Expedia, Inc.
Form 8-K
February 05, 2015

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF**

**THE SECURITIES EXCHANGE ACT OF 1934**

**DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED) February 5, 2015**

**EXPEDIA, INC.**

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware**<br>**(State or other jurisdiction**<br>**of incorporation)** | **000-51447**<br>**(Commission**<br>**File Number)** | **20-2705720**<br>**(I.R.S. Employer**<br>**Identification No.)** |

**333 108$^{th}$ Avenue NE**

**Bellevue, Washington 98004**

**(Address of principal executive offices) (Zip code)**

**(425) 679-7200**

**Registrant s telephone number, including area code**

**Not Applicable**

**(Former name or former address if changed since last report)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

¨ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

¨ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

¨ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

¨ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**
On February 5, 2015, Expedia, Inc. announced its financial results for the quarter and year ended December 31, 2014. The full text of this earnings release is furnished as Exhibit 99.1 hereto.

Expedia makes reference to non-GAAP financial measures in the earnings release, and includes information regarding such measures in the earnings release.

Pursuant to General Instruction B.2. to Form 8-K, the information set forth in this Item 2.02 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the Exchange Act ), or otherwise subject to the liabilities of that section, or incorporated by reference in any filing under the Securities Act of 1933, as amended (the Securities Act ), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 7.01. Regulation FD Disclosure.**
Expedia management intends to make presentations to various investors, analysts and others during February, March, April and May of 2015, using the slides containing company information attached to this report as Exhibit 99.2.

Pursuant to General Instruction B.2. to Form 8-K, the information set forth in this Item 7.01 shall not be deemed filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, or incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 8.01. Other Events.**
On February 5, 2015, Expedia announced that its Executive Committee, acting on behalf of its Board of Directors, has (i) declared a quarterly cash dividend of $0.18 per share of outstanding common stock payable on March 26, 2015 to stockholders of record as of the close of business on March 10, 2015, and (ii) authorized an additional repurchase of up to 10 million shares of the Company s common stock.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

| **Exhibit Number** | **Description** |
|---|---|
| **99.1** | Press Release of Expedia, Inc., dated February 5, 2015 |
| **99.2** | Expedia, Inc. Fourth Quarter 2014 Company Overview |

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**EXPEDIA, INC.**

By: /s/ MARK D. OKERSTROM
Mark D. Okerstrom
Chief Financial Officer

Dated: February 5, 2015

**EXHIBIT INDEX**

| **Exhibit Number** | **Description** |
|---|---|
| **99.1** | Press Release of Expedia, Inc., dated February 5, 2015 |
| **99.2** | Expedia, Inc. Fourth Quarter 2014 Company Overview |

signed, thereunto duly authorized, in the City of Houston, State of Texas, on May 31, 2006.

**DXP ENTERPRISES, INC.**

/S/ DAVID R. LITTLE

David R. Little

Chairman of the Board, President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the persons whose signatures appear below constitute and appoint Mac McConnell and David R. Little, and each of them, as true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Form S-8 Registration Statement, and any or all amendments (including post-effective amendments) to said Form S-8 Registration Statement, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ DAVID R. LITTLE<br>David R. Little | Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer) | May 30, 2006 |
| /s/ MAC MCCONNELL<br>Mac McConnell | Senior Vice President/Finance and<br>Chief Financial Officer<br>(Principal Financial and | May 30, 2006 |

Accounting Officer)

| | | |
|---|---|---|
| /s/ CLETUS DAVIS<br>Cletus Davis | Director | May 30, 2006 |
| /s/ TIMOTHY P. HALTER<br>Timothy P. Halter | Director | May 30, 2006 |
| /s/ KENNETH H. MILLER<br>Kenneth H. Miller | Director | May 30, 2006 |

INDEX TO EXHIBITS

4.1 DXP Enterprises, Inc. 2005 Restricted Stock Plan (incorporated by reference to Exhibit 10.14 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2005).

