercise the Warrant issued to it by AskMeNow, Inc. ("Company") dated _____, 2007, which Warrant shall be surrendered herewith, and pursuant to the terms thereof hereby elects to exercise rights represented by said Warrant for, and to purchase thereunder, _____ shares of the Company's Common Stock covered by said Warrant, at an Exercise Price of \$ _____ per share, and tender herewith payment of the purchase price in full for such shares of \$ _____, by:

- (a) cash, through the delivery of a certified or official bank check, or wire transfer or immediately available funds; or
- (b) exercising the Cashless Exercise right provided under Section 1.3 of the Warrant by the surrender of said Warrant.

The undersigned hereby requests that certificates for such shares (or any other securities or other property issuable upon such exercise) be issued in the name of and delivered to the undersigned at the address set forth below, or as otherwise set forth below.

Very truly yours,

Name:
Address:

SCHEDULE B

TRANSFER NOTICE

To Be Executed by the Holder
in Order to Assign Warrants

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (No. _____) with respect to the number of shares of Common Stock of AskMeNow, Inc. covered thereby set forth below unto:

<u>Name of Assignee</u>	<u>Address</u>	<u>No. of Shares</u>
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The undersigned hereby irrevocably constitutes and appoints the Chief Executive Officer of the Company as the undersigned's attorney to transfer the Warrant certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____ Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17A under the Securities Exchange Act of 1934, as amended.

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

2007-MB1

**WARRANT TO PURCHASE SHARES
OF THE COMMON STOCK OF**

ASKMENOW, INC.

(Void after Expiration Date - July 31, 2010)

Issue Date: July 31, 2007

This certifies that Michael S. Brown, Esq. an individual resident in the State of California with a principal business address c/o California Lawyers Group, LLP, 16601 Ventura Boulevard, Suite 204, Encino, CA 91436 (or any valid transferee thereof, the "Holder"), for value received, shall be entitled to purchase from AskMeNow, Inc., a Delaware corporation having its principal place of business at 26 Executive Park, Suite 250, Irvine, California 92614 (together with its successors and assigns, the "Company"), subject to the terms and conditions set forth herein, One Hundred Thousand (100,000) fully paid and non-assessable shares of the Company's common stock, par value \$.01 per share ("Common Stock"), at a price equal to \$.57 per share, at any time and from time to time commencing as of the issue date set forth above (the "Issue Date") and continuing up to and including 12:00 p.m. (California time) on July 31, 2010 ("Expiration Date"); provided, however, if such date is not a Business Day, then on the Business Day immediately following such date. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter sometimes referred to as the "Warrant Shares" and the "Exercise Price," respectively.

The Holder expressly agrees and acknowledges that this Warrant is being issued in exchange and as consideration for the agreement of the Holder and California Lawyers Group, LLP ("CLG") to reduce by twenty percent (20.0%) the fees charged for legal services rendered to date and to be rendered after the Issue Date hereof by the Holder and CLG on the Company's behalf in connection with the IndyMacBank, F.S.B. litigation, such reduction hereafter to be reflected in invoices submitted by the Holder and/or CLG to the Company. In the event no such reduction is so reflected, this Warrant shall become immediately null and void and of no further force and effect, and the Company shall not be required to recognize any attempted exercise of this Warrant unless and until it has received such invoices evidencing such reduction.

1. Exercise; Issuance of Certificates; Payment for Shares.

1. General. This Warrant is exercisable upon the surrender to the Company at its principal place of business (or at such other location as the Company may advise the Holder in writing) of this Warrant properly endorsed with an exercise notice in substantially the form attached hereto as *Schedule A* duly completed and signed and, if applicable, upon payment in cash, certified or bank check or other immediately available funds of the aggregate Exercise Price for the number of Warrant Shares for which this Warrant is being exercised as determined in accordance with the provisions hereof. This Warrant is exercisable in whole or in part, in increments of 5,000 shares, and in no event shall any exercise hereof be for fewer than 5,000 Warrant Shares unless fewer than 5,000 Warrant Shares are then purchasable under this Warrant. In the case of the exercise for less than all of the Warrant Shares represented by this Warrant, the Company shall cancel this Warrant certificate upon the surrender hereof and shall execute and deliver a new Warrant certificate or certificates of like tenor for the balance of the Warrant Shares for which this Warrant has not yet been exercised. The Company agrees that the shares of Common Stock purchased under this Warrant shall be deemed to be issued to the Holder hereof, and the Holder deemed to be the record owner of such shares, as of immediately prior to the close of business on the date on which the exercise notice attached hereto as *Schedule A* is delivered, and this Warrant surrendered, to the Company as provided herein (such date, the “Exercise Date”). Certificates for the shares of Common Stock purchased upon exercise, together with any other securities or property to which the Holder is entitled upon such exercise, shall be delivered to the Holder by the Company at the Company’s expense within a reasonable time after the rights represented by this Warrant have been so exercised. Each Common Stock certificate so delivered shall be in such denominations as may be requested by the Holder hereof and shall be registered on the Company’s books in the name(s) designated by such Holder.

