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ROAMING MESSENGER INC  
Form 10KSB  
October 13, 2005

FORM 10-KSB  
U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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

For the fiscal year ended: June 30, 2005

For the transition period from July 1, 2004 to June 30, 2005

Commission file number 0-13215

ROAMING MESSENGER, INC.  
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(Exact name of registrant as specified in its charter)

Nevada  
-----  
(State of Incorporation)

30-0050402  
-----  
(I.R.S. Employer Identification No.)

50 Castilian Dr. Suite A, Santa Barbara, California 93117  
-----

(Address of principal executive offices) (Zip Code)

(805) 683-7626  
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Registrant's telephone number, including area code

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

Title of Each Class	Name of Each Exchange On Which Registered
COMMON STOCK	OTC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. [X]

The aggregate market value of voting stock held by non-affiliates of the registrant was approximately \$8,575,058 as of September 30, 2005 (computed by reference to the last sale price of a share of the registrant's Common Stock on that date as reported by NASDAQ).

There were 181,917,092 shares outstanding of the registrant's Common Stock as of September 30, 2005.

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## PART I

### ITEM 1. BUSINESS

#### COMPANY HISTORY

Roaming Messenger, Inc. (the "Company") is a Nevada corporation formerly known as Latinocare Management Corporation ("LMC"). The Company originally incorporated in Colorado in July 1983. Effective April 1, 2003, the Company completed a Plan and Agreement of Reorganization with Warp 9, Inc., a Delaware corporation ("W9") and effective June 30, 2003, the Company completed a second Plan and Agreement of Reorganization with W9 (collectively the "Reorganization"). Pursuant to the Reorganization, LMC acquired all of the issued and outstanding common stock of W9 in exchange for approximately 131,026,173 newly issued shares of LMC common stock, W9 became a wholly owned subsidiary of LMC, and the shareholders of W9 became the controlling shareholders of LMC. Prior to its business combination with W9, LMC had no tangible assets and insignificant liabilities. Subsequent to the organization the Company changed its name to Roaming Messenger, Inc.

#### GENERAL

We are a software company and have developed a proprietary system that enables software programs and other business applications to connect to wired and wireless devices, such as cellular phones, computers and personal digital assistants. This system, known as the Roaming Messenger Platform, serves as a gateway to the mobile world for a variety of software programs and other business applications such as those used in emergency response, homeland security, logistics, healthcare and financial services.

The Roaming Messenger Platform allows applications to send out smart messages, or "messengers," to mobile devices. Unlike regular e-mail messages, these software messengers are encrypted, and have the ability to roam automatically

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among mobile devices, trying to get the attention of the user, confirm receipt, deliver interactive content, and transmit real-time responses back to the sending application. They also have the ability to move independently to alternative recipients in an organization's chain of command if the originally intended recipient does not respond in a timely fashion.

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For example, a software messenger may try to locate a person on his or her computer, and, if there is no response, move to that person's cellular phone, and subsequently move to that person's personal digital assistants. If still unanswered, the messenger will travel automatically to the next person with authority to act on the message, such as the superior of the originally intended recipient.

We have generated only minimal revenues from the Roaming Messenger Platform. To date, almost all of our revenues have been generated by Warp 9, Inc., our wholly-owned subsidiary, that offers web-based e-commerce software products and services to the catalog and direct marketing industry. However, in the future, we believe that a large majority of our revenues will come from the sale of our Roaming Messenger technology.

### ROAMING MESSENGER PRODUCT LINE

We offer a range of gateway servers configured to meet the various mobile communication demands of users and organizations. All the necessary Roaming Messenger software is pre-installed in the Gateway Appliances for instant integration and deployment. We also offer a hosted version of the Roaming Messenger system where customers can pay a monthly fee to access the capabilities of Roaming Messenger without large upfront fees.

The entire Roaming Messenger software suite is available for licensing to strategic VAR and OEM partners for creating customized or private labeled Roaming Messenger systems.

### APPLICATIONS FOR ROAMING MESSENGER

Emergency Response.

We believe that Roaming Messenger can be the mobile messaging extension for any Emergency Response Management system in automating the notification, authorization, and deployment of an Emergency Response Team. For example, a response team can be dynamically assembled by sending off a Roaming Messenger to the mobile devices of Emergency Managers, informing them of the situation and requesting authorization to deploy a Response Team. After receiving authorization, Roaming Messenger could then proceed to all selected Tier 1 First Responders, get their acknowledgment and also deliver the emergency incident report.

Security.

Roaming Messenger can be integrated with any security monitoring system to deliver real-time notification with actionable responses. Notifications regarding security breaches such as fire alarms, HVAC failures, motion sensors and restricted access can be enhanced by Roaming Messenger. Responsible personnel are presented with information regarding the breach, as well as actions such as informing law enforcement, turning on or off mechanisms to resolve the breach - all from mobile or desktop devices.

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### Military and Defense.

The battlefield is going hi-tech with the goal of enabling real-time command and control capabilities from the highest to the lowest tactical echelons. Roaming Messenger can be used for delivering situational awareness and command and control information to tactical personnel with wireless mobile devices. Roaming Messenger can facilitate a seamless flow of battle command information across the battle space by roaming from person to person.

### Healthcare.

Roaming Messenger can be deployed along side existing healthcare management systems to improve response time and patient satisfaction within a hospital.

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Patient requests or patient monitoring systems can alert appropriate nurses of problems or escalate accordingly to ensure timely response. When Roaming Messenger finds the nurse, the nurse accepts that task or delegates it to an appropriate aide. After the nurse's aide has resolved the patient request, Roaming Messenger can go back to the nurse, inform the nurse of the resolution and, if appropriate, log the incident into the hospital's central patient monitoring system. Communication processes at the doctor's level can also be automated in the same way.

### Real-time Enterprise.

The essence of a Real-time Enterprise is event-driven. When something happens, the people who care about it need to respond. As the workforce becomes increasingly mobile, Enterprise information systems need to be able to securely and efficiently contact them. Roaming Messenger is an ideal mobile extension to any Enterprise system by providing an intelligent message that can track down appropriate people and obtain approvals to push along the business process. Whether it is getting an invoice paid, ordering more parts for the production line or updating a customer management system, Roaming Messenger can be used as the mobile messaging component.

### Manufacturing.

For manufacturing businesses, reaching the right people at the right time and monitoring and assessing critical information from production lines and security systems can significantly reduce costs and improve employee safety. Roaming Messenger can be integrated to any manufacturing monitoring system to deliver actionable notifications regarding equipment failures, security breaches, chemical spills, and other critical events to responsible technicians, as well as keep plant managers informed of situation progress and resolution.

### Mobile Commerce.

Roaming Messenger can also facilitate mobile commerce transactions. For example, wireless mobile vending solutions today require the physical machine to have a dedicated Internet connection, which makes mass deployment very difficult and costly. Using Roaming Messenger, a purchase transaction can be completed with end-to-end security by allowing the vending machine to piggy-back on the Internet connection of the user's smart phone or PDA via a local Infrared or Bluetooth connection. Roaming Messenger can be initiated by the vending machine to the user's handheld device, request item and payment selections, interact with an Internet payment server, report inventory and status to a different

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server and return back to the vending machine to complete the transaction in real-time.

### MARKETING STRATEGY

We intend to enhance, promote and support the idea that Roaming Messenger is the most compelling and efficient solution available in the marketplace for mobile messaging. In order to create a favorable environment for sales, we plan to undertake advertising and promotion efforts. These efforts will be outsourced and will require the services of an advertising firm and public relations firm. We plan to interview various firms and select those most capable of assisting us with comprehensive advertising and promotion plans. We have recently commenced building out our marketing department staff to accelerate these efforts. We have not yet determined the potential costs of our marketing strategy.

We will continue to invest in small test campaigns before committing to large promotions or marketing campaigns. Our overall marketing strategy is a three pronged approach.

- o First, we will market to channel sales partners in our target markets. Channel partners are application developers and system integrators who we believe can benefit from integrating Roaming Messenger into their products or solutions to fulfill their mobile messaging requirements.
- o Second, we will execute direct marketing campaigns to potential end users of our technology and make them aware of the capabilities of our technology.

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- o Third, we will execute direct marketing campaigns to multiple market segments to see what other markets have an immediate interest for Roaming Messenger technology. Once a new market is determined to be a hot market, then we shall execute the First and Second prong of our three-pronged strategy on that new market.

### SALES STRATEGY

We currently have limited number of customers, which generate nominal revenue. We intend to aggressively promote the Roaming Messenger product in the United States. We intend to pursue international sales after establishing sales in the domestic marketplace. Our management has identified the following primary target market segments for the Roaming Messenger solution:

- o Homeland Security
- o Emergency Response, Public Health and Safety
- o Military and Defense
- o Enterprises
- o Wireless Carriers

### DISTRIBUTION CHANNELS

Roaming Messenger is a mobile messaging component with applications in many markets. We intend to sell and license the Roaming Messenger products to system integrators and application developers in markets such as Homeland Security, Emergency Response, Military and Enterprise Automation. We intend to sell Roaming Messenger through channel partners and value-added resellers (VARs) who are established in their respective vertical markets.

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### SOURCES OF REVENUE

Our management believes that most of our revenues will come from the licensing of our Roaming Messenger product, customer training and support, and software upgrades to application developers and system integrators.

We have decided to use a deployment pricing model for the gateway server version of Roaming Messenger based on the number of users enabled to send and receive Roaming Messengers. Customers will be asked to pay a one-time license fee for each user that is activated for Roaming Messenger communication. Customers will then be invited to subscribe to an ongoing service plan (optional) that would provide training, support, maintenance and software upgrades.

On the hosted, or subscription model, customers pay a monthly fee to us for access to a Roaming Messenger system hosted and managed by us. The monthly fee is assessed based on the number of users in the customer's Roaming Messenger deployment, and on monthly message volume. The hosted version of Roaming Messenger is in essence a messaging service infrastructure for applications that are integrated into it.

### PROPRIETARY TECHNOLOGY

Our intellectual property portfolio consists of the following patent applications, which are pending:

#### Self Contained Business Transaction Capsules

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A self-contained business transaction capsule, or eCapsule, is a small electronic capsule that contains all the necessary data and logic to complete a business transaction. The eCapsule is a "thin" and "lightweight" small computer-readable file that is device independent. The eCapsule allows a

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business, for example, to encapsulate an individual product or offer into an intelligent object that is capable of completing entire transactions. The eCapsule includes data about the product or service being provided, such as the product price, a textual description, or options of the product or service (a transaction description). The eCapsule also includes transaction logic or business logic capable of completing the transaction, such as billing and shipping information, order routing information, order status information, shipping status information, and any other transaction rules necessary to process the transaction. Moreover, the eCapsule is adapted to be broadcasted to, and stored on, a portable electronic device, such as a mobile wireless-enabled device, like a cellular telephone, a personal digital assistant (PDA) or a laptop computer. The application for this patent was filed on January 2, 2001.