*5.1 Opinion of Fulbright & Jaworski L.L.P.

*23.1 Consent of Fulbright & Jaworski L.L.P (included in Exhibit 5.1)

*23.2 Consent of Hein & Associates LLP

*24.1 Power of Attorney (included in the signature page)

Exhibits designated by the symbol * are filed with this registration statement. All exhibits not sodesignated are incorporated by reference to a prior filing with SEC as indicated Exhibit 5.1

[Fulbright & Jaworski L.L.P. letterhead]

May 30, 2006

DXP Enterprises, Inc.

7272 Pinemont

Houston, Texas 77040

Ladies and Gentlemen:

As counsel to DXP Enterprises, Inc., a Texas corporation (the "Company"), we are delivering this opinion in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of 300,000 shares (the "Shares") of the Company's common stock, $.01 par value per share (the "Common Stock"), to be offered upon the terms and subject to the conditions set forth in the DXP Enterprises, Inc. 2005 Restricted Stock Plan (the "Plan").

In connection therewith, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the Restated Articles of Incorporation of the Company, as amended, the By-laws of the Company, as amended, the Plan, records of relevant corporate proceedings with respect to the offering of the Shares and such other documents, instruments and corporate records as we have deemed necessary or appropriate for the expression of the opinions contained herein. We also have examined the Company's Registration Statement on Form S-8 (the "Registration Statement"), to be filed with the Securities and Exchange Commission with respect to the Shares.

We have assumed the authenticity and completeness of all records, certificates and other instruments submitted to us as originals, the conformity to original documents of all records, certificates and other instruments submitted to us as copies, the authenticity and completeness of the originals of those records, certificates and other instruments submitted to us as copies and the correctness of all statements of fact contained in all records, certificates and other instruments that we have examined.

Based on the foregoing, and having regard for such legal considerations as we have deemed relevant, we are of the opinion that the Shares have been duly and validly authorized for issuance and, when issued in accordance with the terms of the Plan, will be duly and validly issued, fully paid and nonassessable.

The opinions expressed herein relate solely to, are based solely upon and are limited exclusively to the federal laws of the United States of America and the State of Texas , and we express no opinion as to the effect of the laws of any other jurisdiction.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/S/ FULBRIGHT & JAWORSKI L.L.P.

Fulbright & Jaworski L.L.P.

Exhibit 23.2

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this registration statement on Form S-8 of our report dated February 24, 2006 relating to the financial statements and financial statement schedules, which appears in DXP Enterprises, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2005.

Hein & Associates LLP

/S/ HEIN & ASSOCIATES LLP

Houston, TX
May 30, 2006

ign: left">$– $146,560 Value of derivative adjustment due to debt conversions $9,350 $– Debt discounts $80,880 $–

See accompanying notes to financial statements.

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**Note 1 – Nature of Business and Significant Accounting Policies**

The condensed consolidated interim financial statements included herein, presented in accordance with United States generally accepted accounting principles and stated in US dollars, have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein. It is suggested that these condensed consolidated interim financial statements be read in conjunction with the financial statements of the Company for the year ended December 31, 2011 and notes thereto included in the Company's Form 10-K annual report. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim period are not indicative of annual results.

Through the Company’s subsidiary, Wireless Wisconsin, LLC, the Company provides high speed wireless Internet connections to residents in rural communities, as well as some dial-up internet services to businesses and residents within various markets throughout rural Wisconsin. The Company operates in both a regulated and non-regulated environment. The Company’s current business plan is to expand into the delivery of 4G mobile broadband services via WiFi in major and rural markets throughout the United States.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the following entities, all of which are under common control and ownership:

| Name of Entity(1) | Form of Entity | State of Incorporation | Relationship(2) | Abbreviated Reference |
|---|---|---|---|---|
| Competitive Companies, Inc. | Corporation | Nevada | Parent | CCI |
| Competitive Communications, Inc.(3) | Corporation | California | Subsidiary | COMM |
| CCI Residential, Inc.(3) | Corporation | California | Subsidiary | CCIR |
| Innovation Capital Management, Inc. | Corporation | Delaware | Subsidiary | ICMI |
| Innovation Capital Management, LLC | Limited Liability Corporation | Delaware | Subsidiary | ICML |
| Wireless Wisconsin, LLC | Limited Liability Corporation | Wisconsin | Subsidiary | WW |
| Wytec International, Inc. | Corporation | Texas | Subsidiary | WYTECI |