1.2 Exercise for Cash. This Warrant may be exercised, in whole at any time or in part from time to time, commencing on the Issue Date and prior to 12:00 Noon (California time) on the Expiration Date, for cash by delivery of the exercise notice attached hereto as *Schedule A* and surrender of this Warrant to the Company, together with proper payment of the aggregate Exercise Price payable hereunder for the Warrant Shares being purchased upon such exercise for cash. Payment for the Warrant Shares shall be made by cash, certified or bank check or wire transfer of immediately available funds to the Company. If this Warrant is exercised for cash in part, this Warrant must be exercised for a number of whole shares of the Common Stock, and the Holder is entitled to receive a new Warrant covering the shares for which this Warrant has not yet been exercised, in accordance with Section 1.1 above. Upon surrender of this Warrant and payment in full of the aggregate Exercise Price for the Warrant Shares then being purchased upon such exercise for cash, the Company will issue a certificate or certificates in the name of the Holder for the largest number of whole shares of the Common Stock to which the Holder shall be entitled, and deliver the other securities and properties receivable upon the exercise of this Warrant, or the proportionate part thereof if this Warrant is exercised in part, pursuant to the provisions of this Warrant, in accordance with Section 1.1 above.

1.3 Cashless Exercise. In lieu of exercising this Warrant for cash as set forth in Section 1.2 above, the Holder may at any time and from time to time elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or portion thereof) through a cashless exercise (a “Cashless Exercise”), as hereinafter provided. The Holder may effect a Cashless Exercise by surrendering this Warrant to the Company and noting on the Holder’s duly executed exercise notice attached hereto as *Schedule A* that the Holder wishes to effect a Cashless Exercise, upon which the Company shall issue to the Holder the number of shares determined as follows:

$$X = Y * (A-B) / A$$

where:

X = the number of Warrant Shares to be issued to the Holder upon the Cashless Exercise;

Y = the number of Warrant Shares with respect to which this Warrant is being exercised;

A = the Market Price (as defined below) of one share of Common Stock as of the Exercise Date; and

B = the Exercise Price (as adjusted, if applicable).

“Market Price” means, for any date, the average of the daily Closing Prices per share of Common Stock for the 10 consecutive trading days immediately prior to such date. The “Closing Price” per share of Common Stock for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the “Over the Counter Market” (“OTC BB”), the NASDAQ National Market System, the New York Stock Exchange or the American Stock Exchange, as applicable. If on any such trading day or days such securities are not quoted by any such organization, such trading day or days shall be replaced for purposes of the foregoing calculation by the requisite trading day or days preceding the commencement of such 10 trading day period on which such securities are so quoted. If shares of Common Stock are not so listed or traded, the Market Price shall mean the fair value per share of Common Stock as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a notice to the Holder, based on (a) the most recently completed arm’s-length transaction between the Company and a person other than an existing shareholder or other affiliate of the Company, the closing of which occurred on such date or within the three-month period preceding such date, or (b) if no such transaction shall have occurred on such date or within such three-month period, the good faith reasonable judgment of the Board of Directors.

For purposes of Rule 144, it is intended and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares required by Rule 144 shall be deemed to have been commenced, on the Issue Date.

1.4 Shares to be Fully Paid; Reservation of Shares. The Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any shareholder and free of all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that, during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Common Stock when and as required to provide for the exercise of the rights represented by this Warrant. The Company will take all such action as may be reasonably necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock or other securities may be listed; provided, however, that the Company shall not be required to effect a registration under federal or state securities laws with respect to any exercise hereunder.

2. Determination or Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of Warrant Shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 2. Upon each adjustment of the Exercise Price, the Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

2.1 Subdivision or Combination of Common Stock. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the Company shall subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined or reclassified into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this Subsection 2.1 shall become effective at the close of business on the date the subdivision or combination becomes effective.

2. Dividends in Common Stock or Other Stock or Securities. If at any time or from time to time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor, shares of Common Stock or any shares of capital stock or other securities which are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, then and in each such case, the Holder shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock or other capital stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities which such Holder would hold on the date of such exercise had the Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities.

2. Reorganization, Reclassification, Consolidation, Merger or Sale. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an “Organic Change”), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right, upon exercise of this Warrant, to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof.

2. No Adjustments in Certain Cases. No adjustment in the number of Warrant Shares purchasable pursuant to this Warrant shall be required unless the adjustment would require an increase or decrease of at least one percent (1.0%) in the number of Warrant Shares then purchasable upon the exercise of this Warrant. Except as provided in this Section 2, no other adjustments in the number, kind or price of shares constituting Warrant Shares shall be made during the term, or upon the exercise, of this Warrant. Further, no adjustments shall be made pursuant to this Section 2 hereof in connection with the grant or exercise of presently authorized or outstanding options to purchase, or the issuance of shares of Common Stock under, the Company’s director or employee benefit, option and incentive plans.

