

Mobiquity Technologies, Inc.
Form S-1/A
May 21, 2015

As filed with the Securities and Exchange Commission on May 21, 2015

Registration No. 333-201340

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C. 20549

AMENDMENT NO. 2

TO

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

MOBIQUITY TECHNOLOGIES, INC.

(Name of registrant as specified in its charter)

New York	7310	11-3427886
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

600 Old Country Road, Suite 541

Garden City, NY 11530

(516) 256-7766

(Address, including zip code, and telephone number,

including area code, or registrant's principal executive offices)

Dean L Julia, Co-Chief Executive Officer

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Garden City, NY 11530

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(Name, address, including zip code, and telephone number,

including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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 Non-accelerated filer
Accelerated filer Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, \$0.0001 par value per share(3)	\$11,500,000	\$1,336.30
Underwriter’s Warrant to Purchase Common Stock(4)	\$100	\$0.01
Common Stock Underlying Underwriter’s Warrant(5)(6)	\$460,000	\$53.46
Total	\$11,960,100	\$1,389.77(7)

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the “Securities Act”).
- (2) Includes the offering price of shares that the underwriters have the option to purchase to cover over-allotments, if any.
- (3) Calculated pursuant to Rule 457(o) under the Securities Act based on an estimate of the proposed maximum aggregate offering price.
- (4) No registration fee pursuant to Rule 457(g) under the Securities Act.
Pursuant to Rule 416 under the Securities Act, the shares of common stock registered hereby also include an
- (5) indeterminate number of additional shares of common stock as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.
- (6) Registration fee calculated pursuant to Rule 457(g) under the Securities Act.
- (7) Previously paid.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion

Preliminary Prospectus dated May 21, 2015

PROSPECTUS

Shares

Common Stock

We are selling shares of our common stock in a firm commitment underwritten offering.

Our common stock is quoted on the OTCQB under the symbol “MOBQ.” We intend to apply to list our common stock on the NYSE MKT with such listing to commence upon the closing of this offering. No assurances can be given that our application will be approved. On May 18, 2015, the last reported sale of our common stock on the OTCQB was \$6.40 per share, after giving retroactive effect to a presumed one-for-twenty reverse stock split to be completed prior to the effectiveness of the registration statement of which this prospectus is a part.

Our business and an investment in our common stock involve significant risks. These risks are described under the caption “Risk Factors” beginning on page 9 of this prospectus.

Per Share	Total
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Public offering price	\$	\$ 10,000,000
Underwriting discount and commissions ⁽¹⁾	\$	\$ 800,000
Proceeds, before expenses, to us	\$	\$ 200,000

The representative of the underwriters or its designees will receive compensation in addition to the underwriting (1) discount. We refer you to “Underwriting” beginning on page ___ of this prospectus for additional information regarding total underwriting compensation.

The representative of the underwriters may also exercise its option to purchase up to an additional _____ shares of common stock from us, at the public offering price, less the underwriting discount and commissions, for 45 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the common shares to purchasers on or about _____, 2015.

National Securities Corporation

Sole Book-Running Manager

H.C. Wainwright & Co.

Co-Manager

The date of this prospectus is _____, 2015.

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For investors outside the United States: neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any free writing prospectus we may provide to you in connection with this offering in any jurisdiction where action for that purpose is required, other than in the United States. You are required to inform yourselves about and to observe any restrictions relating to this offering and the distribution of this prospectus and any such free writing prospectus outside of the United States.

We have not, and the underwriters have not, authorized any other person to provide you with different information than that contained in this prospectus and any related free writing prospectus that we may provide to you in connection with this offering. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless otherwise indicated, information contained in this prospectus concerning our industry and the markets in which we operate, including our general expectations and market position, market opportunity and market size, is based on information from various sources, on assumptions that we have made that are based on those data and other similar sources and on our knowledge of the markets for our services. These data involve a number of assumptions and limitations. We have not independently verified the accuracy of any third party information. In addition, projections, assumptions and estimates of our future performance and the future performance of the industry in which we operate is necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors” and elsewhere in this prospectus. These and other factors could cause results to differ materially from those expressed in the estimates made by the independent parties and by us.

PROSPECTUS SUMMARY

This summary provides an overview of selected information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our common stock. You should carefully read this prospectus and the registration statement of which this prospectus is a part in their entirety before investing in our common stock, including the information discussed under “Risk Factors” beginning on page 9 and our consolidated financial statements and notes thereto that appear elsewhere in this prospectus.

On November 17, 2014, we held a special meeting of our stockholders to approve authorizing our board of directors to effectuate a reverse stock split in its sole discretion of not less than 1-for-5 and not greater than 1-for-20 for the purpose of attempting to obtain a listing of our common stock on the NYSE MKT. Such approval was obtained, and this prospectus assumes the completion of a reverse stock split in a ratio of 1-for-20. Unless otherwise indicated, all share and per share amounts in this prospectus including market information, except for the historical consolidated financial statements and notes thereto have been retroactively adjusted to reflect such 1-for-20 reverse stock split.