(1)Certain non-operational holding companies have been excluded.

(2)All subsidiaries are wholly-owned subsidiaries.

(3)Subsidiary has been inactive since discontinuing its operations in California in 2009.

The consolidated financial statements herein contain the operations of the wholly owned subsidiaries listed above. All significant inter-company transactions have been eliminated in the preparation of these financial statements. The parent company, CCI and subsidiaries, COMM, CCIR, ICMI, ICML, WW and WYTECI will be collectively referred to herein as the “Company”, or “CCI”. The Company's headquarters are located in San Antonio, Texas and substantially all of its customers are Wisconsin and Texas residents. The Company provides dial up and high-speed broadband internet services, mainly to customers in rural markets throughout Wisconsin, San Antonio, TX and Puerto Rico through its Wireless Wisconsin, LLC subsidiary.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

On March 5, 2012, the Board of Directors approved the formation of a wholly owned subsidiary of one of the Company’s wholly owned subsidiaries, Wytec International, Inc. under the laws of the State of Texas. The entity, named “Wylink, Inc.”, was formed to develop a Registered Links Program, whereby we intend to sell point to point links between two known GPS coordinates that make up a part of a backhaul network feeding into a microcell mobile broadband network.

Revenue Recognition

Our only source of revenue currently is through the Company's subsidiary, Wireless Wisconsin, LLC, where we provide high speed wireless Internet connections to residents in rural communities, as well as some dial-up internet services to businesses and residents within various markets throughout rural Wisconsin. Our revenue is recognized when persuasive evidence of an arrangement exists; delivery of our services has occurred; our price to our customer is fixed or determinable; and collectability of the sales price is reasonably assured. As such, we recognize revenues from our dial-up and broadband internet services in the month in which we provide services. Services provided but not billed by the end of the year are reflected as unbilled receivables in the accompanying consolidated balance sheets; likewise, services billed in advance for future months are reflected in deferred revenues in the accompanying consolidated balance sheets.

Reclassifications

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts payable, notes payable, and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Derivative Financial Instruments

The Company generally does not use derivative financial instruments to hedge exposures to cash-flow risks or market-risks that may affect the fair values of its financial instruments. The Company utilizes various types of financing to fund our business needs, including convertible debts with conversion features and other instruments not indexed to our stock. The convertible notes include fluctuating conversion rates. The Company uses a lattice model for valuation of the derivative described in Note 6. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and then re-valued periodically, but at least annually, with changes in the fair value reported in income in accordance with ASC 815. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is reassessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether net cash settlement of the derivative instrument could be required within the 12 months of the balance sheet date.

Stock-Based Compensation

Common stock issued for services and compensation was $43,068 and $6,200 for the nine months ended September 30, 2012 and 2011, respectively.

Recent Accounting Pronouncements

The Company has reviewed the updates issued by the Financial Accounting Standards Board (“FASB”) during the nine-month period ended September 30, 2012, and determined that the updates are either not applicable to the Company or will not have a material impact on the Company.

**Note 2 – Fair Value of Financial Instruments**

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company’s financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The Company’s derivative liabilities are measured at fair value and are classified as Level 2 in the fair value hierarchy.