3. Issue Tax. The issuance of certificates for shares of Common Stock issuable upon the exercise of this Warrant shall be made without charge to the Holder for any issue tax (other than any applicable income taxes) in respect thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer of this Warrant or any Warrant Shares.

4. No Voting or Dividend Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof the right to vote, give consent or receive notices as a shareholder of the Company. No dividends or interest shall be payable or accrued in respect of this Warrant, the interest represented hereby, or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised. No provisions hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by its creditors.

5. Piggyback Registration Rights. If, at any time during the three-year period commencing on the date hereof, the Company proposes or is required to file a registration statement registering any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than on Form S-4 or Form S-8, or such other forms as the U.S. Securities and Exchange Commission may hereafter promulgate for registration of securities in transactions for which Form S-4 or Form S-8 may be used as of the date hereof), whether or not for its own account, the Company shall give at least 20 days prior written notice to the Holder of its intention to do so. Upon written request by the Holder within 10 days after receipt of such notice, the Company shall use its commercially reasonable efforts to include in the securities to be registered by such registration statement all Warrant Shares that the Holder indicates in such notice that the Holder desires to sell, subject to the following terms and conditions: (a) if such registration statement is for a prospective underwritten offering, the Holder shall agree to (i) enter into an underwriting agreement, if required, in customary form with the underwriter or underwriters selected by the Company, and (ii) sell the Holder's securities, if the Company so requests, on the same basis and upon the same terms as the other securities covered by such registration statement, other than securities proposed to be registered by the holders of the Preferred Stock (as defined below), and provided that if the number of shares requested by the Holder to be registered in such offering exceeds the amount of shares which the underwriters reasonably believe is compatible with the success of such underwritten offering, the Company shall only be required to include in such offering that number of shares requested to be registered by the Holder as the underwriters believe will not jeopardize the success of such offering, (b) if the number of shares the Company is able to register is limited due to Rule 415 or other SEC shelf registration rules, the Company shall only be required to register the Warrant Shares the Holder elects to include on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; and (c) the Company may withdraw any such registration statement before it becomes effective or postpone the offering of securities contemplated by such registration statement without any obligation to the Holder or any other holder. The Company shall have exclusive control over the preparation and filing of any registration statement proposed to be filed under this Section 5 as well as any amendments and supplements thereto and the withdrawal or revocation thereof. The Company's obligations pursuant to this Section 5 are subject to the Holder's cooperation with respect to any such proposed registration, including but not limited to the provision of such information as may reasonably be requested by the Company, the underwriter(s) or any other authorized parties and the execution and delivery of such agreements (including indemnification and contribution agreements), instruments and documents as may be reasonably requested thereby, and the Holder's compliance with all applicable laws. The Company shall pay all reasonable expenses incurred in connection with the registration contemplated hereby, including without limitation registration and filing fees, printing expenses, and fees and expenses of counsel for the Company. Notwithstanding the foregoing, underwriting discounts and commissions and transfer taxes relating to the Holder's registered securities included in any registration hereunder, and all fees and expenses for counsel to the Holder, shall be borne and paid by the Holder. The registration rights and other rights granted in this Section 5 are not assignable, in whole or in part, without the prior written consent of the Company. Notwithstanding anything to the contrary set forth herein, the Holder hereby expressly agrees and acknowledges that any registration rights of the Holder hereunder are subordinate to those of the holders of the Company's 10% (PIK) Series A Preferred Stock and the Company's 10% (PIK) Series B Preferred Stock (together, the "Preferred Stock") and warrants issued to such holders in connection with the purchase and sale of the Preferred Stock.

6. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

7. Transfer; Legends.

(a) The Holder may sell, transfer, assign, pledge or otherwise dispose of this Warrant or the Warrant Shares, in whole or in part, so long as such sale or other disposition is made pursuant to an effective registration statement or an exemption from the registration requirements of the Act and applicable state securities laws, and provided that no sale, transfer, pledge or other disposition may be made to a competitor, direct or indirect, of the Company at any time. Upon such transfer or other disposition (other than a pledge), the Holder shall deliver this Warrant to the Company together with a written notice to the Company, substantially in the form of the transfer notice attached hereto as *Schedule B*, indicating the person or persons to whom this Warrant shall be transferred and, if less than all of this Warrant is transferred, the number of Warrant Shares to be covered by the part of this Warrant to be transferred to each such person. Within ten (10) business days of receiving a transfer notice and the original of this Warrant, the Company shall deliver to the each transferee designated by the Holder another Warrant(s) of like tenor and terms for the appropriate number of Warrant Shares and, if less than all this Warrant is transferred, shall deliver to the Holder another Warrant for the remaining number of Warrant Shares not so transferred. Until this Warrant is transferred on the books of the Company (with the Company's consent), the Company may treat the person in whose name this Warrant is issued as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

(b) Each Warrant and certificate representing Warrant Shares shall bear a legend substantially in the following form:

“THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.”