As used in this prospectus, the terms “we,” “our,” “us,” “Mobiquity Technologies,” or “the company” refer to Mobiquity Technologies, Inc. and its subsidiaries, taken as a whole, unless the context otherwise requires it.

Overview

We operate a national location-based mobile advertising network and have developed a consumer-focused proximity network which we believe is unlike any other in the United States. Our integrated suite of proprietary location based mobile advertising technologies allows clients to execute more personalized and contextually relevant experiences, driving brand awareness and incremental revenue.

Leveraging our agreement with Simon Property Group, Inc. (which we refer to herein as Simon or Simon Property), the largest mall operator in the U.S. in terms of number of properties, we have installed our location-based mobile advertising solutions in the common areas of approximately 240 Simon retail destinations across the U.S. to create “smart malls” using Bluetooth-enabled iBeacon compatible technology. In April 2015, we entered into an agreement with Macerich Partnership, L.P. (which we refer to herein as Macerich) to expand our mall footprint into approximately 55 Macerich malls by June 1, 2015. We plan to expand our mall footprint into the common areas of other malls and outside of malls with additional synergistic venues that will allow for cross marketing opportunities, including venues such as stadiums, arenas, additional college campuses, airports and retail chains. For example, we have entered into an agreement with the New York State University at Stony Brook to deploy a mobile advertising network in their new arena. This type of installation will enable fan engagement, cross-marketing opportunities, sponsorship activation and create interactive event experiences. This is our first installation in the university market.

We operate through our wholly-owned subsidiaries, Ace Marketing & Promotions, Inc. and Mobiquity Networks, Inc. Ace Marketing is our legacy marketing and promotions business which provides integrated marketing services to our commercial customers. While Ace Marketing currently represents substantially all of our revenue, we anticipate that activity from Ace Marketing will represent a diminishing portion of corporate revenue as our attention is now principally focused on developing and executing on opportunities in our Mobiquity Networks business.

We believe that our Mobiquity Networks business represents our greatest growth opportunity going forward. We believe this business unit is well positioned as a result of our early mover status and novel technology integration to address a rapidly growing segment of the digital advertising market – location based mobile marketing. We expect that Mobiquity Networks will generate the majority of our revenue by the end of 2015, although no assurances can be given in this regard.

Mobiquity Hardware Solutions

Our Mobiquity hardware solutions are currently deployed in retail locations (and in the future may be deployed at other venues such as stadiums, arenas, college campuses and airports) to create the Mobiquity network. Our hardware solutions include Mobi-Units, Mobi-Beacons and Mobi-Tags, which can be used in different combinations as the setting requires.

Mobi-Units utilize both Bluetooth and Wi-Fi to communicate with all mobile devices, including smart phones and feature phones. When our Mobi-Units are in use, consumers have the choice through an opt-in process to receive only desired content and offers. Additionally, through the use of Wi-Fi, consumers can connect to view content and receive special offers.

Mobi-Beacons, which utilize Bluetooth LE 4.0 technology, can dramatically enhance the in-app experience through the use of hyper accurate location event data. Our Mobi-Beacons have been developed to meet or exceed all iBeacon standards. Importantly, we have also developed a proprietary method for encrypting and decrypting our beacon signals on a rolling basis to ensure that its beacon network remains fully secure, and exclusively for the beneficial use of our clients.

Mobi-Tags interact with smart phones utilizing quick response codes and near field communication and can promote app downloads, social media engagement and database building.

Our Single Integrated Platform

Our Mobiquity Platform employs a number of core mobile solutions such as; Bluetooth, Wi-Fi, Near Field Communication and Quick Response Codes in order to engage with nearly 100% of mobile device types. The platform also allows for plug-in solutions to be added to increase our service offerings and add complementary revenue streams. For example, in addition to our advertising network, numerous plug-ins can be added for services such as loyalty programs, indoor mapping and mobile payments. We have developed an online platform that integrates the hardware and facilitates campaign management and reporting across the installed network. Our clients can use the network to deploy mobile ad campaigns simultaneously across multiple delivery methods, paying a cost per engagement fee. Alternatively, clients can subscribe to our Location Signal Service to access real-time contextual beacon signals to drive localized in-app user activity. Management believes that no other competitive solution offers a platform that integrates the depth and range of mobile advertising tools combined with a nationally deployed hardware network.