**Note 3 – Property and Equipment**

Property and equipment consist of the following:

| | September 30, 2012 | December 31, 2011 |
|---|---|---|
| Telecommunication equipment and computers | $ 12,506 | $ 4,611 |
| Furniture and fixtures | 13,301 | 9,150 |
| | 25,807 | 13,761 |
| Less accumulated depreciation | (10,748 ) | (8,110 ) |
| | $ 15,059 | $ 5,651 |

Depreciation expense totaled $2,634 and $2,064 for the nine months ending September 30, 2012 and 2011, respectively.

**Note 4 – Notes Payable**

Notes payable consists of the following at September 30, 2012 and 2011, respectively:

| | September 30, 2012 | December 31, 2011 |
|---|---|---|
| Unsecured promissory note carries an 8% interest rate, matured on March 2, 2010. Currently in default. | $ 30,000 | $ 30,000 |
| Unsecured promissory note carries an 8% interest rate, matured on June 15, 2009. The note was repaid in 2012. | – | 10,000 |
| Unsecured promissory note carries an 8% interest rate, matured on June 15, 2009 The note was repaid in 2012. | – | 10,000 |
| Unsecured note payable to a stockholder, with interest at 8%, and monthly principal and interest payments of $683, matured on February 23, 2011. Currently in default. | 17,006 | 17,006 |
| Total notes payable | $ 47,006 | $ 67,006 |

The Company recorded interest expense on notes payable in the amount of $7,916 and $4,043 for the nine months ended September 30, 2012 and 2011, respectively.

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**Note 5 – Convertible Debentures**

The Company has issued unsecured convertible promissory notes at various times from 2008 through 2012. During the first nine months of 2012, the Company issued convertible promissory notes totaling $251,000. The notes bear interest at rates ranging from 8.0% to 12.5% per annum. The notes mature at various times through June 2013.

The principal balance of each note is convertible into shares of the Company's common stock. The conversion terms of each note can vary, but in general, the notes are convertible at a rate equal to a specified percentage (most range from 80% to 90%) of the Company's average common stock closing price for a short period of time prior to conversion. During the nine-month period ended September 30, 2012, a total of $274,500 of these notes were converted to common stock, leaving a remaining principal balance of $560,000 at that date.

Certain convertible promissory notes also carry detachable warrants. As of September 30, 2012, warrants to purchase 14,277,000 shares of the Company's common stock were outstanding. The warrants have exercise prices ranging from $0.003 to $0.021 per share and are exercisable for a two-year period from the grant date.

In accordance with ASC 470-20 Debt with Conversion and Other Options, the Company recorded a discount of $194,114 and $174,264 for the variable conversion feature and warrants issued in the nine months ended September 30, 2012 and year ended December 31, 2011 respectively. The discounts will be amortized to interest expense over the term of the debentures. The Company recorded $61,030 and $119,578 of interest expense pursuant to the amortization of the note discounts during the nine months ended September 30, 2012 and 2011, respectively.

**Note 6 – Derivative Liabilities**

As discussed in Note 5 under Convertible Debentures, the Company issued convertible notes payable that provide for the issuance of convertible notes with variable conversion provisions. The conversion terms of the convertible notes are variable based on certain factors, such as the future price of the Company's common stock. The number of shares of common stock to be issued is based on the future price of the Company's common stock. As of September 30, 2012, the number of shares of common stock issuable upon conversion of promissory notes and warrants exceeds the Company's maximum number of authorized common shares. Due to the fact that the number of shares of common stock issuable exceeds the Company's authorized share limit, the equity environment is tainted and all additional convertible debentures and warrants are included in the value of the derivative. Pursuant to ASC 815-15 Embedded Derivatives, the fair values of the variable conversion option and warrants and shares to be issued were recorded as derivative liabilities on the issuance date.

In accordance with ASC 815-15, the Company determined that the variable conversion feature and the warrants and shares to be issued represented embedded derivative features, and these are shown as derivative liabilities on the balance sheet. The Company estimated the fair value of the compound embedded derivatives associated with the convertible debentures at September 30, 2012 and 2011.