#### Utilizing Mobile Devices as a Communication Proxy for Non-Connected Terminals

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This invention is a method and system in which terminals, appliances and machines without dedicated Internet connections can complete Internet based transactions by piggy-backing on the connection of the user's handheld device. An example of an application of this invention is a vending machine that can conduct electronic wireless payments without having an internal wireless device that communicates with a server on the Internet. Existing solutions require the vending machine to be equipped with an internal cell phone. Using this invention, the vending machine can communicate with the consumer's handheld device via Infrared or Bluetooth and simply uses the handheld device as the

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conduit to the Internet for remote payment processing. This invention also covers many other applications including secured doorways, factory floors and smart data acquisition sensors. The application for this patent was filed on February 21, 2002.

A Method of and System for Transmitting a Mobile Agent for Instruction Execution  
-----

This invention relates to transmitting a mobile agent for executing programmable instructions and, more particularly, to transmitting a virtual machine in a mobile agent to assist instruction execution. This patent application discloses the actual system implementation of the Roaming Messenger platform using a mobile agent approach. The application for this patent was filed on December 7, 2004.

A Method of and Instruction Set for Executing Operations on a Device  
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This invention relates to executable instructions and, more particularly, to instructions that are executable on a device that receives a mobile agent. This patent application discloses the actual implementation of the Roaming Messenger device engine and messenger instruction sets and modes of execution. The application for this patent was filed on December 7, 2004.

### COMPETITION

The market for our products and services is becoming increasingly competitive. The widespread adoption of open standards may make it easier for new market entrants and existing competitors to introduce products that compete against ours. We believe that we will compete primarily on the basis of our unique ability to encapsulate data and logic into smart software messengers that can travel automatically among user devices, track down users, deliver interactive content, and bring decisions and data back to business applications in real-time. Because we are smaller than most of our competitors, we believe that we can be more attentive to the needs of our customers than some of our competitors. As a provider of next-generation mobile data technology, we assess potential competitors based primarily on the functionality of their products and the range of services offered by them, the security and scalability of their product architecture, their customer base and geographic focus and their capitalization and other resources.

Our potential competitors may be found among various industries, including:

Mobile Access Gateway Vendors And Messaging Solution Providers: companies in this category include Openwave Systems, 724 Solutions, LogicaCMG, Comverse, Materna, Nokia and Ericsson.

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Alerts Focused Businesses: companies in this area include Xiam, First Hop, Materna, and Infospace. These companies are competitive in the time-critical communication application of our technology.

Our competitors have established, and may establish in the future, strategic relationships among themselves or with third parties to increase their ability to address the needs of our current and prospective customers. Through these relationships or independently, current and potential competitors may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements, or to devote greater resources to the promotion and sale of their products to both our existing customers and our potential customers. There can be no assurance that we will be able to compete successfully with

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existing or new competitors, many of which have greater financial resources, greater name recognition, more management experience, and longer operating histories than we have.

### OTHER PRODUCTS AND SERVICES

Our wholly owned subsidiary, Warp 9 Inc., offers two primary web-based e-commerce software products to the catalog and direct marketing industry.

#### Warp 9 ICS.

The Warp 9 ICS is a proprietary and extensible software system that enables catalogers and retailers to expand their operation to the Internet with minimal investment, overhead and risk. A business does not need to invest in new hardware or software in order to utilize the Warp 9 ICS, because the products are offered as a fully managed online catalog solution that includes hosting at our datacenter. As a total solution, Warp 9 offers project management, development and integration into a customer's existing business processes. We charge our customers a monthly subscription fee to the Warp 9 ICS product using an application service provider ("ASP") model. There are various package levels for the Warp 9 ICS product. Customers pay anywhere from \$1,000/month to \$14,000/month depending on the size of their system configuration and monthly sales volume through ICS.

#### Warp 9 EMS.

Warp 9 EMS is a web-based e-mail campaign and list management system designed for high performance and reliability. EMS's sophisticated technology will allow markets to send targeted e-mail campaigns that help grow, retain and maximize the lifetime value of their customers. Through content personalization and list segmentation, campaign efforts will result in higher response rates, higher conversion rates and improved customer loyalty. Warp 9 EMS enables unprecedented response rates that are not achievable through traditional forms of direct marketing. EMS customers typically pay anywhere from \$100/month to \$2,000/month depending the size of their e-mail list and monthly volume on outgoing e-mails. Most ICS customers also purchase EMS to complement their online commerce strategy.

#### Professional Services

Most customers of Warp 9 ICS and Warp 9 EMS are not technology companies and have very little internal expertise in the areas of e-commerce, online marketing and web technologies. To provide a complete solution to our customers, we also offering professional services to help our customers maximize the use of our technology or other online e-commerce technologies and services in general. Professional services include but not limited to e-commerce web page template development, custom system configuration, graphics design, integration to backend business systems and management of 3rd party online service.

#### Revenue Model

We charge our customers a monthly subscription fee to the Warp 9 ICS and Warp 9 EMS products using an ASP model. Over half of Warp 9's revenues are from the ICS product which continues to be a growing product for Warp 9. EMS is a smaller revenue-generating product and usually sold to customers already on the ICS product.

#### GOVERNMENT REGULATION



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We are subject to various federal, state, and local laws affecting medical e-commerce and communication businesses. The Federal Trade Commission and equivalent state agencies regulate advertising and representations made by businesses in the sale of their products, which apply to us. We are also subject to government laws and regulations governing health, safety, working conditions, employee relations, wrongful termination, wages, taxes and other matters applicable to businesses in general.

### EMPLOYEES

As of June 30, 2005, we had eighteen full time equivalent employees, seven of whom are employed in administrative, marketing, and sales positions, and eleven technical employees employed in research, development, and technical product maintenance positions.

We use independent contractors, who are available to us on a half or near full time basis, counted as full time equivalents, for sales, marketing and business development efforts. It is our intention during the next 12 months to increase our workforce to 30 employees, with five of the new positions being in the administrative, marketing, and sales areas and the remaining seven of the new positions being in research, development, and production positions.

All of our employees have executed agreements that impose nondisclosure obligations on the employee and assign to us (to the extent permitted by California law) all copyrights and other inventions created by the employee during his employment with us. Additionally, we have a trade secret protection policy in place that management believes to be adequate to protect our intellectual property and trade secrets.

### SEASONALITY

We do not anticipate that our business will be substantially affected by seasonality.

### TRADEMARKS

We have registered trademarks for Roaming Messenger(R), Warp 9(R), and eCapsule(R).

### ITEM 2. PROPERTIES

The Company currently leases approximately 8,605 square feet of office space at 50 Castillian Dr., Suite A, Santa Barbara, California 93117 for approximately \$7,750 per month, triple net, pursuant to a six year lease agreement with rent commencing on October 1, 2004.

The Company has vacated its old office space of approximately 3,650 square feet located at 6144 Calle Real, Suite 200 Santa Barbara, California 93117 which it has subleased for the remainder of the lease until March 2007.

### ITEM 3. LEGAL PROCEEDINGS

The Company is involved in certain legal actions and claims arising in the ordinary course of business. It is the opinion of management, based on advice of legal counsel, that such litigation and claims will be resolved without a material effect on the Company's financial position.

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

Effective September 22, 2004, the Company amended its Articles of Incorporation (the "Amendment") to increase the authorized number of shares of common stock

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from 200,000,000 to 495,000,000 and to establish the number of shares of Preferred Stock at 5,000,000. The Board of Directors of the Company unanimously approved the adoption of the Amendment. The holders of 99,691,525 shares or

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approximately 58% of the total issued and outstanding shares of the Company voted to ratify the adoption of the Amendment. No shares of the Company voted against ratifying the adoption of the Amendment. The remaining outstanding shares abstained.

### PART II

#### ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED STOCKHOLDER MATTERS

The Company's common stock trades on the OTC Bulletin Board Market under the symbol "RMSG." The range of high and low bid quotations for each fiscal quarter within the last two fiscal years was as follows:

Year Ended June 30, 2005	High	Low
	----	---
First Quarter ended September 30, 2004	\$0.68	\$0.04
Second Quarter ended December 31, 2004	\$0.75	\$0.25
Third Quarter ended March 31, 2005	\$0.31	\$0.19
Fourth Quarter ended June 30, 2005	\$0.26	\$0.11
Year Ended June 30, 2004	High	Low
	----	---
First Quarter ended September 30, 2003	\$0.52	\$0.27
Second Quarter ended December 31, 2003	\$0.45	\$0.25
Third Quarter ended March 31, 2004	\$3.60	\$0.27
Fourth Quarter ended June 30, 2004	\$1.90	\$0.45

The above quotations reflect inter-dealer prices, without retail markup, mark-down, or commission and may not necessarily represent actual transactions.

As of June 30, 2005, there were approximately 550 record holders of the Company's common stock, not including shares held in "street name" in brokerage accounts which is unknown. As of June 30 2005, there were approximately 180,807,091 shares of common stock outstanding on record.

The Company has not declared or paid any cash dividends on its common stock and does not anticipate paying dividends for the foreseeable future.

Effective July 10, 2003, the Company adopted the Roaming Messenger, Inc. 2003 Stock Option Plan for Directors, Officers, Employees and Key Consultants (the "Plan") authorizing the issuance of up to 25,000,000 shares of the Company's common stock pursuant to the grant and exercise of up to 25,000,000 stock options. The Plan has been approved by the holders of the outstanding shares of the Company. The following table sets forth certain information regarding the Plan as of June 30, 2005:

Number of securities to be issued upon exercise of	Weighted-average exercise price of outstanding stock	Number remain future is
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	outstanding stock options	options	comp
Equity compensation plans approved by security holders	4,234,994	\$0.11	

On March 28, 2005, we entered into a Periodic Equity Investment Agreement with Wings Fund, Inc. Pursuant to the Periodic Equity Investment Agreement, we may, on a monthly basis commencing after the effective date of the registration statement filed by us and declared effective by the Securities and Exchange

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Commission on August 11, 2005 in connection with that agreement, periodically sell to Wings Fund, Inc. shares of common stock for a total purchase price of up to \$3,000,000. Such monthly sales are limited to a maximum aggregate of \$250,000. Further, upon execution of the Periodic Equity Investment Agreement, we issued to Wings Fund, Inc. an aggregate of 5,000,000 shares of our common stock at a price of \$0.10 per share for gross proceeds of \$500,000.