A diagram of our basic network architecture is as follows:

The following graphic depicts a typical mall-shopper engagement from our customers' viewpoint:

Our Mobiquity Networks business monetizes its network by providing clients with access to our exclusive common-area beacon signals. By incorporating our software development kit (or SDK), the client app (or campaign-specific third party app) can access the beacon signals provided by our network, and leverage those signals plus the associated contextual information provided by our platform to trigger location-based campaign messaging. We plan to generate revenue several ways including by collecting a fee based on the engagement rate of our customer advertising campaigns, selling the data gathered by our network and licensing our location signals.

In order to expand our customer reach and potential app engagement, we are currently in discussions with numerous third party app publishers, and we entered into agreements with app publishers in January and February 2015, including with Relevant Solutions and ShopAdvisor, among others. In November 2014, we entered into a partnership agreement with Mobile Roadie, one of the largest mobile app and marketing platforms with clients in over 70 countries. By integrating the Mobiquity Networks SDK with the Mobile Roadie platform, Mobile Roadie clients will have the ability to add beacon campaigns to their existing mobile marketing applications, and will be able to leverage our public beacon network. Mobile Roadie has powered thousands of apps in the Apple App Store and Google Android Market. Mobile Roadie clients will be able to use their platform and our Mobi-Beacons to power the clients' own private networks in their respective locations. Our relationship with Mobile Roadie and its client base potentially brings significant additional reach to our advertisers. Additionally, the context provided by our network gives shoppers more value as their app experiences are made more expansive and relevant as they shop. Each Mobile Roadie app can potentially be an advertiser or publisher on our network. We will continue to attempt to enter into agreements with other app publishers, as the more apps containing our SDK integration, the greater chance of triggering a beacon engagement for which we get compensated by the advertiser.

Our Agreements with Mall Property Owners/Managers and IBM

Simon Properties

We entered into an initial agreement with Simon Property in April 2011. This agreement was amended in September 2013 and July 2014 to, among other things, expand the number of Simon mall properties covered by the agreement. Pursuant to our agreement with Simon, we have the right, on an exclusive basis, to install Bluetooth proximity marketing equipment to send information across the air space of the common areas of our Simon mall network, which includes approximately 240 malls across the United States. Under a master agreement and related agreements between us and Simon covering approximately 240 Simon malls, Simon is entitled to receive fees from us equal to a minimum fee plus the greater of a pre-set, per mall fee or a percentage of revenues derived from within the Simon mall network as well as certain commission fees based on revenues generated through Simon's sales efforts. We believe that the revenue share in which Simon participates will exceed the minimum annual mall fees if we generate revenues within the Simon network of approximately \$14 million or more in a calendar year. Our agreement with Simon requires us to maintain letters of credit for each calendar year under the agreement represented by the minimum amount of fees due for such calendar year as well as certain levels of insurance. The agreement also provides for Simon to adjust the number of malls subject to the agreement from time to time based upon changes in its beneficial ownership interest in the malls. Our agreement with Simon expires on December 31, 2017. Our agreement with Simon is subject to earlier termination by either us or Simon following a notice and cure period in the event of a material breach of the agreement.

Macerich

In April 2015, we entered into a license agreement with Macerich. Pursuant to our agreement with Macerich, we have the right to install Mobi-Beacons to send information across the air space of the common areas of our Macerich mall network, which will, when fully installed we estimate to include approximately 55 malls, across the United States. Our right to install our Mobi-Beacons to market and sell third party paid advertising in the interior common areas of these malls shall be exclusive. Under a Macerich license agreement between us and Macerich currently covering 55 malls, Macerich is entitled to receive fees from us equal to a minimum fee plus the greater of a pre-set per mall fee or a percentage of revenues derived from within the Macerich mall network as well as certain commission fees based on revenues generated through Macerich's sales efforts. We believe that the revenue share in which Macerich participates will exceed the minimum annual mall fees if we generate revenues with the Macerich network of approximately \$3 million or more in a calendar year. The agreement also provides for Macerich to adjust the number of malls subject to the agreement from time-to-time based upon changes in its beneficial ownership in the malls. Our agreement with Macerich has a term of three years but is subject to earlier termination (i) with cause following a notice and cure period in the event of material breach of the agreement or (ii) without cause by Macerich after one year on 90 days' prior written notice to us. In the event of termination of the agreement without cause, Macerich will reimburse us for certain out-of-pocket expenses.

IBM

In April 2015, we entered into a Joint Initiative Agreement with IBM and enrolled as an IBM Business Partner through IBM's PartnerWorld program. We are teaming with IBM to deliver jointly developed solutions for mall-based tenants, including retail clients. These solutions leverage the Mobiquity Networks beacon platform deployed exclusively in the common areas of our mall footprint across the United States, as well as our SDK which can be embedded within mall clients' mobile apps, to deliver relevant content in real time to shoppers' smart phones as they visit these malls. IBM has agreed to work with these clients to provide the analytics solutions needed to deliver personalized, one-on-one content to shoppers through our platform, and to help clients obtain insights from shopper transactions to drive improved customer experience and business performance. IBM services will also provide the integration capabilities needed to combine the Mobiquity Network platform in the mall common areas with the in-store server and network infrastructure, to optimize delivery of context-relevant content for the shopper. Together, our Joint Initiative Agreement with IBM can help their mall clients provide enhanced omni-channel marketing solutions and optimize business results. The agreement has an initial terms of two years and may be extended by agreement of the parties.