The estimated change in the fair market value of the derivative liabilities totaled $129,049 and ($152,837) for the nine months ended September 30, 2012 and 2011 respectively.

**Note 7 – Changes in Stockholders' Equity (Deficit)**

During the nine-month period ended September 30, 2012, the Company issued 77,105,517 shares of common stock as a result of conversion of $274,500 of convertible notes' principal, plus accrued interest.

During the nine-month period ended September 30, 2012, the Company issued 4,050,000 shares of common stock in exchange for legal and consulting services.

During the nine-month period ended September 30, 2012, the Company issued 2,627,808 shares of treasury stock and common stock in exchange for a subscription payable of $34,620.

**Note 8 – Subsequent Events**

In October 2012, the Company issued 13,915,949 shares of common stock as a result of conversion of $29,000 of convertible notes' principal.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.**

You should read the following discussion and analysis of our financial condition and plan of operations together with our financial statements and related notes appearing elsewhere in this Quarterly Report. Various statements have been made in this Quarterly Report on Form 10-Q that may constitute “forward-looking statements”. Forward-looking statements may also be made in Competitive Companies, Inc.’s other reports filed with or furnished to the United States Securities and Exchange Commission (the “SEC”) and in other documents. In addition, from time to time, Competitive Companies, Inc. through its management may make oral forward-looking statements. Forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from such statements. The words “believe,” “expect,” “anticipate,” “optimistic,” “intend,” “plan,” “aim,” “will,” “may,” “should,” “could and similar expressions are intended to identify forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. Competitive Companies, Inc. (“CCI” or the “Company”) undertakes no obligation to update or revise any forward-looking statements.

**Business**

CCI is a Nevada corporation that acts as a holding company for its operating subsidiaries, as follows: (a) Competitive Communications, Inc. (“Competitive Communications”), (b) CCI Residential Services Inc. (“CCI Residential”), (c) Innovation Capital Management, Inc. (“ICM, Inc.”), a company that focuses on raising capital and developing joint ventures and acquisitions, and (d) Innovation Capital Management, LLC (“ICM, LLC”), a company that focuses on developing marketing relationships, (e) Wireless Wisconsin, LLC (“WW”), a company that provides web hosting, dial-up, wireless and DSL Internet services to businesses and residents within various markets throughout Wisconsin and the United States, (f) Wytec International, Inc., (“Wytec”) a currently non-operational company acquired on November 8, 2011 which houses certain patents, and (g) Wylink, Inc., (“Wylink”) a subsidiary of Wytec International, Inc. formed on March 9, 2012 in the state of Texas to develop a Registered Links Program, whereby we intend to sell point to point links between two known gps coordinates that make up a part of a backhaul network feeding into a microcell mobile broadband network.

The telecommunications products and services provided by us and our subsidiaries include web hosting, e-mail services, dial-up, DSL, and wireless internet services to rural residential and retail business users. It is our intention in the future to include “mobile” 4G services to our current customers as well as expand to new customers beyond our rural markets.

**Overview of Current Operations**

We continue to shift our focus away from our past revenue sources, such as, web hosting, dial-up, wireless and DSL and fixed wireless internet services to the design, development and implementation of 4G mobile WiFi with special concentration in developing offload services for carriers within the Central Business District (CBD) of tier one and tier two cities across North America.

On November 8, 2011, the Company acquired Wytec International, Inc., a non-operational company along with five U.S. patents related to Local Multipoint Distribution Service (LMDS). LMDS deal primarily in the transmission of point-to-point and point-to-multipoint data distribution utilizing millimeter wave spectrum. Though the patents are currently unusable in the Company's current 4G backhaul configuration, the Company intends to develop the technology for usage in future 4G millimeter backhaul deployments. Millimeter links are now utilized as the predominate choice in gigabyte data transmission in support of 4G network deployments.