For the fiscal year ended June 30, 2005, employees of the Company exercised a total of 275,000 stock options at an exercise price of \$0.08 per share. The Company received gross proceeds of \$22,000 for the employee stock option exercises.

For the fiscal year ended June 30, 2005, the Company issued 1,682,477 shares of unregistered common stock, at a weighted average price of \$0.20 per share, to various consultants for business development and financial advisory services in lieu of cash.

### ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

#### CAUTIONARY STATEMENTS

This Form 10-KSB contains financial projections and other "forward-looking statements," as that term is used in federal securities laws, about Roaming Messenger Inc.'s financial condition, results of operations and business. These statements include, among others: statements concerning the potential for revenues and expenses and other matters that are not historical facts. These statements may be made expressly in this Form 10-KSB. You can find many of these statements by looking for words such as "believes," "expects," "anticipates," "estimates," or similar expressions used in this Form 10-KSB. These forward-looking statements are subject to numerous assumptions, risks and uncertainties that may cause the Company's actual results to be materially different from any future results expressed or implied by the Company in those statements. The most important facts that could prevent the Company from achieving its stated goals include, but are not limited to, the following:

- (a) volatility or decline of the Company's stock price;
- (b) potential fluctuation in quarterly results;
- (c) failure of the Company to earn revenues or profits;
- (d) inadequate capital and barriers to raising the additional capital or to obtaining the financing needed to implement its business plans;
- (e) inadequate capital to continue business;
- (f) changes in demand for the Company's products and services;
- (g) rapid and significant changes in markets;

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- (h) litigation with or legal claims and allegations by outside parties;
- (i) insufficient revenues to cover operating costs.

Because the statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by the forward-looking statements. The Company cautions you not to place undue reliance on the statements, which speak only as of the date of this Form 10-KSB. The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company or persons acting on its behalf may issue. The Company does not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Form 10-KSB or to reflect the occurrence of unanticipated events.

The following discussion should be read in conjunction with our condensed consolidated financial statements and notes to those statements. In addition to historical information, the following discussion and other parts of this quarterly report contain forward-looking information that involves risks and uncertainties.

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### OVERVIEW

We are a software company and have developed a proprietary system that enables software programs and other business applications to connect to wired and wireless devices, such as cellular phones, computers and personal digital assistants. This system, known as the Roaming Messenger Platform, serves as a gateway to the mobile world for a variety of software programs and other business applications such as those used in emergency response, homeland security, logistics, healthcare and financial services.

The Roaming Messenger Platform allows applications to send out smart messages, or "messengers," to mobile devices. Unlike regular e-mail messages, these software messengers are encrypted, and have the ability to roam automatically among mobile devices, trying to get the attention of the user, confirm receipt, deliver interactive content, and transmit real-time responses back to the sending application. They also have the ability to move independently to alternative recipients in an organization's chain of command if the originally intended recipient does not respond in a timely fashion.

For example, a messenger may try to locate a person on his or her computer, and if there is no response, move to that person's cellular phone, and subsequently move to that person's personal digital assistants. If still unanswered, the messenger will travel automatically to the next person with authority to act on the message, such as a superior of the originally intended recipient.

We have rolled out an improved version of the Roaming Messenger Platform which is being offered as a standalone server product within an organization or a hosted service on the Internet. It can be integrated into existing or new business systems and is distributed primarily via a value-added-reseller ("VAR") or private labeled model where it is an add-on to existing solutions.

We have forged a number of partnerships with small to medium sized companies in the Homeland Security and Public Safety sector. While we have validated the need for the unique capabilities of Roaming Messenger in these markets, significant revenue has yet to be derived due to the lengthy sales cycles associated with

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channel sales. Also, it took much longer than anticipated for federal funds to flow into the information technology procurement departments of government and public safety agencies to which most of our channel partners sell.

The need for better messaging and communication in emergency management and business continuity systems is becoming increasingly apparent as recent terrorist acts and natural disasters put these systems to the test. Potential channel partners that expressed minimal interest before are now contacting us and having very meaningful discussions with us regarding issues of integrating Roaming Messenger into their product.

We have generated only minimal revenues from the Roaming Messenger Platform. To date, almost all of our revenues have been generated by Warp 9, Inc., our wholly-owned subsidiary, that offers web-based e-commerce software products and services to the catalog and direct marketing industry. However, in the future, we believe that a large majority of our revenues will come from the sale of our Roaming Messenger technology.

As of the date of this report we are actively work with channel partners in the homeland security and public safety sector. We have also begun preliminary business development with partners in the healthcare and enterprise mobility markets. While Roaming Messenger is a horizontal platform with application in many markets, our primary sales and marketing strategy continues to be vertically focused.

Our growth strategy consists of three phases:

- o During Phase I we will focus our marketing efforts on the Homeland Security and Public Safety markets
- o During Phase II we will focus on the enterprise markets for business process management and communication applications.
- o During Phase III we will focus on the consumer markets for application such as mobile commerce and mobile gaming.

In executing our growth strategy, strategic acquisition of synergistic companies may be explored. When decide on potential acquisition candidates, we will consider whether the candidate offers (i) access to customers and (ii) complementary products or services.

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### CRITICAL ACCOUNTING POLICIES

Our discussion and analysis of our financial condition and results of operations, including the discussion on liquidity and capital resources, are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, management re-evaluates its estimates and judgments, particularly those related to the determination of the estimated recoverable amounts of trade accounts receivable, impairment of long-lived assets, revenue recognition and deferred tax assets. We believe the following critical accounting policies require more significant judgment and estimates used in the preparation of the financial statements.

We maintain an allowance for doubtful accounts for estimated losses that may arise if any of our customers are unable to make required payments. Management specifically analyzes the age of customer balances, historical bad debt experience, customer credit-worthiness, and changes in customer payment terms

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when making estimates of the uncollectability of our trade accounts receivable balances. If we determine that the financial conditions of any of our customers deteriorated, whether due to customer specific or general economic issues, increases in the allowance may be made. Accounts receivable are written off when all collection attempts have failed.

We follow the provisions of Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements" for revenue recognition and SAB 104. Under Staff Accounting Bulletin 101, four conditions must be met before revenue can be recognized: (i) there is persuasive evidence that an arrangement exists, (ii) delivery has occurred or service has been rendered, (iii) the price is fixed or determinable and (iv) collection is reasonably assured.

Income taxes are accounted for under the asset and liability method. Under this method, to the extent that we believe that the deferred tax asset is not likely to be recovered, a valuation allowance is provided. In making this determination, we consider estimated future taxable income and taxable timing differences expected in the future. Actual results may differ from those estimates.

### RESULTS OF OPERATIONS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

Total revenue for the twelve month period ended June 30, 2005 increased by \$230,440 to \$1,184,212 from \$953,772 in the prior year. Revenue was derived principally from our Warp 9 Inc. subsidiary. The increase in revenue was the result of an increase in Warp 9 Inc.'s client base and reselling of third party online marketing service.

The cost of revenue, in terms of percentage of revenue, for the twelve month period ending June 30, 2005 was 34% as compared to 14% for the twelve-month period ending June 30, 2004. This increase in cost of revenue was primarily due to the reselling of third party online marketing services.

Total costs and expenses for the twelve month period ended June 30, 2005 increased by \$1,397,472 from \$1,849,398 in 2004 to \$3,246,870 in 2005. They consisted primarily of selling, general and administrative expenses.

Selling, general and administrative expenses increased by \$1,261,784 during the twelve months ended June 30, 2005 to \$2,735,890 from \$1,474,106 in the prior year. The increase in selling, general and administrative expenses were the primarily caused by the increased of (i) \$454,688 sales and marketing salaries and expenses, (ii) \$84,567 in legal expenses, (ii) \$90,868 in rent, (iii) \$30,398 in corporate and health insurance premiums (iv) \$59,850 in office and travel expenses, and (v) \$459,482 in non-cash expenses. As a result of vacating its previous office space in October 2004, the Company recognized a one time charge of \$122,852 for leasehold improvements and remaining rent expenses under the lease agreement.

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Non-cash expenses for the year ended June 30, 2005 totaled \$459,482 in warrant and stock compensation in lieu of payment to our consultants and independent contractors for business development and financial advisory services. The value of the warrants was determined using the Black Scholes model.

Expense related to depreciation were \$113,775 for the twelve months ended June 30, 2005 as compared to \$60,231 for the prior year, and interest expense was \$26,435 for the twelve months ended June 30, 2005 as compared to \$15,031 in the prior year.

Research and development expenses increased by \$82,144 during the twelve months

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ended June 30, 2005 to \$397,205 from 315,061 in the prior year due to additional staff.

For the twelve months ended June 30, 2005, our consolidated net loss was \$2,479,100 as compared to a consolidated net loss of \$1,035,945 for the twelve months ended June 30, 2004.

### LIQUIDITY AND CAPITAL RESOURCES

We had cash at June 30, 2005 of \$237,529 as compared to cash of \$1,495,102 as of June 30, 2004. We had net working deficit (i.e. the difference between current assets and current liabilities) of (\$308,364) at June 30, 2005 as compared to a net working capital of \$1,191,108 at June 30, 2004. Cash flow utilized by operating activities was (\$1,677,199) for the year ended June 30, 2005 as compared to cash utilized for operating activities of (\$948,193) for the year ended June 30, 2004. Cash flow used in investing activities was (\$151,603) for the year ended June 30, 2005 as compared to cash used in investing activities of (\$64,684) during the year ended June 30, 2004. Cash flow provided by financing activities was \$571,229 for the year ended June 30, 2005 as compared to cash provided by financing activities of \$2,450,571 during the year ended June 30, 2004. We have incurred operating deficits since inception, which are expected to continue until our business model is fully developed.

On March 28, 2005, we entered into a Periodic Equity Investment Agreement with Wings Fund, Inc. Pursuant to the Periodic Equity Investment Agreement, we may, on a monthly basis commencing after the effective date of the registration statement in connection with that agreement, periodically sell to Wings Fund, Inc. shares of common stock for a total purchase price of up to \$3,000,000. Such monthly sales are limited to a maximum aggregate of \$250,000. The registration statement was filed on May 3, 2005 and declared effective by the Securities and Exchange Commission on August 11, 2005. We may now sell up to \$250,000 per month worth of registered common stock to Wings Fund Inc. at our discretion until August 11, 2006.

