

Media Exchange Group, Inc.
Form 10-Q
January 18, 2011

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2008

or

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

For the transition period from _____ to _____

Commission File Number: 333-49388

Media Exchange Group, Inc.
(formerly known as China Wireless Communications, Inc.)

(Exact name of registrant as specified in its charter)

| | |
|---|---|
| Nevada | 91-196948 |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |

101 Church Street, Suite 14, Los Gatos, California 95030
(Address of principal executive offices)

(408)827-3083
(Registrant's telephone number, including area code)

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

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (ss. 232.405 of this chapter) during the preceding 12 (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

| | | | |
|-------------------------|-----------------------|---------------------------|----------------------------------|
| Large accelerated filer | <input type="radio"/> | Accelerated filer | <input type="radio"/> |
| Non-accelerated filer | <input type="radio"/> | Smaller reporting company | <input checked="" type="radio"/> |

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

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date, 234,260,702 shares of common stock are issued and outstanding as of January 12, 2011.

OTHER PERTINENT INFORMATION

When used in this report, the terms “Media Exchange,” the Company”, “we”, “our”, and “us” refers to Media Exchange Group Inc., a Nevada corporation, and our subsidiary. The information which appears on our web site is not part of this report.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this report contain or may contain forward-looking statements that are subject to known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements were based on various factors and were derived utilizing numerous assumptions and other factors that could cause our actual results to differ materially from those in the forward-looking statements. These factors include, but are not limited to, our ability to raise sufficient capital to fund our ongoing operations and satisfy our obligations as they become due, our ability to generate any meaningful revenues, our ability to compete within our market segment, our ability to implement our strategic initiatives, economic, political and market conditions and fluctuations, government and industry regulation, interest rate risk, U.S. and global competition, and other factors. Most of these factors are difficult to predict accurately and are generally beyond our control. You should consider the areas of risk described in connection with any forward-looking statements that may be made herein. Readers are cautioned not to place undue reliance on these forward-looking statements and readers should carefully review this report in its entirety, as well as our annual report on Form 10-K for the year ended December 31, 2007 including the risks described in Part I. Item 1A. Risk Factors of that report. Except for our ongoing obligations to disclose material information under the Federal securities laws, we undertake no obligation to release publicly any revisions to any forward-looking statements, to report events or to report the occurrence of unanticipated events. These forward-looking statements speak only as of the date of this report, and you should not rely on these statements without also considering the risks and uncertainties associated with these statements and our business.

Media Exchange Group, Inc.

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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

Media Exchange Group, Inc.
 (formerly known as China Wireless Communications, Inc.)
 BALANCE SHEETS

| | March 31, 2008 (Unaudited) | December 31, 2007 (1) |
|---|----------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$843 | \$82,116 |
| Total current assets | 843 | 82,116 |
| Assets from discontinued operations | - | 19,642 |
| Total assets | \$843 | \$101,758 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses | \$147,210 | \$125,291 |
| Derivative liability | 88,163 | - |
| Convertible notes payable and accrued interest- related parties, net of debt discount of \$0 and \$48,750, respectively | 825,215 | 358,453 |
| Liabilities from discontinued operations | - | 142,104 |
| Total current liabilities | 1,060,588 | 625,848 |
| Total liabilities | 1,060,588 | 625,848 |
| Stockholders' Deficit: | | |
| Preferred stock, \$0.01 par value, 1,000,000 shares authorized: none issued and outstanding | - | - |
| Common stock, par value \$0.001 per share, 250,000,000 shares of common stock authorized, 234,260,702 and 219,841,653 issued and outstanding | 234,261 | 219,842 |
| Additional paid-in capital | 15,104,403 | 14,993,703 |
| Accumulated other comprehensive income | - | 935 |
| Accumulated deficit | (16,398,409) | (15,738,570) |
| Total stockholders' deficit | (1,059,745) | (524,090) |
| Total liabilities and stockholders' deficit | \$843 | \$101,758 |

(1) Derived from audited financial statements

See Notes to Unaudited Consolidated Financial Statements.

Media Exchange Group, Inc.
(formerly known as China Wireless Communications, Inc.)
STATEMENTS OF OPERATIONS

| | Three-Month Periods Ended March 31, | |
|---|--|--------------|
| | 2008 | 2007 |
| | (Unaudited) | (Unaudited) |
| Operating expenses: | | |
| Selling, general and administrative | \$ 646,271 | \$ 254,065 |
| Total operating expenses | 646,271 | 254,065 |
| Operating loss | (646,271) | (254,065) |
| Other expense: | | |
| Interest expense, net | (56,762) | (49,234) |
| | (56,762) | (49,234) |
| Net loss before discontinued operations | (703,033) | (303,299) |
| Income (Loss) from discontinued operations | 43,195 | (41,220) |
| Net loss | \$(659,838) | \$(344,519) |
| Other comprehensive (loss) income : | | |
| Foreign exchange translation | (935) | 3,688 |
| Comprehensive Loss | \$(660,773) | \$(340,831) |
| Earnings per share: | | |
| Continuing operations | \$(0.00) | \$(0.00) |
| Discontinued operations | 0.00 | (0.00) |
| Basic and diluted loss per common share | \$(0.00) | \$(0.00) |
| Basic and diluted weighted average common shares outstanding | 226,971,952 | 167,397,772 |

See Notes to Unaudited Consolidated Financial Statements.

Media Exchange Group, Inc.
(formerly known as China Wireless Communications, Inc.)
STATEMENTS OF CASH FLOWS

Three-Month Periods Ended
March 31,