On March 9, 2012, with the approval of the Board of Directors the Company formed a wholly owned subsidiary of one of the Company's wholly owned subsidiaries, Wytec International, Inc. under the laws of the State of Texas. The entity, named "Wylink, Inc.", was formed to market the sale of millimeter wave spectrum in the licensed 70 & 80 Gigahertz frequency channels. The FCC has developed a unique application program giving the ability for qualified applicants to own millimeter spectrum under a program known as the Registered Link Program. The Company intends to sell point-to-point "Registered Links" as part of its backhaul solution in support of the Company's 4G WiFi network. As of September 30, 2012, Wylink, Inc. had sold nineteen (19) Registered Links for a total of $475,000. The sale of our Registered Links are treated as customer deposits and booked as "deferred revenue" and are included in the Company's cash flow statement.

On September 7, 2012, with the approval of the Board of Directors of Wytec International, Inc., the Company entered into a definitive agreement with General Patent Corporation (GPC) to form a Delaware Limited Liability Corporation, Wytec LLC, for the purpose of transferring the ownership of our five patents originally owned by Wytec International into the new LLC entity. GPC will act as the General Partner of the corporation and will assist in the monetization of the five patents.

Management now focuses its primary business direction to the development of 4G mobile broadband networks capable of delivering 100 Mbps to mobile devices and utilized as a multi-carrier "offload" solution. The Company intends to construct at least ten (10) Central Business District (CBD) operations within North America by year end 2013.

**Result of Operations for the Nine Months Ended September 30, 2012 and 2011**

The operating results of the nine month and three month periods ended September 30, 2011 have been restated for previously unrecognized embedded derivative accounting treatment related to certain convertible promissory notes obtained in 2010 and 2011. These restatements resulted in an increase to net loss of $152,837 and $98,209 and are reflected in the comparative data for the nine months and three months ended September 30, 2011 respectively.

Results of the three month period ended September 30, 2012 did not include any notable items, other than the write-off of accounts payable balances as described below.

Revenues for the nine months ended September 30, 2012 was $65,380 compared to revenues of $98,410 for the nine months ended September 30, 2011. This resulted in a decrease in revenues of $33,030 or 34% due to the loss of market share to competing companies from cellular and satellite based technologies. We are currently expanding our product lines to increase our revenues through alternative means, such as, "mobile" 4G services and the establishment of a Registered Links Program, whereby we intend to sell point to point links between two known GPS coordinates that make up a part of a backhaul network feeding into a microcell mobile broadband network.

Cost of sales for the nine months ended September 30, 2012 was $48,129, an increase of $1,570, or 3%, from $46,599 for the nine months ended September 30, 2011. Our cost of sales increased primarily due to costs incurred in the preparation of our forthcoming Registered Links Program from which we have not yet realized revenues.

Gross profit as a percentage of revenue decreased from 53% from the nine months ended September 30, 2011 to 26% for the nine months ended September 30, 2012. Gross profit as a percentage of revenue decreased due to our inability to reduce cost of sales on the same scale as our reduction in revenues. Our fixed costs supporting the infrastructure of our web hosting, e-mail services, dial-up, DSL and wireless internet services are unable to be reduced at the same rate our revenues have declined.

Other income increased during the nine months ended September 30, 2012 due to the write-off of account payable balances that could not be supported and were no longer deemed to be liabilities.

General and administrative expenses were $622,895 for the nine months ended September 30, 2012, as compared to $187,402 for the nine months ended September 30, 2011. This resulted in an increase of $435,495 or 232%. The increase in our general and administrative expenses was largely a result of developing new technologies that we expect will help increase future revenues and due to increased costs associated with our valuation of embedded derivatives within our convertible debentures and costs incurred in the acquisition of our wholly owned subsidiary, Wytec International, Inc. and the related patent technologies.