The Mall Network

Through our agreement with Simon, we have installed our Mobiquity hardware solutions in about 240 of Simon's top shopping malls across the United States. As a result of our recently executed agreement with Macerich, we intend to install our Mobiquity hardware solutions in about 55 of their top malls across the United States. Our agreements with Simon and Macerich provide exclusive Bluetooth advertising rights in the common areas of each such malls. Our hardware solutions mesh together to create our network, which according to Simon, provides advertisers the opportunity to reach approximately 2.6 billion annual mall visits with mobile content and offers when they are most receptive to spending, while located in the Simon malls. The 2014 annual report for the International Council of Shopping Centers (ICSC) indicates that shoppers spend on average over \$97 per shopping mall visit in 2013, which represents over \$250 billion of annual spending. We believe our network provides advertisers the ability to influence

a percentage of these shoppers who carry smartphones.

Mobiquity Advantages

We believe our agreements with Simon and Macerich provide us with a major advantage over our competitors as it gives us a national network. Our technology allows us the opportunity to reach nearly 100% of mobile device types by utilizing our Mobiquity hardware solutions integrated into a single platform. Our platform monitors and reports hardware activity in real time, manages campaigns, delivers highly targeted content and provides third party access to our Mobiquity network through licensing of our SDK, and the integration of an application program interface. Specifically as it relates to our lead service offering – Location Signals and Campaign Management via Beacons – campaigns require an app that has integrated our SDK in order to engage with our network. The more apps that have integrated the Mobiquity SDK, the more opportunities to engage with mall shoppers in our network. We are carefully selecting app partners that have a direct relevance to the mall shopping experience and to the mall shopper demographic. For example, the apps of retailers and brands are obvious partners. Additionally, we intend to partner with shopping apps such as coupon distribution platforms, and apps targeting mall-related audiences in fashion and entertainment. Our SDK is currently installed in various mobile retail related apps. We are in various stages of SDK integration with dozens of additional mobile app properties that represent tens of millions of active app users, and we are in negotiations with various venues in regard to network expansion. Management believes that our ability to deliver a significant national audience via a single network is a significant advantage when creating app relationships.

Favorable Industry Trends

We believe the demand for location based mobile marketing services represents a large and growing market opportunity. Consumers are increasingly using smartphones and, according to a December 2014 report by IAB Mobile Marketing Center of Excellence, 88% of consumer mobile internet time is spent in apps where we expect to derive the majority of our revenue. According to the blog Asymco, a comScore survey on smartphones shows that the smartphone penetration rate in the U.S. at the end of 2013 was approximately 62.5%, representing 149 million users and is expected to grow to 90% penetration or approximately 230 million users by December 2016.

Importantly, according to eMarketer, mobile ad spending grew 83% from 2013 to 2014 and the trend is expected to continue as the share of advertising spend on mobile is still disproportionately small relative to the amount of time spent by consumers on their mobile devices. A 2014 report by leading venture capital firm Kleiner Perkins reported that 20% of media time is spent on mobile however mobile represented only 4% of total advertising spending share.

Despite the growth in e-commerce, 90% of all purchases are still made in traditional brick and mortar stores according to A.T. Kearney and 75% of Americans visit a mall at least once a month according to JCDecaux. Smartphone devices were estimated to influence \$593 billion or 19% of in-store sales in 2013 and are expected to influence \$4.5 trillion or 81% of in-store sales by 2018 according to a survey commissioned by Deloitte Consulting LLP. Finally, 54% of marketers currently use or plan to use beacons in the next 12 to deliver location based content according to a 2014 Holiday Shopping Recap by Adobe Digital Index.

We believe these trends will help drive demand for our Mobiquity Networks business as consumers increasingly engage with advertising content on their mobile devices and marketers seek to increase both the share of advertising dollars spent on mobile as well as the use of location technologies to personalize content delivered to consumers.

Our Strategy

Our goal is to enhance the shopper experience with retail customers by providing valuable and relevant content in real-time based on location. We achieve this goal by providing our customers (such as retailers, brands, and the entertainment industry) with a highly targeted form of mobile marketing engagement. Our platform enables interaction and advertising based on time, location and personalization to create the most effective campaigns and experiences possible, in a way that is not possible without our network. We connect customers to brands in the retail space by increasing individual retail location app usage and driving foot traffic to such individual retail locations. We have deployed our Mobiquity hardware solutions in about 240 Simon malls in the United States and we intend to expand to 55 Macerich malls by June 1, 2015. We intend to utilize the proceeds of this offering to expand our sales and marketing human resource capability to focus on generating revenue over our network. Our sales and marketing team will be seeking to generate revenue over our network through five primary verticals:

- Retailers, Brands and Apps relevant to the shopping experience.