The foregoing legend shall be removed from the certificates representing any Warrant Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144 under the Act.

8. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given upon (a) personal delivery, against written receipt thereof, (b) delivery via facsimile with written confirmation, (c) one business day after deposit with Federal Express or another nationally recognized overnight courier service, or (d) five business days after being mailed, postage paid, via certified or registered mail, return receipt requested, addressed to each of the other parties thereunto entitled, at the addresses set forth on in the introductory paragraph hereof or at such other addresses as a party may designate by 10 days advance written notice.

9. Binding Effect. This Warrant shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

10. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the State of Delaware.

11. Lost Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or bond reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of this Warrant, the Company, at its expense, will make and deliver a new Warrant, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant.

12. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. The Company shall, in lieu of issuing any fractional share, pay the Holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then-effective Market Price.

In Witness Whereof, the Company has caused this Warrant to be duly executed by its officers, thereunto duly authorized this ____ day of September, 2007.

AskMeNow, Inc.,
a Delaware corporation

By: _____

Name: Darryl Cohen

Title: President and CEO

Address:

AskMeNow, Inc.

26 Executive Park, Suite 250

Irvine, CA 92614

Phone: (949) 861-2590

Fax: (949) 861-2591

E-mail: dcohen@askmenow.com

SCHEDULE A

EXERCISE NOTICE

Date: _____, _____

AskMeNow, Inc.
Attn: Chief Executive Officer

Ladies and Gentlemen:

The undersigned hereby elects to exercise the Warrant issued to it by AskMeNow, Inc. ("Company") dated _____, 2007, with Warrant shall be surrendered herewith, and pursuant to the terms thereof hereby elects to exercise rights represented by said Warrant for, and to purchase thereunder, _____ shares of the Company's Common Stock covered by said Warrant, at an Exercise Price of \$____ per share, and tender herewith payment of the purchase price in full for such shares of \$____, by:

- (a) cash, through the delivery of a certified or official bank check, or wire transfer or immediately available funds; or
- (b) exercising the Cashless Exercise right provided under Section 1.3 of the Warrant by the surrender of said Warrant.

The undersigned hereby requests that certificates for such shares (or any other securities or other property issuable upon such exercise) be issued in the name of and delivered to the undersigned at the address set forth below, or as otherwise set forth below.

Very truly yours,

Name:
Address:

SCHEDULE B

TRANSFER NOTICE

To Be Executed by the Holder
in Order to Assign Warrants

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (No. ____) with respect to the number of shares of Common Stock of AskMeNow, Inc. covered thereby set forth below unto:

Name of Assignee	Address	No. of Shares
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The undersigned hereby irrevocably constitutes and appoints the Chief Executive Officer of the Company as the undersigned's attorney to transfer the Warrant certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17A under the Securities Exchange Act of 1934, as amended.

THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.

2007-PN1

**WARRANT TO PURCHASE SHARES
OF THE COMMON STOCK OF**

ASKMENOW, INC.

(Void after Expiration Date - September 11, 2010)

Issue Date: September 11, 2007

This certifies that Phillips Nizer LLP, a New York limited liability partnership with a principal business address of 666 Fifth Avenue, New York, New York 10103 (or any valid transferee thereof, the "Holder"), for value received, shall be entitled to purchase from AskMeNow, Inc., a Delaware corporation having its principal place of business at 26 Executive Park, Suite 250, Irvine, California 92614 (together with its successors and assigns, the "Company"), subject to the terms and conditions set forth herein, Fifty Thousand (50,000) fully paid and non-assessable shares of the Company's common stock, par value \$.01 per share ("Common Stock"), at a price equal to \$.50 per share, at any time and from time to time commencing as of the issue date set forth above (the "Issue Date") and continuing up to and including 12:00 p.m. (California time) on September 11, 2010 ("Expiration Date"); provided, however, if such date is not a Business Day, then on the Business Day immediately following such date. The shares purchasable upon exercise of this Warrant, and the purchase price per share, each as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter sometimes referred to as the "Warrant Shares" and the "Exercise Price," respectively.

The Holder expressly agrees and acknowledges that this Warrant is being issued in exchange and as consideration for the Holder's agreement to reduce the amount of legal fees currently due and owing by the Company to the Holder for legal services rendered by the Holder on the Company's behalf by ten percent (10%), such reduction to be reflected in the next invoice submitted by the Holder to the Company. In the event no such reduction is so reflected, this Warrant shall become immediately null and void and of no further force and effect, and the Company shall not be required to recognize any attempted exercise of this Warrant unless and until it has received such invoice evidencing such reduction.