We believe that the funds to be received from Wings will be sufficient to fund and expand our business over the next 24 months. The issuance and sale of shares pursuant to the Periodic Equity Investment Agreement is likely to result in substantial dilution to the interests of our other stockholders. The number of shares issuable pursuant to the Periodic Equity Investment Agreement will increase if the market price of our stock decreases. There is no upper limit on the number of shares that we may be required to issue under the agreement with Wings. This will have the effect of further diluting the proportionate equity interest and voting power of holders of our common stock. Our agreement with Wings contains a provision that limits its interest in our common stock to 4.99% of the outstanding shares. Although Wings may waive this provision, there can be no assurance that it will do so. Therefore, we may never receive the entire amount of capital contemplated under the agreement.

If for some reason we are not able to draw down the entire \$3,000,000, we may have to obtain additional operating capital from other sources to enable us to execute our business plan. We anticipate that we will obtain any additional required working capital through the private placement of common stock to domestic accredited investors pursuant to Regulation D of the Securities Act of 1933, as amended (the "Act"), or to offshore investors pursuant to Regulation S of the Act. There is no assurance that we will obtain the additional working capital that we need through the private placement of common stock. In addition, such financing may not be available in sufficient amounts or on terms acceptable to us.

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ITEM 7. FINANCIAL STATEMENTS OF ROAMING MESSENGER, INC.

ROAMING MESSENGER, INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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ROSE, SNYDER & JACOBS  
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors  
Roaming Messenger, Inc.

We have audited the accompanying consolidated balance sheets of Roaming Messenger, Inc. (a Nevada Corporation) and Subsidiary (collectively referred to as the "Company") as of June 30, 2005 and 2004 and the related consolidated statements of operations, shareholders' deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards established by the Public Company Accounting Oversight Board (United States). Those standards



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require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Roaming Messenger, Inc. and Subsidiary as of June 30, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2 to the consolidated financial statements, the Company has suffered recurring losses and negative cash flows from operations that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Rose, Snyder & Jacobs  
-----

Rose, Snyder & Jacobs  
A Corporation of Certified Public Accountants

Encino, California

September 16, 2005

15821 Ventura Boulevard, Suite 490, Encino, California 91436  
Phone: (818) 461-0600 \* Fax: (818) 461-0610

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2005 AND 2004

ASSETS

	June 30, 2005
	-----
CURRENT ASSETS	
Cash	\$ 237,5
Accounts receivable net of allowance for doubtful account of \$7,380 and \$20,000	178,7
Prepaid expenses	19,3
	-----
TOTAL CURRENT ASSETS	435,6
	-----
PROPERTY & EQUIPMENT	

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Furniture, Fixtures & Equipment	88,3
Computer Equipment	435,2
Commerce Server	50,0
Computer Software	7,9
Leasehold Improvements	
	-----
	581,5
Less: Accumulated depreciation & amortization	(331,0)
	-----
NET PROPERTY & EQUIPMENT	250,5
	-----
OTHER ASSETS	
Lease deposit	10,2
Restricted Cash (see note 8)	93,0
Other assets	3,9
	-----
TOTAL OTHER ASSETS	107,1
	-----
TOTAL ASSETS	\$ 793,3
	=====
	LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)
CURRENT LIABILITIES	
Accounts payable	\$ 121,6
Accrued liabilities (note 8)	227,4
Deferred income (note 2)	26,6
Officer salary payable	237,9
Staff salaries payable	50,4
Note payable (note 4)	30,0
Current portion - obligations under capitalized leases (note 3)	49,8
	-----
TOTAL CURRENT LIABILITIES	743,9
	-----
LONG TERM LIABILITIES	
Obligations under capitalized leases (note 3)	89,7
	-----
TOTAL LONG TERM LIABILITIES	89,7
	-----
TOTAL LIABILITIES	833,7
	-----
SHAREHOLDERS' EQUITY (DEFICIT)	
Capital Stock	180,8
Additional Paid-in Capital	4,950,0
Accumulated deficit	(5,171,3)
	-----
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)	(40,4)
	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)	\$ 793,3
	=====

See report of independent registered public accounting firm and

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notes to condensed consolidated financial statements.

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### ROAMING MESSENGER, INC. AND SUBSIDIARY CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

	June 30, 2005	June 30, 2004
	-----	-----
REVENUE	\$ 1,184,212	\$ 953,772
COST OF REVENUE	399,265	132,404
	-----	-----
GROSS PROFIT	784,947	821,368
OPERATING EXPENSES		
Selling, general and administrative expenses	2,735,890	1,474,106
Research and development	397,205	315,061
Depreciation and amortization	113,775	60,231
	-----	-----
TOTAL OPERATING EXPENSES	3,246,870	1,849,398
	-----	-----
OPERATING LOSS	(2,461,923)	(1,028,030)
	-----	-----
OTHER INCOME (EXPENSES)		
Interest income	9,258	7,116
Interest expense	(26,435)	(15,031)
	-----	-----
TOTAL OTHER INCOME (EXPENSES)	(17,177)	(7,915)
	-----	-----
NET LOSS	\$ (2,479,100)	\$ (1,035,945)
	=====	=====
BASIC AND DILUTED LOSS PER SHARE	\$ (0.01)	\$ (0.01)
	=====	=====
WEIGHTED AVERAGE NUMBER OF SHARES	174,247,486	161,432,015
	=====	=====

See report of independent registered public accounting firm and notes to condensed consolidated financial statements.

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### ROAMING MESSENGER, INC. AND SUBSIDIARY CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT FOR THE YEARS ENDED JUNE 30, 2005 AND 2004

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	Shares	Common Stock	Additional Paid-in Capital
	-----	-----	-----
Balance, June 30, 2003	147,912,035	\$ 147,912	\$ 1,306,502
Issuance of common stock, note 6	24,487,579	24,488	2,515,236
Issuance of warrants, note 7	-	-	50,000
Net loss	-	-	-
	-----	-----	-----
Balance, June 30, 2004	172,399,614	\$ 172,400	\$ 3,871,738
Issuance of common stock, note 6	8,407,477	8,407	949,308
Issuance of warrants, note 7			129,020
Net loss	-	-	-
	-----	-----	-----
Balance, June 30, 2005	180,807,091	\$ 180,807	\$ 4,950,066
	=====	=====	=====

See report of independent registered public accounting firm and notes to condensed consolidated financial statements.

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2005 AND 2004

	June 30, 2005
	-----
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	\$ (2,479,100)
Adjustment to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	111,877
Warrants issued for services	129,020
Common stock issued for services	330,462
Decrease (increase) in account receivable	(62,322)
Decrease (increase) in prepaid and other assets	(14,043)
(Decrease) increase in accounts payable	96,752
(Decrease) increase in officer salaries payable	(5,749)
(Decrease) increase in staff salaries payable	3,911
(Decrease) Increase in deferred income	26,667
(Decrease) increase in other liabilities	185,327
	-----
NET CASH USED IN OPERATING ACTIVITIES	(1,677,198)
	-----

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CASH FLOWS FROM INVESTING ACTIVITIES:	
Restricted Cash	(93,000)
Purchase of property & equipment	(58,603)
	-----
NET CASH USED IN INVESTING ACTIVITIES	(151,603)
	-----
CASH FLOWS FROM FINANCING ACTIVITIES:	
Issuance of common stock	627,254
Payment on note payable	(9,500)
Payments on capitalized lease obligations	(46,526)
	-----
NET CASH PROVIDED BY FINANCING ACTIVITIES	571,228
	-----
NET INCREASE (DECREASE) IN CASH	(1,257,573)
	-----
CASH AT BEGINNING OF PERIOD	1,495,102
	-----
CASH AT END OF PERIOD	\$ 237,529
	=====
Supplementary disclosures:	
Interest paid	\$ 26,435
	=====
Capitalized leases contracted:	\$ 107,467
	=====

See report of independent registered public accounting firm and notes to condensed consolidated financial statements.

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

1. ORGANIZATION

Roaming Messenger, Inc., formerly known as Latinocare Management Corporation ("LMC"), originally known as JNS Marketing, Inc. was incorporated in Colorado in 1983, and then reincorporated in Nevada.

On April 1, 2003, LMC a publicly traded company, entered into a Plan and Agreement of Reorganization which resulted in Warp 9, Inc. ("Warp 9") becoming a wholly-owned subsidiary of LMC. In connection with the transaction, all officers and directors of LMC resigned and were replaced by the management team and directors of Warp 9. Subsequently, LMC was renamed to Roaming Messenger Inc. by the new board of directors. Although from a legal perspective, Roaming Messenger, Inc. acquired Warp 9, Inc., the transaction is viewed as a recapitalization of Warp 9, Inc., accompanied by an issuance of stock by Warp 9, Inc. to the shareholders of Roaming Messenger, Inc. This is because Roaming Messenger, Inc. did not

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have operations immediately prior to the transaction, and following the transaction, Warp 9, Inc. was the operating company.

Warp 9, Inc. was incorporated in the state of Delaware, under the name of eCommerceland, on August 27, 1999. The Company, based in Goleta, California, began operations October 1, 1999. Prior to October 1, 1999, the Company was operated as WARP 9 Technologies, LLC ("LLC"), a California limited liability company. LLC was merged with and into eCommerceland effective at its close of business, September 30, 1999, and on December 21, 2000 changed its name to Warp 9, Inc. For accounting and reporting purposes, the "merger" was considered a continuation of the same business, under a different type of entity. The operations and ownership of Warp 9, Inc. were substantially the same as LLC. The Company's primary source of income is service of their Warp 9 contracts, which relates to Internet data service and fully hosted web based software products.

Roaming Messenger, Inc. and Warp 9, Inc. (collectively referred to as the "Company")'s strategy is to provide a proprietary solution for real-time communication over wired and wireless devices. The Company's flagship product, Roaming Messenger, is a system for delivering real-time information for homeland security, emergency response, military and enterprise applications. Unlike solutions based on existing messaging technology such as e-mail, text messaging, and voicemail, Roaming Messenger packages time-critical information into smart messages. These messages automatically roam throughout the wired and wireless worlds - from mobile devices to desktop PCs to central servers - tracking down people and getting responses in real-time.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets and liabilities and commitments in the normal course of business. The accompanying financial statements do not reflect any adjustments that might result if the Company is unable to continue as a going concern. The Company's losses and negative cash flows from operations raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and appropriateness of using the going concern basis is dependent upon, among other things, additional cash infusion. The Company has funded its operation through the sale of its common stock through private offerings. The Company will be selling securities through private placements and, as discussed in note 11, through its Periodic Equity Investment Agreement. Management believes, but there is no assurance, that the Company will obtain the additional working capital that it needs through the sale of its Common Stock. The Company has incurred operating deficits since inception, which are expected to continue until its business model is fully developed.