Salary and wage expenses were $241,126 for the nine months ended September 30, 2012, versus $211,587 of salary and wage expenses for the nine months ended September 30, 2011, which resulted in an increase of $29,539, or 14%. The increase in salary and wages is due to the increase in compensation of the current employees.

Depreciation expenses were $2,634 for the nine months ended September 30, 2012, compared to $2,064 for the nine months ended September 30, 2011, resulting in an increase of $570, or 28%. The increase is principally due to certain assets reaching the end of their depreciable life cycle in 2011 and being replaced in 2012.

Interest expense for the nine months ended September 30, 2012 was $97,453, compared to $144,057 for the nine months ended September 30, 2011. This resulted in a decrease of $46,604, or 32% compared to the same period in 2011. The decrease was primarily due to our decreased convertible debentures held during the nine months ended September 30, 2012, compared to the nine months ended September 30, 2011.

**Liquidity and Capital Resources**

While we have raised capital to meet our working capital and financing needs in the past, additional financing will be required in order to meet our current and projected cash requirements for operations. As of September 30, 2012, we had a working capital (deficit) of ($1,483,747). As of September 30, 2012, $47,006 of convertible and promissory notes payable that are currently in default and are classified as current liabilities in the accompanying consolidated balance sheet. The company plans to remedy the defaults through conversions or through repayments once future financing is secured.

During the nine months ended September 30, 2012 the Company received a total of $251,000 from several private lenders in exchange for unsecured convertible promissory notes at various dates from January 17, 2012 through August 14, 2013. The convertible promissory notes carry a 12.5% and 8% interest rate and mature 179 days from the origination date at various dates between January 16, 2013 and June 30, 2013. The principal is convertible into shares of common stock at the discretion of the note holder at a price equal to eighty percent (80%) of the average closing price of the Company's common stock for the ten (10) trading days prior to the conversion date, or 110% of the average closing price as of the Closing Date of the Note, whichever is greater.

We anticipate that we will incur operating losses in the next twelve months. Our revenues are not expected to exceed our investment and operating costs in the next twelve months. Our prospects must be considered in light of the risks, expenses and difficulties frequently encountered by companies in their early stage of operations. To address these risks, we must, among other things, seek growth opportunities through investment and acquisitions, effectively monitor and manage our claims for payments that are owed to us, implement and successfully execute our business strategy, respond to competitive developments, and attract, retain and motivate qualified personnel. We cannot assure that we will be successful in addressing such risks, and the failure to do so could have a material adverse effect on our business prospects, financial condition and results of operations.

***Satisfaction of our cash obligations for the next 12 months.***

As of September 30, 2012, our cash balance was $81,502. Our plan for satisfying our cash requirements for the next twelve months is through sales-generated income, sale of shares of our common stock, third party financing, and/or traditional bank financing. We anticipate sales-generated income during that same period of time, but do not anticipate generating sufficient revenue to meet our working capital requirements. Consequently, we intend to attempt to find sources of additional capital in the future to fund growth and expansion through additional equity or debt financing or credit facilities.

***Going concern.***

Our condensed consolidated financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplate the realization of assets and liquidation of liabilities in the normal course of business. We have incurred continuous losses from operations, have an accumulated deficit of $6,700,368 and a working capital deficit of $1,483,747 at September 30, 2012, and have reported negative cash flows from operations over the last five years. In addition, we do not currently have the cash resources to meet our operating commitments for the next twelve months. The Company’s ability to continue as a going concern must be considered in light of the problems, expenses, and complications frequently encountered by entrance into established markets and the competitive nature of the industry in which we operate.

Our ability to continue as a going concern is dependent on our ability to generate sufficient cash from operations to meet our cash needs and/or to raise funds to finance ongoing operations and repay debt. However, there can be no assurance that we will be successful in our efforts to raise additional debt or equity capital and/or that our cash generated by our operations will be adequate to meet our needs. These factors, among others, indicate that we may be unable to continue as a going concern for a reasonable period of time.