1. Exercise; Issuance of Certificates; Payment for Shares.

1. General. This Warrant is exercisable upon the surrender to the Company at its principal place of business (or at such other location as the Company may advise the Holder in writing) of this Warrant properly endorsed with an exercise notice in substantially the form attached hereto as *Schedule A* duly completed and signed and, if applicable, upon payment in cash, certified or bank check or other immediately available funds of the aggregate Exercise Price for the number of Warrant Shares for which this Warrant is being exercised as determined in accordance with the provisions hereof. This Warrant is exercisable in whole or in part, in increments of 5,000 shares, and in no event shall any exercise hereof be for fewer than 5,000 Warrant Shares unless fewer than 5,000 Warrant Shares are then purchasable under this Warrant. In the case of the exercise for less than all of the Warrant Shares represented by this Warrant, the Company shall cancel this Warrant certificate upon the surrender hereof and shall execute and deliver a new Warrant certificate or certificates of like tenor for the balance of the Warrant Shares for which this Warrant has not yet been exercised. The Company agrees that the shares of Common Stock purchased under this Warrant shall be deemed to be issued to the Holder hereof, and the Holder deemed to be the record owner of such shares, as of immediately prior to the close of business on the date on which the exercise notice attached hereto as *Schedule A* is delivered, and this Warrant surrendered, to the Company as provided herein (such date, the “Exercise Date”). Certificates for the shares of Common Stock purchased upon exercise, together with any other securities or property to which the Holder is entitled upon such exercise, shall be delivered to the Holder by the Company at the Company’s expense within a reasonable time after the rights represented by this Warrant have been so exercised. Each Common Stock certificate so delivered shall be in such denominations as may be requested by the Holder hereof and shall be registered on the Company’s books in the name(s) designated by such Holder.

1.2 Exercise for Cash. This Warrant may be exercised, in whole at any time or in part from time to time, commencing on the Issue Date and prior to 12:00 Noon (California time) on the Expiration Date, for cash by delivery of the exercise notice attached hereto as *Schedule A* and surrender of this Warrant to the Company, together with proper payment of the aggregate Exercise Price payable hereunder for the Warrant Shares being purchased upon such exercise for cash. Payment for the Warrant Shares shall be made by cash, certified or bank check or wire transfer of immediately available funds to the Company. If this Warrant is exercised for cash in part, this Warrant must be exercised for a number of whole shares of the Common Stock, and the Holder is entitled to receive a new Warrant covering the shares for which this Warrant has not yet been exercised, in accordance with Section 1.1 above. Upon surrender of this Warrant and payment in full of the aggregate Exercise Price for the Warrant Shares then being purchased upon such exercise for cash, the Company will issue a certificate or certificates in the name of the Holder for the largest number of whole shares of the Common Stock to which the Holder shall be entitled, and deliver the other securities and properties receivable upon the exercise of this Warrant, or the proportionate part thereof if this Warrant is exercised in part, pursuant to the provisions of this Warrant, in accordance with Section 1.1 above.

1.3 Cashless Exercise. In lieu of exercising this Warrant for cash as set forth in Section 1.2 above, the Holder may at any time and from time to time elect to receive, without the payment by the Holder of any additional consideration, shares of Common Stock equal to the value of this Warrant (or portion thereof) through a cashless exercise (a “Cashless Exercise”), as hereinafter provided. The Holder may effect a Cashless Exercise by surrendering this Warrant to the Company and noting on the Holder’s duly executed exercise notice attached hereto as *Schedule A* that the Holder wishes to effect a Cashless Exercise, upon which the Company shall issue to the Holder the number of shares determined as follows:

$$X = Y * (A-B) / A$$

where:

X = the number of Warrant Shares to be issued to the Holder upon the Cashless Exercise;

Y = the number of Warrant Shares with respect to which this Warrant is being exercised;

A = the Market Price (as defined below) of one share of Common Stock as of the Exercise Date; and

B = the Exercise Price (as adjusted, if applicable).

“Market Price” means, for any date, the average of the daily Closing Prices per share of Common Stock for the 10 consecutive trading days immediately prior to such date. The “Closing Price” per share of Common Stock for each day shall be the last sale price, regular way, or, in case no such sale takes place on such day, the average closing bid and asked prices, regular way, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the “Over the Counter Market” (“OTC BB”), the NASDAQ National Market System, the New York Stock Exchange or the American Stock Exchange, as applicable. If on any such trading day or days such securities are not quoted by any such organization, such trading day or days shall be replaced for purposes of the foregoing calculation by the requisite trading day or days preceding the commencement of such 10 trading day period on which such securities are so quoted. If shares of Common Stock are not so listed or traded, the Market Price shall mean the fair value per share of Common Stock as determined in good faith by the Board of Directors of the Company, whose determination shall be described in a notice to the Holder, based on (a) the most recently completed arm’s-length transaction between the Company and a person other than an existing shareholder or other affiliate of the Company, the closing of which occurred on such date or within the three-month period preceding such date, or (b) if no such transaction shall have occurred on such date or within such three-month period, the good faith reasonable judgment of the Board of Directors.