- Shopping/Coupon related Apps with relevant offers.

- Entertainment Apps relevant to the shopper demographic.

- Advertising Networks and Exchanges serving location relevant ads.

- Data Analytic and Social Media Apps requesting real-time location based signal.

We plan to expand on our current footprint into the common areas of other mall operations as well as outside of the malls with additional synergistic venues that will allow for cross marketing opportunities. Such venues include but are not limited to; stadiums, arenas, college campuses, airports and retail chains. The purpose of this type of expansion will be to create a unified network that will allow relevant beacon companies the opportunity to become part of our Mobiquity network. They may find it advantageous to become part of our network, so they will have the ability to drive traffic into their stores. In the future, we may also build a private advertising exchange system that would allow for programmatic buying where advertisers will be given permission to engage with shoppers through our Mobiquity network. Additionally, we plan to add other mobile services and plug-ins such as; loyalty programs, indoor mapping, security and mobile payments.

Sales and Marketing

We have allocated approximately \$1.5 million of the net proceeds of this offering to hire additional qualified sales and marketing personnel to generate revenue on our proximity mall network and to hire additional engineers, developers, computer and technology support personnel.

The key elements of our distribution and marketing strategy are as follows:

Direct Sales. Our internal salesforce will call on retailers, brands and relevant advertisers to advertise on the network.

Resellers. We intend to engage with third parties, such as advertising agencies and out-of-home companies to sell advertising on the network.

Publishers. We intend to engage with app developers, ad networks, ad exchanges and other companies that have existing relationships with access to a large number of apps to increase our reach and provide an alternative to advertisers with limited app downloads or no app.

Data Signals. We intend to engage with social media companies, ad networks and ad exchanges to provide real-time location-based data to increase the relevance and value of their in-app ad serving.

Data Platforms. We intend to engage with data management companies to provide historical location-based data which will enable personalized online, offline and mobile campaigns to targeted audiences.

Our Proprietary Technology

In March 2013, we formed Mobiquity Networks and Mobiquity Wireless, SLU (or Mobiquity Wireless) in Spain. Mobiquity Wireless then acquired our proximity marketing assets from FuturLink, a Spanish company who had been licensing such assets to us. These assets include, without limitation, the FuturLink technology which consists of patent applications, source codes and trademark(s). The patent applications acquired related to the hardware and associated process for identifying and acquiring connections to mobile devices and the process for delivering select content to users on an opt-in basis. Additionally, significant “know how” was acquired with respect to managing remote hardware across a large physical network. As the technology owner, we realized immediate benefits and will leverage the hardware and software included in our purchase to expand our mall-based footprint in the United States. Our acquisition of FuturLink’s technology and corresponding patent applications provided us with the flexibility and autonomy to improve, upgrade and integrate new ideas and cutting edge technologies into our existing platform. This

will allow us to evolve as new technologies emerge.

We believe that our intellectual property is a valuable asset to us as we move forward with our technology platform. Since we acquired this technology, we have further developed our ability to manage large networks of hardware to include beacon technology. Additionally, we have expanded campaign management tools to optimize them to meet the demands of our customers. Also, and importantly, we have developed a proprietary method for encrypting and decrypting the beacon signals on a rolling basis to ensure that our beacon network remains fully secure and exclusively for the beneficial use of our clients.

We believe our intellectual property gives us a lead in the industry with respect to the sophisticated management of large-scale network deployments and campaign management. Most beacon providers focus on single-store applications and are not capable of managing beacons across multiple locations, much less manage a public network that will be accessed by multiple advertisers versus a single retailer. Our network-focused platform approach is a key selling tool when presenting our capabilities to property owners, such as mall developers, who understand the challenge associated with managing a large number of hardware solutions across hundreds of properties.

Risks Associated with Our Business

Our business is subject to numerous risks, which are highlighted in the section entitled “Risk Factors” immediately following this prospectus summary. These risks represent challenges to the successful implementation of our strategy and to the growth and future profitability of our business. Some of these risks are as follows:

we have a history of operating losses and an accumulated deficit of approximately \$32.6 million at March 31, 2015 and our auditors have expressed a substantial doubt about our ability to continue as a going concern;

our business prospects and future growth could become dependent upon our rights licensing agreement with Simon and our rights agreement with Macerich, each a top mall developer, to create exclusively in the common areas a location-based marketing network called Mobiquity Networks in about 295 malls across the United States. We can provide no assurance that we will be able to comply with all the requirements of either agreement or extend the terms of either agreement. In the event that we lose our rights under either agreement, our business could be materially and adversely harmed. We intend to attempt to expand our mall network footprint into other malls and non-mall venues. We can provide no assurances that we will be able implement our expansion plans;