See report of independent registered public accounting firm

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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### ACCOUNTS RECEIVABLE

The Company extends credit to its customers, who are located primarily in California. Accounts receivable are customer obligations due under normal trade terms. The Company performs continuing credit evaluations of its customers' financial condition. Management reviews accounts receivable on a regular basis, based on contracted terms and how recently payments have been received to determine if any such amounts will potentially be uncollected. The Company includes any balances that are determined to be uncollectible in its allowance for doubtful accounts. After all attempts to collect a receivable have failed, the receivable is written off. Based on the information available, management believes the Company's accounts receivable are all collectible.

### REVENUE RECOGNITION

The Company recognizes income when the service is provided or when product is delivered. We present revenue, net of customer incentives. Most of the income is generated from monthly fees from clients who subscribe to the Company's fully hosted web products on terms averaging six months to one year. When the term ends, clients normally go on a month-to-month basis or extend the contract for another six months to one year.

We provide online marketing services that we purchase from third parties. The gross revenue presented in our statement of operations is in accordance with EITF No. 99-19.

We also offer professional services such as development services. The fees for development services constitute a separate unit of accounting in accordance with EITF No. 00-21, and are recognized as the work is performed.

Upfront fee for development services or other customer services are deferred until certain implementation or contractual milestones have been achieved. Deferred income for the fiscal year ended, June 30, 2005, was \$26,667.

For the fiscal year ended, June 30, 2005, monthly fee from web products and associated service fees account for 55% of the Company's total revenues, professional services account for 23% and the remaining 22% of total revenues are from resale of third party products and services.

For the fiscal year ended, June 30, 2004, monthly fee from web products and associated service fees account for 75% of the Company's total revenues, professional services account for 20% and the remaining 5% of total revenues are from resale of third party products and services.

### RETURNS POLICY

On all service offerings such as web based e-commerce products, or hosted Roaming Messenger service, there are no returns. Monthly fees are assessed and revenue is recognized at the end of every month, after service has been provided. Some higher paying customers may have service level agreements where we guarantee system uptime such as 99% of the time per month. If we fall below the agreed upon level of uptime, we shall credit one day of service fee for each hour our system is down up to a maximum of one monthly fee. This guarantee only covers downtime as a result of failure in the Company's hardware, software or gross negligence. Historical, the Company has not had to issue any credits for such returns.

### COST OF REVENUE

Cost of revenue includes the direct costs of operating the Company's network, including telecommunications charges and internet marketing charges.

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### RESEARCH AND DEVELOPMENT

Research and development costs are expensed as incurred. Total research and development costs were \$397,205 and \$315,061 for the years ended June 30, 2005 and 2004, respectively.

### CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

See report of independent registered public accounting firm

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the accompanying financial statements. Significant estimates made in preparing these financial statements include the allowance for doubtful accounts, the estimate of useful lives of property and equipment, the deferred tax valuation allowance, and the fair value of stock options and warrants. Actual results could differ from those estimates.

### FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are carried at cost, which approximates their fair value, due to the relatively short maturity of these instruments. As of June 30, 2005 and 2004, the Company's capital lease obligations and notes payable have stated borrowing rates that are consistent with those currently available to the Company and, accordingly, the Company believes the carrying value of these debt instruments approximates their fair value.

### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, and are depreciated or amortized using the straight-line method over the following estimated useful lives:

Furniture, fixtures & equipment	7 Years
Computer equipment	5 Years
Commerce server	5 Years
Computer software	3-5 Years
Leasehold improvements	Length of the lease

Property and equipment assets with an original cost of \$199,418 and \$115,084 at June 30, 2005 and 2004, respectively were leased under capitalized leases. Amortization of assets under capitalized leases is included in depreciation and amortization expense. During the years ended June 30, 2005 and 2004, additions to fixed assets through capitalized leases totaled \$107,467 and \$70,250, respectively.

During the year ended June 30, 2005, the Company vacated its premises on 6144 Calle Real in Santa Barbara. The Company recorded an expense for \$23,485, representing the cost of the abandoned related leasehold improvements,



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### CONCENTRATIONS OF BUSINESS AND CREDIT RISK

The Company operates in a single industry segment. The Company markets its services to companies and individuals in many industries and geographic locations. The Company's operations are subject to rapid technological advancement and intense competition in the telecommunications industry.

Accounts receivable represent financial instruments with potential credit risk. The Company typically offers its customers credit terms. The Company makes periodic evaluations of the credit worthiness of its enterprise customers and other than obtaining deposits pursuant to its policies, it generally does not require collateral. In the event of nonpayment, the Company has the ability to terminate services.

### ADVERTISING COSTS

The Company expenses the cost of advertising and promotional materials when incurred. Total advertising costs were \$53,147 and \$20,156 for the years ended June 30, 2005 and 2004, respectively.

### STOCK-BASED COMPENSATION

The Company accounts for employee stock option grants in accordance with Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees and related interpretations (APB 25), and has adopted the "disclosure only" alternative described in Statement of Financial Accounting Standards (SFAS) No. 123, Accounting for Stock-Based Compensation., amended by SFAS No. 148 Accounting for Stock Based Compensation-Transition and Disclosure.

See report of independent registered public accounting firm

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

The pro forma net loss and loss per share had the Company accounted for the options using FAS 123 would have been as follows:

	2005	2004
	-----	-----
Net loss as reported	\$ (2,479,100)	\$ (1,035,945)
Basic and diluted net loss per share as reported	(0.01)	(0.01)
Add: Stock-based employee compensation expense included in net reported loss	-	50,000
Deduct: Stock based employee compensation expense determined under fair value based method for all awards	(13,839)	(134,000)
	-----	-----
Pro forma net loss	\$ (2,492,939)	\$ (1,119,945)
	=====	=====
Basic and diluted pro forma loss per share	\$ (0.01)	\$ (0.01)
	=====	=====

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### NET LOSS PER SHARE

Net loss per common share is computed using the weighted average number of common shares outstanding during the periods presented. Options to purchase shares of the Company's stock under its stock option plan and warrants may have a dilutive effect on the Company's earnings per share in the future but are not included in the calculation for 2005 and 2004 because they have an antidilutive effect in these periods.

### INCOME TAXES

The Company uses the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. The measurement of deferred tax assets and liabilities is based on provisions of applicable tax law. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance based on the amount of tax benefits that, based on available evidence, is not expected to be realized.

### NEW ACCOUNTING PRONOUNCEMENTS

In December 2004, the Financial Accounting Standards Board ("FASB") issued revised Statement 123R, "Share-Based Payment," to be effective for annual periods beginning after December 15, 2005 for Roaming Messenger, Inc. Statement 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized as compensation expense in the income statement. The cost is recognized over the requisite service period based on fair values measured on grant dates. The new standard may be adopted using either the modified prospective transition method or the modified retrospective method. We are currently evaluating our share-based employee compensation programs, the potential impact of this statement on our consolidated financial position and results of operations, and the alternative adoption methods.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs - an amendment of ARB No. 43, Chapter 4." SFAS No. 151 seeks to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage) in the determination of inventory carrying costs. The statement requires such costs to be treated as a current period expense. This statement is effective for the company on July 2, 2006. The company does not believe the adoption of SFAS No. 151 will have a material impact on its financial statements.

See report of independent registered public accounting firm

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004

### 3. OBLIGATIONS UNDER CAPITALIZED LEASES

Lessor	Description	2005
SBBT	Payable in monthly installments of \$281	

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	interest at 16%, matures in November, 2009	\$	10,669	\$
SBBT	Payable in monthly installments of \$726			
	interest at 17%, matures in August, 2009		25,760	
GE	Payable in monthly installments of \$551			
	interest at 17%, matures in September, 2008		17,653	
GE	Payable in monthly installments of \$1206			
	interest at 17%, matures in September, 2008		39,745	
Washoe/BofA	Payable in monthly installments of \$1513,			
	interest at 6.8%, matures in April, 2007.		31,206	
GE	Payable in monthly installments of \$710			
	interest at 12.8%, matures in October, 2006.		10,394	
Avaya	Payable in monthly installments of \$655,			
	interest at 16%, matures in December, 2004.		-	
GE	Payable in monthly installments of \$348,			
	interest at 13%, matured in October 2005.		1,357	
Dell	Payable in monthly installments of \$200,			
	interest at 13%, matures in January 2006.		1,504	
Dell	Payable in monthly installments of \$203,			
	interest at 21%, matures in February 2006.		1,344	
			-----	-----
			139,632	
	Less current portion		49,846	
			-----	-----
	Long-term portion of obligations under			
	capitalized leases	\$	89,786	\$
			=====	=====

Minimum annual lease payments under capitalized lease obligations at June 30, 2005 are as follows:

	2006	\$ 64,663
	2007	51,138
	2008	33,168
	2009	17,355
	2010	2,857
		-----
		169,181
Less amount representing interest		29,549
		-----
		139,632
Less current portion		49,846
		-----
Long term portion of capitalized lease obligations		\$ 89,786
		=====

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2005 AND 2004

4. NOTE PAYABLE

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The Company has a note payable to a vendor in the amount of \$50,000, bearing interest at 10%, with monthly interest payment only. The maturity date, which was originally October 15, 2001, was subsequently amended to March 15, 2002 and then on demand. At June 30, 2005, the outstanding principal amount on this note is \$30,000. This note is secured by furniture of the Company. See note 8.

### 5. INCOME TAXES

At June 30, 2005, the Company has available for federal and state income tax purposes, net operating loss carryforwards of approximately \$8,500,000 and \$3,900,000, respectively, which expire at dates that have not been determined.

The difference between the Company's effective income tax rate and the statutory federal rate for the years ended June 30, 2005 and 2004 relates primarily to losses incurred for which no tax benefit was recognized, due to the uncertainty of its realization. The valuation allowance was \$3,300,000 and \$2,300,000 at June 30, 2005 and 2004, respectively, representing an increase of \$1,000,000 for the year ended June 30, 2005. Because of statutory "ownership changes" the amount of net operating losses which may be utilized in future years are subject to significant annual limitations.