***Summary of product and research and development that we will perform for the term of our plan.***

We are not anticipating significant research and development expenditures in the near future.

***Expected purchase or sale of significant equipment.***

We do not anticipate the purchase or sale of any significant equipment as such items are not required by us at this time.

***Significant changes in the number of employees.***

As of September 30, 2012, we had five full-time employees. Currently, there are no organized labor agreements or union agreements between us and our employees.

Assuming we are able to pursue additional revenue through acquisitions and/or strategic alliances with other companies we anticipate an increase of personnel and may need to hire additional employees. In the interim, we intend to use the services of independent consultants and contractors to perform various professional services when appropriate. We believe the use of third-party service providers may enhance our ability to control general and administrative expenses and operate efficiently.

**Off-Balance Sheet Arrangements**

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

**Recently Issued Accounting Standards**

The Company has reviewed the updates issued by the Financial Accounting Standards Board ("FASB") during the nine-month period ended September 30, 2012, and determined that the updates are either not applicable to the Company or will not have a material impact on the Company.

**Item 3. Quantitative and Qualitative Disclosure About Market Risk.**

This item in not applicable as we are currently considered a smaller reporting company.

**Item 4. Controls and Procedures.**

***Evaluation of Disclosure Controls and Procedures***

Our Chief Executive Officer and Principal Accounting Officer, William Gray, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on the evaluation, Mr. Gray concluded that our disclosure controls and procedures are not effective in timely alerting him to material information relating to us (including our consolidated subsidiaries) required to be included in our periodic SEC filings and ensuring that information required to be disclosed by us in the reports we file or submit under the Act

is accumulated and communicated to our management, including our chief financial officer, or person performing similar functions, as appropriate to allow timely decisions regarding required disclosure, for the following reasons:

- The Company does not have an independent board of directors or audit committee or adequate segregation of duties.
- All of our financial reporting is generated by our financial consultant.
- We do not have an independent body to oversee our internal controls over financial reporting and lack segregation of duties due to the limited nature and resources of the Company.

We plan to rectify these weaknesses by implementing an independent board of directors and hiring additional accounting personnel once we have additional resources to do so.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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**PART II – OTHER INFORMATION**

**Item 1. Legal Proceedings.**

None

**Item 2. Unregistered Sales of Equity Securities.**

During the nine-month period ended September 30, 2012, the Company issued 35,945,967 shares of common stock as a result of conversion of $274,500 of convertible notes’ principal, plus accrued interest.

All of these shares were issued in reliance upon an exemption from the securities registration afforded by the provisions of Section 4(2) and/or Regulation D as promulgated by the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

**Item 3. Defaults Upon Senior Securities.**

There were no defaults on senior securities during the period ended September 30, 2012.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

On March 9, 2012, with the approval of the Board of Directors the Company formed a wholly owned subsidiary of one of the Company's wholly owned subsidiaries, Wytec International, Inc. under the laws of the State of Texas. The entity, named "Wylink, Inc.", was formed to develop a Registered Links Program, whereby we intend to sell point to point links between two known gps coordinates that make up a part of a backhaul network feeding into a microcell mobile broadband network

**Item 6. Exhibits.**

| Exhibit No. | Description |
|---|---|
| 31.1 | Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 * |
| 31.2 | Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002 * |
| 32.1 | Certification of Principal Executive Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 * |
| 32.2 | Certification of Principal Financial Officer, pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 * |
| 101.INS | XBRL Instance Document.* |
| 101.SCH | XBRL Schema Document.* |
| 101.CAL | XBRL Calculation Linkbase Document.* |
| 101.DEF | XBRL Definition Linkbase Document.* |
| 101.LAB | XBRL Labels Linkbase Document. * |
| 101.PRE | XBRL Presentation Linkbase Document.* |

* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**COMPETITIVE COMPANIES, INC.**

Date: November 9, 2012 By: /s/ William H. Gray
William H. Gray,

Chief Executive Officer

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