the location-based mobile marketing industry is relatively new and unproven. We will attempt to capitalize on our location-based mobile mall network footprint. We can provide no assurances that we will be able to generate substantial revenues to support our operations or to successfully compete against large, medium and small competitors that are in (or may enter) the proximity marketing industry with substantially larger resources and management experience;

our operations will require substantial additional financing to expand our mall footprint in other malls and in additional synergistic venues and to generally support our operations. The raise of additional required capital following this offering will likely involve substantial dilution to our stockholders. We can also provide no assurances that additional financing will be available to us on favorable terms, if at all;

our location-based mobile marketing technology is based upon intellectual property which we originally licensed from an unrelated company and subsequently purchased. Our success will depend upon our ability to have patents issued from patent applications filed in connection with such intellectual property and also to defend our intellectual property rights from challenges or circumvention of our intellectual property rights by third parties;

our future performance is materially dependent upon our management (in particular, Dean Julia and Michael Trepeta) and their ability to manage our growth as well as our ability to retain their services. The loss of our key management personnel could have a material adverse effect on our business. If we are unable to manage our expansion successfully and obtain substantial revenues for our location-based mobile mall network and outside of malls in other synergistic venues, the failure to do so could have a material adverse effect on our business, results of operations and financial condition; and

substantially all of our revenues to date have been generated by our integrated marketing subsidiary Ace Marketing. This subsidiary faces extensive competition with no company dominating the market in which this subsidiary operates.

Corporate Information

We were incorporated in New York in March 1998 as Ace Marketing & Promotions, Inc. and changed our name to Mobiquity Technologies, Inc. in September 2014. Our principal executive offices are located at 600 Old Country Road, Ste. 541, Garden City, NY 11530. Our telephone number is (516) 256-7766. Our website address is <http://www.mobiquitytechnologies.com>. Information contained on our website is not incorporated by reference into this prospectus, and should not be considered to be part of this prospectus. You should not rely on our website or any such information in making your decision whether or not to purchase our common stock.

“Mobiquity,” “Mobiquity Networks, Inc.,” “Mobiquity Technologies,” “Mobi-Beacons,” “Mobi-Units,” “Mobi-Tags,” “Mobi Rewards,” “Mobi Offers” and “Connecting Fans and Brands” are registered trademarks of Mobiquity Technologies. These service marks, trademarks, and tradenames referred to in this prospectus are the property of their respective owners. Except as set forth above and solely for convenience, the trademarks and tradenames in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

THE OFFERING

Common stock offered by us shares

Common stock to be shares. If the over-allotment option is exercised in full, the total number of outstanding after this offering common shares outstanding immediately after the offering would be .

Underwriters' option to purchase shares. We have granted the underwriters an option for a period of 45 days additional shares to purchase up to an additional shares.

Use of Although we will have broad discretion in how we allocate the proceeds of this offering, we intend to use proceeds the net proceeds from this offering to make payment of fees to secure and maintain our existing mall rights, to hire additional personnel for sales and marketing and human resources, to repay certain indebtedness, and for working capital and other general corporate purposes. See "Use of Proceeds."

Risk See the section entitled "Risk Factors" and other information included in this prospectus for a discussion of factors factors you should consider carefully before deciding to invest in shares of our common stock.

Lock-up We and our directors, executive officers and certain stockholders have agreed with the underwriters, provisions subject to specific exceptions, not to sell or transfer any common shares or securities convertible into or exercisable for common shares for a period of up to 180 days after the date of the prospectus. See "Underwriting."

Proposed We intend to apply to list our common stock on the NYSE MKT with such listing to commence upon Symbol and the closing of this offering. No assurances can be given that our application will be approved. Listing

Unless we indicate otherwise, all information in this prospectus, except for the consolidated financial statements and notes thereto and selected financial data extracted therefrom:

reflects a proposed 1-for-20 reverse stock split of our common shares to be effected prior to this offering (which may be in a ratio, to be determined by our board of directors, of between 1-for-5 and 1-for-20) and the corresponding adjustment of all share prices, all stock option and warrant exercise price per common share and all convertible note conversion prices per share;

· is based on 3,704,853 common shares issued and outstanding as of the date of this prospectus;