A reconciliation of income tax expense that would result from applying the domestic Federal statutory rate to pre-tax income, with federal income tax expense presented in the financial statements is as follows:

	2005	2004
	-----	-----
Income tax benefit computed at U.S. federal statutory rate (34%)	\$ 840,000	\$ 350,000
State income taxes, net of benefit federal taxes	144,000	63,000
Other	16,000	(73,000)
Less valuation allowance	(1,000,000)	(340,000)
	-----	-----
Income tax expense	\$ -	\$ -
	-----	-----

The deferred income tax benefit at June 30, 2005, and 2004 reflects the impact of temporary differences between the amounts of assets and liabilities recorded for financial reporting purposes and such amounts as measured in accordance with tax laws. The items, which comprise a significant portion of, deferred tax assets and liabilities are approximately as follows:

	2005	2004
	-----	-----
Property and Equipment	\$ 55,000	\$ 56,000
Net operating loss carryforwards	3,150,000	2,148,000
Officer salaries payable	95,000	96,000
	-----	-----
	3,300,000	2,300,000
Less: valuation allowance	(3,300,000)	(2,300,000)
	-----	-----
Deferred income tax asset	\$ -	\$ -
	=====	=====

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

#### 6. SHAREHOLDERS' DEFICIT

For the fiscal year ended, June 30, 2004, the Company issued 23,807,579 shares of restricted common stock for total cash consideration of \$2,485,324 as a result of a series of private offerings of common stock ranging from \$0.08 per share to \$0.50 per share as well as stock options and warrants exercises. 680,000 shares of restricted common stock were also issued for \$54,400 of services.

For the fiscal year ended, June 30, 2005, the Company issued 6,875,000 shares of restricted common stock for a net cash consideration of \$627,254 as a result of a series of private offerings of common stock ranging from \$0.08 per share to \$0.10 per share as well as exercise of stock options. 1,532,477 shares of restricted common stock were also issued for \$330,462 of services.

On March 28, 2005, the Company entered into a Periodic Equity Investment Agreement with Wings Fund, Inc. Pursuant to the Periodic Equity Investment Agreement, the Company may, on a monthly basis commencing after the effective date of the registration statement in connection with that agreement, periodically sell to Wings Fund, Inc. shares of common stock for a total purchase price of up to \$3,000,000. Such monthly sales are limited to a maximum aggregate of \$250,000. Further, upon execution of the Periodic Equity Investment Agreement, the Company issued to Wings Fund, Inc. an aggregate of 5,000,000 shares of common stock at a price of \$0.10 per share for gross proceeds of \$500,000 (included in the \$627,254 above).

The common stock of Roaming Messenger, Inc. has a par value of \$0.001, and 495,000,000 shares are authorized to be issued. The Company is also authorized to issue 5,000,000 shares of preferred stock with a par value of \$0.001. The rights, preferences and privileges of the holders of the preferred stock will be determined by the Board of Directors prior to issuance of such shares.

At June 30, 2005, 22,225,000 shares of common stock were reserved for the issuance of common stock pursuant to the Stock Option Plan, and 838,500 were reserved for the issuance of common stock pursuant to outstanding warrants.

#### 7. STOCK OPTIONS AND WARRANTS

In July 10, 2003, the Company adopted the Roaming Messenger, Inc. Stock Option Plan for Directors, Executive Officers, and Employees of and Key Consultants to Roaming Messenger, Inc. This Plan, may issue 25,000,000 shares of common stock. Options granted under the Plan could be either Incentive Options or Nonqualified Options, and are administered by the Company's Board of Directors. Each options may be exercisable in full or in installment and at such time as designated by the Board. Notwithstanding any other provision of the Plan or of any Option agreement, each option are to expire on the date specified in the Option agreement, which date are to be no later than the tenth anniversary of the date on which the Option was

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granted (fifth anniversary in the case of an Incentive Option granted to a greater-than-10% stockholder). The purchase price per share of the Common Stock under each Incentive Option are to be no less than the Fair Market Value of the Common Stock on the date the Option was granted (110% of the Fair Market Value in the case of a greater-than-10% stockholder).

The purchase price per share of the Common Stock under each Nonqualified Option were to be specified by the Board at the time the Option was granted, and could be less than, equal to or greater than the Fair Market Value of the shares of Common Stock on the date such Nonqualified Option was granted, but were to be no less than the par value of shares of Common Stock. The plan provided specific language as to the termination of options granted hereunder.

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

#### 7. STOCK OPTIONS AND WARRANTS (Continued)

SFAS 123, Accounting for Stock-Based Compensation, requires pro forma information regarding net income (loss) using compensation that would have been incurred if the Company had accounted for its employee stock options under the fair value method of that statement. Options to purchase 3,500,000 shares of Roaming Messenger, Inc. were granted during the year ended June 30, 2005. The fair value of options granted during the years ended June 30, 2005 and 2004, which have been estimated at \$131,960 and \$159,000, respectively, at the date of grant were determined using the Black-Scholes Option pricing model with the following assumptions:

	2005 -----	2004 -----
Risk free interest rate	3.36-4.00%	2.79%-3.27%
Stock volatility factor	0.29-0.81	0.01
Weighted average expected option life	4 years	4 years
Expected dividend yield	None	None

A summary of the Company's stock option activity and related information follows:

	Year ended ----- June 30, 2005 -----		Year ended ----- June 30, 2004 -----	
	Options	Weighted average exercise price	Options	We a ex
	-----	-----	-----	-----
Outstanding -beginning of year	8,297,494	\$ 0.11	8,444,000	\$
Granted	3,500,000	0.12	2,478,494	
Exercised	275,000	0.08	2,500,000	
Forfeited	7,287,500	0.12	125,000	

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Outstanding - end of year	4,234,994	\$ 0.11	8,297,494	\$
Exercisable at the end of year	972,980	\$ 0.09	5,720,935	\$
Fair value of options granted during the year		\$ 131,960		\$

The weighted average remaining contractual life of options as of June 30, 2005 was as follows:

Exercise prices	Number of options outstanding	Weighted Average remaining contractual life (years)
\$ 0.08	1,234,994	2.31
\$ 0.10	2,300,000	3.79
\$ 0.17	700,000	3.18

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ROAMING MESSENGER, INC. AND SUBSIDIARY  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 JUNE 30, 2005 AND 2004

Stock Warrants

During the year ended June 30, 2005, Roaming Messenger, Inc. issued warrants for services valued at \$129,020, to purchase shares of common stock of Roaming Messenger, Inc. These warrants became exercisable on their grant date. Warrants were granted as follows:

Date	Number of shares	Maturity date	Exercise Pri
September 30, 2004	100,500	September 30, 2006	
December 31, 2004	271,000	December 31, 2006	
March 31, 2005	201,000	March 31, 2006	
April 1, 2005	50,000	March 31, 2008	
April 30, 2005	15,000	April 30, 2010	
June 30, 2005	201,000	June 30, 2007	
Total Granted	838,500		

At June 30, 2005, warrants to purchase 838,500 shares were outstanding.

During the year ended June 30, 2005, Warp 9 Inc. cancelled 52,021 warrants, resulting in 25,192 total outstanding warrants.

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The following Warp 9 Inc. warrants, which are exercisable, were outstanding at June 30, 2005:

Number of shares	Exercise Price	Expiration date
-----	-----	-----
25,192	\$ 1.00 per share	December 31, 2005

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

#### 8. COMMITMENTS AND CONTINGENCIES

##### Operating Leases

The following is a schedule, by years, of future minimum rental payments required under operating leases for the facilities and equipment. The lease for one of the facilities expires in 2010. The following is a schedule of minimum lease payments for the next five years.

Years Ending June 30,	Rent Payment	Rent Income
-----	-----	-----
2006	\$ 196,000	\$ 38,000
2007	\$ 176,000	\$ 29,000
2008	\$ 109,000	\$ -
2009	\$ 108,000	\$ -
2010	\$ 109,000	\$ -

Total lease expense for the years ended June 30, 2005 and 2004 was \$193,708 and \$120,832, respectively. The Company is also required to pay its pro rata share of taxes, building maintenance costs, and insurance in according to the lease agreement.

During the year ended June 30, 2005, the Company vacated its premises located at 6144 Calle Real, Santa Barbara, California. The lease expires in March 2007, therefore the Company is obligated to pay the rent under the terms of the lease. The Company is subleasing these premises at an agreed rent amount lower than the rent amount per the original lease, which will generate a total cumulative shortfall of \$99,367 by the end of the lease. This shortfall has been recognized as an expense for the year ended June 30, 2005, and is included in the accrued liabilities.

##### LOAN DEFAULT

The note payable (note 4) has a default clause that allows the lender to assess late payment charges at his option, in the amount of 10% of the delinquency. The delinquent charges which could amount to approximately \$15,000 have not been accrued by the Company.

##### LEGAL MATTERS

The Company is involved in certain legal actions and claims arising in the ordinary course of business. It is the opinion of management, based on advice of legal counsel, that such litigation and claims will be resolved without a material effect on the Company's financial position.



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### RESTRICTED CASH

The Company has restricted cash in the amount of \$93,000. This restricted cash is used to collateralize a standby letter of credit in favor of the landlord as part of the Company's lease agreement for its current office space at 50 Castilian Dr. Santa Barbara, CA 93117. This cash amount is restricted until the lease expires on June 30, 2010 or when negotiated down.

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### ROAMING MESSENGER, INC. AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2005 AND 2004

#### 9. CONCENTRATIONS

For the year ended June 30, 2005, the Company had two customers who represented approximately 42% of total revenue. For the year ended June 30, 2004, the Company had two customers who represented approximately 30% of total revenue.

Accounts receivable from two customers represented approximately 37% of total accounts receivable at June 30, 2005. Accounts receivable from two customers represented approximately 55% of total accounts receivable at June 30, 2004.

The Company has a concentration of credit risk for cash by maintaining deposits with banks, which may at a time exceed insured amounts. At June 30, 2005, the Company had \$181,373 exceeding the amount insured by the U.S. Federal Deposit Insurance Corporation (FDIC).

#### 10. RELATED PARTY TRANSACTIONS

On June 30, 2005, the Company issued 350,000 shares of common stock to Mr. Tom Djokovich for serving on the Company's Board of Directors through June 30, 2005. An expense of \$56,000 was recorded in connection with the issuance of these shares.

#### 11. FUNDING AGREEMENT

On March 28, 2005, we entered into a Periodic Equity Investment Agreement with Wings Fund, Inc. Pursuant to the Periodic Equity Investment Agreement, we may, on a monthly basis commencing after the effective date of the registration statement to be filed by us in connection with that agreement, periodically sell to Wings Fund, Inc. shares of common stock for a total purchase price of up to \$3,000,000. Such monthly sales are limited to a maximum aggregate of \$250,000. The registration statement was filed on May 3, 2005 and declared effective by the Securities and Exchange Commission on August 11, 2005. We may now sell up to \$250,000 per month worth of registered common stock to Wings Fund, Inc. at our discretion until August 11, 2006.