For purposes of Rule 144, it is intended and acknowledged that the Warrant Shares issued in a Cashless Exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares required by Rule 144 shall be deemed to have been commenced, on the Issue Date.

1.4 Shares to be Fully Paid; Reservation of Shares. The Company covenants and agrees that all shares of Common Stock which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and nonassessable and free from all preemptive rights of any shareholder and free of all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that, during the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved, for the purpose of issue or transfer upon exercise of the subscription rights evidenced by this Warrant, a sufficient number of shares of authorized but unissued Common Stock when and as required to provide for the exercise of the rights represented by this Warrant. The Company will take all such action as may be reasonably necessary to assure that such shares of Common Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any domestic securities exchange upon which the Common Stock or other securities may be listed; provided, however, that the Company shall not be required to effect a registration under federal or state securities laws with respect to any exercise hereunder.

2. Determination or Adjustment of Exercise Price and Number of Shares. The Exercise Price and the number of Warrant Shares purchasable upon the exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 2. Upon each adjustment of the Exercise Price, the Holder of this Warrant shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from such adjustment.

2.1 Subdivision or Combination of Common Stock. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the Company shall subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision shall be proportionately reduced, and conversely, in case the outstanding shares of Common Stock of the Company shall be combined or reclassified into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall be proportionately increased. Any adjustment under this Subsection 2.1 shall become effective at the close of business on the date the subdivision or combination becomes effective.

2. Dividends in Common Stock or Other Stock or Securities. If at any time or from time to time after the Issue Date hereof and prior to the exercise or Expiration Date hereof the holders of Common Stock (or any shares of stock or other securities at the time receivable upon the exercise of this Warrant) shall have received or become entitled to receive, without payment therefor, shares of Common Stock or any shares of capital stock or other securities which are at any time directly or indirectly convertible into or exchangeable for Common Stock, or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, then and in each such case, the Holder shall, upon the exercise of this Warrant, be entitled to receive, in addition to the number of shares of Common Stock or other capital stock receivable thereupon, and without payment of any additional consideration therefor, the amount of stock and other securities which such Holder would hold on the date of such exercise had the Holder been the holder of record of such Common Stock as of the date on which holders of Common Stock received or became entitled to receive such shares or all other additional stock and other securities.

2. Reorganization, Reclassification, Consolidation, Merger or Sale. If at any time after the Issue Date hereof and prior to the exercise or Expiration Date hereof any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction shall be effected in such a way that holders of Common Stock shall be entitled to receive stock, securities, or other assets or property (an “Organic Change”), then, as a condition of such Organic Change, lawful and adequate provisions shall be made by the Company whereby the Holder hereof shall thereafter have the right, upon exercise of this Warrant, to purchase and receive (in lieu of the shares of the Common Stock of the Company immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant) such shares of stock, securities or other assets or property as may be issued or payable with respect to or in exchange for a number of outstanding shares of such Common Stock equal to the number of shares of such stock immediately theretofore purchasable and receivable upon the exercise of the rights represented by this Warrant. In the event of any Organic Change, appropriate provision shall be made by the Company with respect to the rights and interests of the Holder of this Warrant to the end that the provisions hereof (including, without limitation, provisions for adjustments of the Exercise Price and of the number of shares purchasable and receivable upon the exercise of this Warrant) shall thereafter be applicable, in relation to any shares of stock, securities or assets thereafter deliverable upon the exercise hereof.

2. No Adjustments in Certain Cases. No adjustment in the number of Warrant Shares purchasable pursuant to this Warrant shall be required unless the adjustment would require an increase or decrease of at least one percent (1.0%) in the number of Warrant Shares then purchasable upon the exercise of this Warrant. Except as provided in this Section 2, no other adjustments in the number, kind or price of shares constituting Warrant Shares shall be made during the term, or upon the exercise, of this Warrant. Further, no adjustments shall be made pursuant to this Section 2 hereof in connection with the grant or exercise of presently authorized or outstanding options to purchase, or the issuance of shares of Common Stock under, the Company’s director or employee benefit, option and incentive plans.

3. Issue Tax. The issuance of certificates for shares of Common Stock issuable upon the exercise of this Warrant shall be made without charge to the Holder for any issue tax (other than any applicable income taxes) in respect thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer of this Warrant or any Warrant Shares.