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excludes 1,632,030 common shares issuable upon exercise of outstanding warrants to purchase our common shares with a weighted average exercise price of approximately \$10.20 per share as of the date of this prospectus;

excludes 871,500 common shares issuable upon exercise of outstanding options to purchase our common shares with a weighted average exercise price of approximately \$9.80 per share as of the date of this prospectus;

excludes 25,000 common shares issuable upon conversion of outstanding convertible notes at a minimum of \$10.00 per share, 53,667 shares issuable upon conversion of notes at \$6.00 per share and 450,000 shares issuable upon conversion of \$2.7 million of letters of credit provided on our behalf by third parties, convertible at \$6.00 per share;

excludes up to 5,000 shares of common stock and warrants to purchase up to 2,500 shares of common stock at an exercise price of \$20 per share pursuant to the terms of a \$50,000 convertible note issued on December 29, 2014, noting that the foregoing amounts do not include the possible issuance of shares and warrants upon conversion of accrued interest due and payable on said note;

excludes up to 1,000,000 shares of common stock, warrants to purchase up to 500,000 shares of common stock at \$20.00 per share and additional warrants to purchase up to 150,000 shares at \$10.00 per share in the event that debt financing is provided to us of up to \$10 million as described under "Certain Relationships and Related Party Transactions," \$3,350,000 of which has been received by us, noting that we have the right to reject any debt financing that is provided to us; and

assumes no exercise by the underwriters of their option to purchase up to an additional common shares to cover over-allotments, if any.

SUMMARY CONSOLIDATED FINANCIAL DATA

The consolidated statements of operations data for the quarter ended March 31, 2015 and 2014 are derived from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read this information together with our financial statements and related notes appearing elsewhere in this prospectus and the information under the caption “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

	Three Months Ended March 31, 2015 2014	
	In thousands except share and per share amounts	
Consolidated Statements of Operations Data:		
Revenues, net	\$ 515	\$ 627
Cost of revenues	437	506
Gross Profit	78	121
Operating Expenses	2,578	2,461
Loss from operations	(2,500)	(2,340)
Other income (expense)	(79)	(10)
Net loss	(2,579)	(2,351)
Other Comprehensive Income (Loss)	–	–
Net Comprehensive Loss	(2,579)	(2,351)

Please refer to Notes to our consolidated financial statements for an explanation of the method used to calculate the historical net loss per share attributable to common stockholders and the number of shares used in the computation of the per share amounts.

	As of March 31, 2015	
	Actual	As Adjusted⁽¹⁾
	(In thousands)	
Consolidated Balance Sheet Data:		
Cash and cash equivalents	\$ 1,515	\$ 12,510
Working capital	979	11,974
Total assets	2,426	13,421
Long-term liabilities	5,043	5,043
Accumulated deficit	(32,591)	(32,591)
Total stockholders’ equity (deficit)	(2,617)	8,378

The as adjusted consolidated balance sheet data in the table above gives effect to the post March 31, 2015 receipt of net proceeds of \$8,775,000 based upon sale by us of _____ shares of our common stock offered by this prospectus at a public offering price of \$ _____ per share and after deducting the estimated underwriting (1) discounts and commissions and estimated offering expenses payable by us. The table also assumes that the underwriters' over-allotment option is not exercised and it does not give effect to the application of the net proceeds of the offering. This column gives effect to the sale after March 31, 2015, but prior to the date of this prospectus of 370,000 shares at \$6.00 per share for a total of \$2,220,000.

RISK FACTORS

Investing in our common stock involves a high degree of risk. Before deciding to invest in our company or deciding to maintain or increase your investment, you should consider carefully the risks and uncertainties described below, together with all information in this prospectus, including our consolidated financial statements and related notes. If one or more of the following risks are realized, our business, financial condition, results of operations and prospects could be materially and adversely affected. In that event, the market price for our common stock could decline and you may lose your investment.

Risks Relating To Our Business

We have a history of operating losses and may not in the future generate consistent revenues or profits. Since our inception, we have experienced a continued history of operating losses. For the quarter ended March 31, 2015 and for the years ended December 31, 2014 and 2013, we incurred a net loss of \$2,578,988, \$10,506,099 and \$6,088,733, respectively. Our operating losses for the past several years are primarily attributable to the transformation of our company into an advertising technology corporation. We can provide no assurances that our operations will generate consistent or predictable revenue or be profitable in the future. This is particularly the case as we are shifting our business emphasis to focus on our Proximity Marketing business.

We are shifting our business from our legacy marketing and promotion business to our Mobiquity Networks integrated suite of proprietary location-based mobile advertising technologies, the success of which cannot be assured. Further, our Mobiquity Networks' business may be subject to quarterly fluctuations in its operating results due to the seasonality of mall-based business. We operate through our wholly-owned subsidiaries, Ace Marketing & Promotions, Inc. and Mobiquity Networks, Inc. Ace Marketing is our legacy marketing and promotions business which provides integrated marketing services to our commercial customers. While Ace Marketing currently represents substantially all of our revenue, we anticipate that activity from Ace Marketing will represent a diminishing portion of corporate revenue as our attention is now principally focused on developing and executing on opportunities in our Mobiquity Networks business. We believe that our Mobiquity Networks business represents our growth opportunity going forward and that this business unit is positioned as a result of our early mover status and novel technology integration to address a growing segment of the digital advertising market – location based mobile marketing. We expect that Mobiquity Networks will generate the majority of our revenue by the end of 2015, although no assurances can be given in this regard. Further, we can provide no assurances that the implementation of our Mobiquity Networks' business will meet our expectations in terms of generating a certain amount of revenue by a certain year. Also, the operating results of our Mobiquity Networks' business may fluctuate quarterly due to the seasonality of mall-based businesses.