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## ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None

## ITEM 8A. CONTROLS AND PROCEDURES

The Company's Chairman, Chief Executive Officer, and Chief Financial Officer has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this annual report and, based on this evaluation, has concluded that the disclosure controls and procedures are effective.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## ITEM 8B. OTHER INFORMATION

None

## PART III

## ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF EXCHANGE ACT

The following table lists the executive officers and directors of the Company as of September 30, 2005:

Name	Age	Position
Jonathan Lei	33	Chief Executive Officer, President, Chief Financial Officer, Secretary, and Chairman
Harinder Dhillon	32	Senior Vice President (President of Warp 9 Inc. Subsidiary)
Bryan Crane	46	Vice President of Corporate Development
Michael Chuisis	44	Vice President of Engineering
Louie Ucciferri	45	Director
Tom Djokovich (1)	48	Director

(1) Member of Audit Committee.

Jonathan Lei has been our Chairman of the Board of Directors, Chief Executive Officer, President, Chief Financial Officer, and Secretary since April 2003. Mr. Lei received a Bachelor Degree in Electrical and Computer Engineering from the University of California, Santa Barbara ("UCSB") in 1995 and a Master of Science Degree in Electrical and Computer Engineering from UCSB in 1996. While at UCSB, he studied and worked in the field of computer aided design and development of VLSI and ASIC silicon chips. Mr. Lei was employed by Lockheed Martin in 1993 where he built data acquisition systems for spacecraft testing. In 1995, he worked for Intel Corporation where he developed the Triton II Pentium PCI

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chipset. From 1995 to 1996, Mr. Lei worked for RC Electronics where he designed PCI based data acquisition systems. Mr. Lei founded Warp 9, Inc., our wholly owned subsidiary in 1996 and in 1998, he negotiated a transaction to sell Warp 9's consumer ISP division, Sbnnet, to MindSpring Enterprises. Mr. Lei was an officer and is a lifetime member of Tau Beta Pi, a national engineering honor society.

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Bryan Crane has been our Vice President of Corporate Development since October 2002. Prior to joining Roaming Messenger, from 1995 to 2002, he worked for Muir, Crane & Co., a partnership he co-founded and in which he still maintains an ownership interest. From 1994 to 1995, Mr. Crane was a Managing Director of Johnson & Co. For most of his career, Mr. Crane held positions in portfolio management from retail investments at Prudential-Bache Securities to Vice President of Investments at A.G. Edwards & Son, where, as a member of the Presidents Council, he managed debt and equity portfolios for institutional clients. Mr. Crane earned his dual degree in Political Science and International Economics from San Diego State University. He is a member of the San Diego Stock Bond Association and the Los Angeles Chapter of the National Investor Relations Institute (NIRI).

Harinder Dhillon has been our Vice President of Operations since October 2001 and has been the President of Warp 9 Inc. since July 1, 2005. Mr. Dhillon joined us in July 2000. Prior to joining us, from 1993 to 1998, Mr. Dhillon served as the Chief Information Officer of Informax Data Systems, an enterprise systems integrator headquartered in Southern California. Thereafter, during 1999 until he joined us, he worked as an independent technology consultant. He has designed, managed, and led the development and deployment of multi-million dollar enterprise Internet, Intranet and integration projects for Fortune 500 companies and various government units. His client list included Department of Justice, Immigration and Naturalization Services, US Navy, US Air Force, and the City of Los Angeles. His projects included enterprise work flow automation, real-time field services, infrastructure build out, and network and systems integration. Mr. Dhillon received a Bachelor degree in Electrical and Computer Engineering from the University of California at Santa Barbara in 1996.

Mike Chuisis has been our Vice President of Engineering since October 2004. Prior thereto, he was our Director of Engineering from December 2003 to October 2004. From 1994 to 2001, Mr. Chuisis was the principal engineer for OutBack Resource Group Inc., a consulting firm located in San Luis Obispo, California, founded by Mr. Chuisis, where he consulted on and implemented services and software for service providers and commercial software companies such as Wynd Communications, Inc. In 2001, OutBack was acquired by GoAmerica Communications, Inc., a wireless service provider, and from 2001 to 2003, Mr. Chuisis served as a lead architect on the Go.Web enterprise wireless messaging platform. Prior to founding OutBack, Mr. Chuisis worked for several commercial software publishers including Cheyenne Software, XTree Company and Arcada Software. Mr. Chuisis brings many years of disciplined, process-oriented methodologies to full life-cycle software development.

Louie Ucciferri has been one of our directors since 2003 and is currently the CEO of Regent Capital Group, a NASD registered broker dealer dedicated to real estate investments. From 1995 to 2004, Mr. Ucciferri served as the President of Westlake Financial Architects, an investment-banking firm he founded in 1995 to provide financial and investment advisory services to early stage companies. He has raised investment capital for both private and public companies and has created liquidity for investors in the form of public offerings. Since November 1998, he has also served as President of Camden Financial Services, a NASD registered broker dealer that serves as the dealer manager for a real estate company that has raised in excess of \$150 million in equity capital for the acquisition of commercial office properties in southern California and Arizona.

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Tom Djokovich has been one of our directors since 2003 and is the Chief Executive Officer of XsunX, Inc., a position he has held since 2004. From 2003 until 2004, he was an independent technology consultant. Prior thereto, he was the founder and served from 1995 to 2002 as the Chief Executive Officer of Accesspoint Corporation, a vertically integrated provider of electronic transaction processing and e-business solutions for merchants. Under Mr. Djokovich's guidance, Accesspoint became a member of the Visa/MasterCard association, the national check processing association (NACHA), and developed one of the payment industry's most diverse set of network based transaction processing, business management and CRM systems for both Internet and conventional points of sale. During his tenure, Accesspoint became an early adopter of WAP based e-commerce capabilities and the industry's first certified Level 1 Internet payment processing engine. In his last year as executive manager, Accesspoint grew its processing revenues by over 800% and overall revenues by nearly 300%. Prior to Accesspoint, Mr. Djokovich founded TMDConstruction and Development where he developed an early business-to-business ordering system for the construction industry.

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Under the Nevada General Corporation Law and the Company's Articles of Incorporation, as amended, the Company's directors will have no personal liability to the Company or its stockholders for monetary damages incurred as the result of the breach or alleged breach by a director of his "duty of care". This provision does not apply to the directors' (i) acts or omissions that involve intentional misconduct or a knowing and culpable violation of law, (ii) acts or omissions that a director believes to be contrary to the best interests of the corporation or its shareholders or that involve the absence of good faith on the part of the director, (iii) approval of any transaction from which a director derives an improper personal benefit, (iv) acts or omissions that show a reckless disregard for the director's duty to the corporation or its shareholders in circumstances in which the director was aware, or should have been aware, in the ordinary course of performing a director's duties, of a risk of serious injury to the corporation or its shareholders, (v) acts or omissions that constituted an unexcused pattern of inattention that amounts to an abdication of the director's duty to the corporation or its shareholders, or (vi) approval of an unlawful dividend, distribution, stock repurchase or redemption. This provision would generally absolve directors of personal liability for negligence in the performance of duties, including gross negligence.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to the foregoing provisions, the Company has been informed that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Act and is therefore unenforceable.

### BOARD COMMITTEES

The Board of Directors has appointed an Audit Committee. As of September 30, 2005, the sole member of the Audit Committee is Tom Djokovich. Mr. Djokovich is considered independent as defined in Rule 4200 of the National Association of Securities Dealers' listing standards because he is not employed by the Company, does not participate in the day-to-day management of the Company, and does not receive a salary or other employment benefits from the Company. The Board of Directors has adopted a written charter of the audit committee. The Audit Committee is authorized by the Board of Directors to review, with the Company's independent accountants, the annual financial statements of the Company prior to publication, and to review the work of, and approve non-audit services performed by, such independent accountants. The Audit Committee will make annual

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recommendations to the Board for the appointment of independent public accountants for the ensuing year. The Audit Committee will also review the effectiveness of the financial and accounting functions and the organization, operations and management of the Company. The Audit Committee was formed on April 19, 2003. The Audit Committee held four meetings during fiscal year ended June 30, 2005. As of September 30, 2005, the Company has not yet appointed a Compensation Committee.

### AUDITOR INDEPENDENCE

GENERAL. Rose Snyder & Jacobs, CPAs ("RSJ") is the Company's principal auditing accountant firm. RSJ has also provided other non-audit services to the Company. The Audit Committee of the Company's Board of Directors has considered whether the provisions of non-audit services is compatible with maintaining RSJ's independence.

AUDIT FEES. RSJ billed the Company \$37,200 during the fiscal year ended June 30, 2005 for the following professional services: audit of the annual financial statement of the Company for the fiscal year ended June 30, 2004, and review of the interim financial statements included in quarterly reports on Form 10-QSB for the periods ended September 30, 2004, December 31, 2004, and March 31, 2005.

ALL OTHER FEES. RSJ billed the Company \$7,665 for other services for the fiscal year ended June 30, 2005.

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### REPORT OF THE AUDIT COMMITTEE

The Company's Audit Committee has reviewed and discussed the Company's audited financial statements for the fiscal year ended June 30, 2005 with senior management. The Audit Committee has reviewed and discussed with management the Company's audited financial statements. The Audit Committee has also discussed with RSJ, the Company's independent auditors, the matters required to be discussed by the statement on Auditing Standards No. 61 (Communication with Audit Committees) and received the written disclosures and the letter from RSJ required by Independence Standards Board Standard No. 1 (Independence Discussion with Audit Committees). The Audit Committee has discussed with RSJ the independence of RSJ as auditors of the Company. Finally, the Audit Committee has considered whether the independent auditors provision of non-audit services to the Company is compatible with the auditors' independence. Based on the foregoing, the Company's Audit Committee has recommended to the Board of Directors that the audited financial statements of the Company be included in the Company's Annual Report on Form 10-KSB for the fiscal year ended June 30, 2005 for filing with the United States Securities and Exchange Commission. The Audit Committee also approved RSJ's engagement to prepare the Company's consolidated tax returns for its fiscal year ending June 30, 2005. The Company's Audit Committee did not submit a formal report regarding its findings.

### AUDIT COMMITTEE

Tom Djokovich

Notwithstanding anything to the contrary set forth in any of the Company's previous or future filings under the United States Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, that might incorporate this report in future filings with the Securities and Exchange Commission, in whole or in part, the foregoing report shall not be deemed to be incorporated by reference into any such filing.

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### COMPLIANCE WITH SECTION 16(A) OF EXCHANGE ACT

Section 16(a) of the Exchange Act requires the Company's officers and directors, and certain persons who own more than 10% of a registered class of the Company's equity securities (collectively, "Reporting Persons"), to file reports of ownership and changes in ownership ("Section 16 Reports") with the Securities and Exchange Commission (the "SEC"). Reporting Persons are required by the SEC to furnish the Company with copies of all Section 16 Reports they file.