4. No Voting or Dividend Rights; Limitation of Liability. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof the right to vote, give consent or receive notices as a shareholder of the Company. No dividends or interest shall be payable or accrued in respect of this Warrant, the interest represented hereby, or the shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised. No provisions hereof, in the absence of affirmative action by the Holder to purchase shares of Common Stock, and no mere enumeration herein of the rights or privileges of the Holder hereof, shall give rise to any liability of such Holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by its creditors.

5. Piggyback Registration Rights. If, at any time during the three-year period commencing on the date hereof, the Company proposes or is required to file a registration statement registering any shares of Common Stock or securities convertible into or exchangeable for Common Stock (other than on Form S-4 or Form S-8, or such other forms as the U.S. Securities and Exchange Commission may hereafter promulgate for registration of securities in transactions for which Form S-4 or Form S-8 may be used as of the date hereof), whether or not for its own account, the Company shall give at least 20 days prior written notice to the Holder of its intention to do so. Upon written request by the Holder within 10 days after receipt of such notice, the Company shall use its commercially reasonable efforts to include in the securities to be registered by such registration statement all Warrant Shares that the Holder indicates in such notice that the Holder desires to sell, subject to the following terms and conditions: (a) if such registration statement is for a prospective underwritten offering, the Holder shall agree to (i) enter into an underwriting agreement, if required, in customary form with the underwriter or underwriters selected by the Company, and (ii) sell the Holder's securities, if the Company so requests, on the same basis and upon the same terms as the other securities covered by such registration statement, other than securities proposed to be registered by the holders of the Preferred Stock (as defined below), and provided that if the number of shares requested by the Holder to be registered in such offering exceeds the amount of shares which the underwriters reasonably believe is compatible with the success of such underwritten offering, the Company shall only be required to include in such offering that number of shares requested to be registered by the Holder as the underwriters believe will not jeopardize the success of such offering, (b) if the number of shares the Company is able to register is limited due to Rule 415 or other SEC shelf registration rules, the Company shall only be required to register the Warrant Shares the Holder elects to include on a *pari passu* basis with the other shares being registered, other than any shares proposed to be registered by the holders of the Preferred Stock; and (c) the Company may withdraw any such registration statement before it becomes effective or postpone the offering of securities contemplated by such registration statement without any obligation to the Holder or any other holder. The Company shall have exclusive control over the preparation and filing of any registration statement proposed to be filed under this Section 5 as well as any amendments and supplements thereto and the withdrawal or revocation thereof. The Company's obligations pursuant to this Section 5 are subject to the Holder's cooperation with respect to any such proposed registration, including but not limited to the provision of such information as may reasonably be requested by the Company, the underwriter(s) or any other authorized parties and the execution and delivery of such agreements (including indemnification and contribution agreements), instruments and documents as may be reasonably requested thereby, and the Holder's compliance with all applicable laws. The Company shall pay all reasonable expenses incurred in connection with the registration contemplated hereby, including without limitation registration and filing fees, printing expenses, and fees and expenses of counsel for the Company. Notwithstanding the foregoing, underwriting discounts and commissions and transfer taxes relating to the Holder's registered securities included in any registration hereunder, and all fees and expenses for counsel to the Holder, shall be borne and paid by the Holder. The registration rights and other rights granted in this Section 5 are not assignable, in whole or in part, without the prior written consent of the Company. Notwithstanding anything to the contrary set forth herein, the Holder hereby expressly agrees and acknowledges that any registration rights of the Holder hereunder are subordinate to those of the holders of the Company's 10% (PIK) Series A Preferred Stock and the Company's 10% (PIK) Series B Preferred Stock (together, the "Preferred Stock") and warrants issued to such holders in connection with the purchase and sale of the Preferred Stock.

6. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

7. Transfer; Legends.

(a) The Holder may sell, transfer, assign, pledge or otherwise dispose of this Warrant or the Warrant Shares, in whole or in part, so long as such sale or other disposition is made pursuant to an effective registration statement or an exemption from the registration requirements of the Act and applicable state securities laws, and provided that no sale, transfer, pledge or other disposition may be made to a competitor, direct or indirect, of the Company at any time. Upon such transfer or other disposition (other than a pledge), the Holder shall deliver this Warrant to the Company together with a written notice to the Company, substantially in the form of the transfer notice attached hereto as *Schedule B*, indicating the person or persons to whom this Warrant shall be transferred and, if less than all of this Warrant is transferred, the number of Warrant Shares to be covered by the part of this Warrant to be transferred to each such person. Within ten (10) business days of receiving a transfer notice and the original of this Warrant, the Company shall deliver to the each transferee designated by the Holder another Warrant(s) of like tenor and terms for the appropriate number of Warrant Shares and, if less than all this Warrant is transferred, shall deliver to the Holder another Warrant for the remaining number of Warrant Shares not so transferred. Until this Warrant is transferred on the books of the Company (with the Company's consent), the Company may treat the person in whose name this Warrant is issued as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary.