Based solely on its review of the copies of such Section 16 Reports received by it, or written representations received from certain Reporting Persons, all Section 16(a) filing requirements applicable to the Company's Reporting Persons during and with respect to the fiscal year ended June 30, 2005 have been complied with on a timely basis.

### ITEM 10. EXECUTIVE COMPENSATION

#### DIRECTOR COMPENSATION

Directors receive no cash compensation for their services to the Company as directors, but are reimbursed for expenses actually incurred in connection with attending meetings of the Board of Directors.

On June 30, 2005, the Company issued 350,000 shares of common stock to Mr. Tom Djokovich for serving on the Company's Board of Directors through June 30, 2005. An amount of \$56,000 was recognized as an expense for the year ended June 30, 2005 for this issuance of shares. Mr. Djokovich also serves as the Chairman of our Audit Committee, for which he receives no separate compensation.

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#### EXECUTIVE OFFICER COMPENSATION

The following table and notes set forth the annual cash compensation paid to officers of the Company.

	Annual Compensation			
Name and Principal Position	Fiscal Year	Salary	Bonus	Other Annu Compensati
Jonathan Lei.....	2005	\$138,000	- 0 -	- 0 -
President, Chief Financial	2004	\$138,000	- 0 -	- 0 -
Officer, and Secretary	2003	\$138,000	- 0 -	- 0 -
Harinder Dhillon.....	2005	\$125,000	\$2,894	- 0 -
Senior Vice President	2004	\$125,000	\$8,714	- 0 -
	2003	\$105,000	- 0 -	- 0 -
Bryan Crane.....	2005	\$84,000	\$8,000 (2)	- 0 -
VP of Corporate Development	2004	\$84,000	\$29,000 (2)	- 0 -
	2003	\$84,000	- 0 -	- 0 -

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Michael Chuises.....	2005	\$120,000 (3)	- 0 -	- 0 -
VP of Corporate Development	2004	-0-	- 0 -	- 0 -
	2003	-0-	- 0 -	- 0 -

- (1) Consists of options granted under the Company's 2003 Stock Option Plan on July 15, 2003. These stock options are fully vested at the time of grant. Options are to purchase unregistered common stock at an exercise price equal to the fair market value of unregistered common stock at the time of grant, which was \$0.08 per share for these stock options.
- (2) 878,494 options were granted under the Company's 2003 Stock Option Plan on July 15, 2003. These stock options were fully vested at time of grant. Options are to purchase unregistered common stock at an exercise price equal to the fair market value of unregistered common stock at the time grant, which was \$0.08 per share for these stock options. On May 20, 2003, 700,000 shares of unregistered common stock were issued to Mr. Crane in lieu of cash payment for salaries accrued to that point. A total amount of \$29,000 and \$8,000 of cash bonus was given to Mr. Crane, during the fiscal year ending June 30, 2004 and June 30, 2005, respectively, for achieving certain milestones in managing the Company's investment capital efforts.
- (3) Mr. Chuises was promoted to Vice President of Engineering on October 1, 2004, with a base salary of \$120,000. On April 15, 2005, Mr. Chuises was granted 1,000,000 stock options to purchase unregistered common stock at an exercise price equal to the fair market value of unregistered common stock at the time grant, which was \$0.10 per share. Prior to his promotion, Mr. Chuises had 450,000 options at an exercise price of \$0.08 and 550,000 options at an exercise price of \$0.17.

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OPTIONS GRANTED IN LAST FISCAL YEAR

The following table sets forth information with respect to options to purchase common stock of the Company granted to the Company's officers during fiscal year 2005.

Name	Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price per Share	Expiration Date
Michael Chuises VP of Engineering	550,000 (1)	18%	\$0.17	Four years from the date of grant

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1,000,000 (2)                      33%                      \$0.10                      Four years from the  
 date of grant

- 
- (1)        These stock options vest 1/48 over a 48 month period
- (2)        25% of these stock options will become fully vested after 12 months of consecutive employment. The balance will vest 1/36 for 36 months after 12 months of consecutive employment.

### FISCAL YEAR-END OPTION EXERCISES AND OPTION VALUES

The following table sets forth information with respect to options to purchase common stock of the Company held by the Company's executive officers at September 30, 2005.

Name	Shares Acquired Upon Exercise	Value Realized(1)	Exercisable	Number of Unexercised Options Held at September 30, 2005 ----- Unexercisable
Michael Chuisen VP of Engineering	-0-	-0-	278,125	1,721,875
Bryan Crane VP of Corporate Development	-0-	-0-	253,494	-0-

- 
- (1)        The value realized is the difference between the market price of the common stock on the date of exercise and the exercise price of the stock option. The underlying securities held upon exercise are unregistered common stock.
- (2)        The value of unexercised "in-the-money" options is the difference between the market price of the common stock on September 30, 2005 (\$0.11 per share) and the exercise price of the option, multiplied by the number of shares subject to the option. The underlying securities held upon exercise are unregistered common stock.

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### EMPLOYMENT AGREEMENTS

The Company has not entered into any employment agreements with its executive officers to date. The Company may enter into employment agreements with them in the future.

### STOCK OPTION PLAN

On July 10, 2003, the Board of Directors of the Company adopted the 2003 Stock Option Plan for Directors, Executive Officers, Employees and Key Consultants of the Company (the "2003 Plan"). The 2003 Plan was ratified by the shareholders of the Company by written consent effective August 25, 2003. The 2003 Plan



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authorizes the issuance of up to 25,000,000 shares of the Company's common stock pursuant to the grant and exercise of up to 25,000,000 stock options. To date, 4,234,994 options to purchase 4,234,994 shares of common stock at volume weighted average price of \$0.11 per share granted under the 2003 Plan are outstanding. To date, 2,775,000 options have been exercised.

### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the names the executive officers and directors of the Company and all persons known by the Company to beneficially own 5% or more of the issued and outstanding common stock of the Company at September 30, 2005

Name, Title and Address -----	Number of Shares Beneficially Owned -----	Percentage O -----
Jonathan Lei President, Chief Financial Officer, Secretary, and Chairman	95,639,025	
Bryan Crane VP of Corporate Development	1,231,500	
Harinder Dhillon Senior Vice President (President of Warp 9 Inc.)	2,935,000	
Michael Chuises Vice President of Engineering	4,000	
Louie Ucciferri Director	3,500,000	
Tom Djokovich Director	652,500	
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All current Executive Officers as a Group	99,809,525	
All current Directors who are not Executive Officers as a Group	4,152,500	

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(1) Except as pursuant to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned. The total number of issued and outstanding shares and the total number of shares owned by each person does not include unexercised warrants and stock options, and is calculated as of September 30, 2005.

### ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On June 30, 2005, the Company issued 350,000 shares of common stock to Mr. Tom Djokovich for serving on the Company's Board of Directors and Chairman of the Company's Audit Committee thru June 30, 2005. \$56,000 was recognized as expense for the years ended June 30, 2005.

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### ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

#### (a) Exhibits

Exhibit -----	Description -----
3.1	Articles of Incorporation (1)
3.2	Bylaws (1)
4.1	Specimen Certificate for Common Stock (1)
4.2	Non-Qualified Employee Stock Option Plan (2)
5.1	Opinion of Sichenzia Ross Friedman Ference LLP(3)
10.1	First Agreement and Plan of Reorganization between Latinocare Management, Inc., a Nevada corporation, and Warp 9, Inc., a Delaware corporation (4)
10.2	Second Agreement and Plan of Reorganization between Latinocare Management, Inc., a Nevada corporation, and Warp 9, Inc., a Delaware corporation (5)
10.3	Exchange Agreement and Representations for shareholders of Warp 9, Inc.
10.4	Securities Purchase Agreement dated as of March 28, 2005 between Roaming Messenger, Inc. and Wings Fund, Inc.(6)
10.5	Periodic Equity Investment Agreement dated as of March 28, 2005 between Roaming Messenger, Inc. and Wings Fund, Inc.(6)
10.6	Registration Rights Agreement dated as of March 28, 2005 between Roaming Messenger, Inc. and Wings Fund, Inc.(6)
21	List of Subsidiaries(3)

(1) Incorporated by reference from the exhibits included with the Company's prior Report on Form 10-KSB filed with the Securities and Exchange Commission, dated March 31, 2002.

(2) Incorporated by reference from the exhibits included in the Company's Information Statement filed with the Securities and Exchange Commission, dated August 1, 2003.

(3) Previously Filed.

(4) Incorporated by reference from the exhibits included with the Company's prior Report on Form SC 14F1 filed with the Securities and Exchange Commission, dated April 8, 2003.

(5) Incorporated by reference from the exhibits included with the Company's prior Report on Form 8K filed with the Securities and Exchange Commission, dated May 30, 2003.

(6) Incorporated by reference to exhibits filed with the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission dated March 30, 2005.

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(b) The following is a list of Current Reports on Form 8-K filed by the Company during and subsequent to the last quarter of the fiscal year ended June 30, 2005.

(1) Form 8-K, dated March 28, 2005, filed with the SEC describing the Securities Purchase Agreements between Roaming Messenger, Inc. and Wings Fund, Inc.

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(2) Form 8-K, dated October 14, 2004, filed with the SEC reflecting the resignation of Brian Fox as Chief Technology Officer of the Company.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Rose Snyder & Jacobs, CPAs ("RSJ") is the Company's principal auditing accountant firm. RSJ has also provided other non-audit services to the Company. The Audit Committee approved the engagement of RSJ before RSJ rendered audit and non-audit services to the Company.

AUDIT FEES

RSJ billed the Company \$37,200 for the following professional services: audit of the annual financial statement of the Company for the fiscal year ended June 30, 2004, and review of the interim financial statements included in quarterly reports on Form 10-QSB for the periods ended September 30, 2004, December 31, 2004, and March 31, 2005.

TAX FEES

RSJ has not yet provided tax return preparation services for the Company for the fiscal year ended June 30, 2005, and therefore has not billed the Company for those services.

ALL OTHER FEES

RSJ billed the Company \$7,665 for other services, including preparation of the tax returns for the Company for 2004, during the fiscal year ended June 30, 2005.

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SIGNATURES

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

Dated: October 12, 2005

ROAMING MESSENGER, INC.

By: \s\ Jonathan Lei

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Jonathan Lei, Chairman of the Board,  
Chief Executive Officer, President  
Chief Financial Officer, and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: \s\ Jonathan Lei

Dated: October 12, 2005

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Jonathan Lei, Chairman of the Board,

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Chief Executive Officer, President  
Chief Financial Officer, and Secretary

By: \s\ Tom Djokovich

Dated: October 12, 2005

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Tom Djokovich  
Director

By: \s\ Louie Ucciferri

Dated: October 12, 2005

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Louie Ucciferri  
Director