(b) Each Warrant and certificate representing Warrant Shares shall bear a legend substantially in the following form:

“THIS WARRANT AND THE SHARES OF COMMON STOCK ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”) OR ANY STATE SECURITIES LAWS. THIS WARRANT AND SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, OR OTHERWISE TRANSFERRED UNLESS AND UNTIL REGISTERED UNDER SAID ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR UPON RECEIPT BY THE COMPANY OF AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED.”

The foregoing legend shall be removed from the certificates representing any Warrant Shares, at the request of the holder thereof, at such time as they become eligible for resale pursuant to Rule 144 under the Act.

8. Notices. Any notice required or permitted hereunder shall be given in writing (unless otherwise specified herein) and shall be deemed effectively given upon (a) personal delivery, against written receipt thereof, (b) delivery via facsimile with written confirmation, (c) one business day after deposit with Federal Express or another nationally recognized overnight courier service, or (d) five business days after being mailed, postage paid, via certified or registered mail, return receipt requested, addressed to each of the other parties thereunto entitled, at the addresses set forth on in the introductory paragraph hereof or at such other addresses as a party may designate by 10 days advance written notice.

9. Binding Effect. This Warrant shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

10. Descriptive Headings and Governing Law. The descriptive headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by the laws of the State of Delaware.

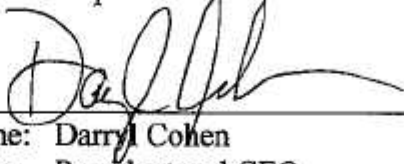
11. Lost Warrants. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon receipt of an indemnity agreement or bond reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of this Warrant, the Company, at its expense, will make and deliver a new Warrant, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant.

12. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. The Company shall, in lieu of issuing any fractional share, pay the Holder entitled to such fraction a sum in cash equal to such fraction multiplied by the then-effective Market Price.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its officers, thereunto duly authorized this 11th day of September, 2007.

AskMeNow, Inc.,
a Delaware corporation

By: _____


Name: Darryl Cohen
Title: President and CEO

Address:
AskMeNow, Inc.
26 Executive Park, Suite 250
Irvine, CA 92614
Phone: (949) 861-2590
Fax: (949) 861-2591
E-mail:



SCHEDULE A

EXERCISE NOTICE

Date: _____, _____

AskMeNow, Inc.
Attn: Chief Executive Officer

Ladies and Gentlemen:

The undersigned hereby elects to exercise the Warrant issued to it by AskMeNow, Inc. ("Company") dated _____, 2007, which Warrant shall be surrendered herewith, and pursuant to the terms thereof hereby elects to exercise rights represented by said Warrant for, and to purchase thereunder, _____ shares of the Company's Common Stock covered by said Warrant, at an Exercise Price of \$ _____ per share, and tender herewith payment of the purchase price in full for such shares of \$ _____, by:

_____ (a) cash, through the delivery of a certified or official bank check, or wire transfer or immediately available funds; or

_____ (b) exercising the Cashless Exercise right provided under Section 1.3 of the Warrant by the surrender of said Warrant.

The undersigned hereby requests that certificates for such shares (or any other securities or other property issuable upon such exercise) be issued in the name of and delivered to the undersigned at the address set forth below, or as otherwise set forth below.

Very truly yours,

Name:

Address:

SCHEDULE B

TRANSFER NOTICE

To Be Executed by the Holder
in Order to Assign Warrants

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers all of the rights of the undersigned under the attached Warrant (No. ____) with respect to the number of shares of Common Stock of AskMeNow, Inc. covered thereby set forth below unto:

Name of Assignee	Address	No. of Shares
------------------	---------	---------------

The undersigned hereby irrevocably constitutes and appoints the Chief Executive Officer of the Company as the undersigned's attorney to transfer the Warrant certificate on the books of the Company, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed:

By: _____

The signature should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program) pursuant to Rule 17A under the Securities Exchange Act of 1934, as amended.

Exhibit 31.1

CERTIFICATION

I, Darryl Cohen, certify that:

1. I have reviewed this quarterly report on Form 10-QSB 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 report;
4. I am 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 my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me 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 and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (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; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of 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 information; 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: November 16, 2007

/s/ Darryl Cohen

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

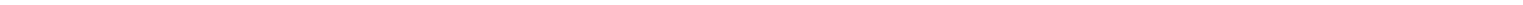


Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

I, Darryl Cohen, Chief Executive Officer and Chief Financial Officer of AskMeNow, Inc. (the “Company”), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(a) the Quarterly Report on Form 10-QSB of the Company for the quarter ended September 30, 2007 (the “Report”), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Dated: November 16, 2007

/s/ Darryl Cohen

Darryl Cohen,
Chief Executive Officer and
Chief Financial Officer