We cannot accurately predict the volume or timing of any future revenues. We may be unable to capture revenue from our new Mobiquity business in the manner in which we anticipate and we may incur substantial expenses and

devote significant management effort and expense in developing customer adoption of our Mobiquity solution, which may not result in revenue generation. As such, we cannot accurately predict the volume or timing of any future revenues.

Our auditors have expressed a substantial doubt about our ability to continue as a going concern. The accompanying consolidated financial statements have been prepared assuming our company will continue as a going concern. Our continued existence is dependent upon our ability to obtain additional debt and/or equity financing to advance its new technology revenue stream. We have incurred net losses for the quarter ended March 31, 2015 and for the years ending December 31, 2014 and 2013 of \$2,578,988, \$10,506,099 and \$6,088,733, respectively. As of March 31, 2015 and December 31, 2014, we had an accumulated deficit of \$32,590,854 and \$30,011,866. We have had negative cash flows from operating activities of \$1,986,140, \$5,878,741 and \$3,693,898 for the quarter ended March 31, 2015 and for the years ending December 31, 2014 and 2013, respectively. These factors raise substantial doubt concerning our ability to continue as a going concern.

Our business may become dependent on our agreement with Simon Property, which agreement expires on December 31, 2017. In April 2011, we entered into our agreement with Simon Property, a leading mall developer, which agreement was amended first in September 2013 and secondly in July 2014. While substantially all of our operating revenues are currently derived from our Ace Marketing subsidiary, we could in the future become dependent upon our agreement with Simon Property to execute on the development of our Proximity Marketing business and to attempt to achieve profitable operations. We have signed an agreement with Simon Property to create Mobiquity Networks in about 240 of their malls. This agreement expires on December 31, 2017. There is a risk that our agreement with Simon Property will not be extended beyond its original terms by Simon Property or that our operations will not be profitable. Also, our agreement with Simon Property requires us to maintain for each calendar year under said agreement, the minimum amount of fees under irrevocable standby letters of credit. For 2015, a non-affiliated stockholder and Thomas Arnost, our Executive Chairman, each provided the necessary letters of credit totaling \$2,700,000 with one-half coming from each party. Also, each person who issued the letter of credit is receiving quarterly, while the letters of credit are outstanding, options to purchase 6,250 shares of our common stock, exercisable at the prevailing market price per share on the date of grant and interest at the rate of 8% per annum on the monies that they have had to set aside in their bank accounts and are unable to have access as a result of the letters of credit. In the event Simon Property finds it necessary to draw down on the letter(s) of credit, we have 30 days to obtain satisfactory replacement letters of credit. We can provide no assurance that we will be able to maintain the necessary letters of credit as required by the agreement. In the event of a default under our agreement with Simon Property, which is not cured within 30 days of notice of such breach, Simon Property may commence an action for damages or other appropriate relief and/or terminate the agreement. If we were to lose our agreement with Simon Property for these or any other reason, our business plan could be severely compromised, our business may suffer and our stock price could decrease significantly.

Our business may also become dependent upon our agreement with Macerich, which agreement expires in April 2018. In April 2015, we entered into an agreement with Macerich, a leading mall developer. While substantially all of our operating revenues are currently derived from our Ace Marketing subsidiary, we could in the future become dependent upon our agreement with Macerich to execute on the development of our proximity marketing business and to attempt to achieve profitable operations. We signed an agreement with Macerich to create Mobiquity Networks in about 55 of their malls. There is a risk that our agreement with Macerich will not be extended beyond its original terms by Macerich or that our operations will not be profitable. Our agreement with Macerich has a term of three years expiring in April 2018, but is subject to earlier termination (i) with cause following a notice and cure period in the event of material breach of the agreement or (ii) without cause by Macerich after one year on 90 days' prior written notice to us. If we were to lose our agreement with Macerich, for these or any other reason, our business plan could be severely compromised, our business may suffer and our stock price could decrease significantly.

We may be unable to realize the benefits of our agreement with IBM. In April 2015, we entered into a Joint Initiative Agreement with IBM and enrolled as an IBM Business Partner through IBM's PartnerWorld program. We are teaming with IBM to deliver jointly developed solutions for mall-based tenants, including retail clients. These solutions leverage the Mobiquity Networks beacon platform deployed exclusively in the common areas of our mall footprint across the United States, as well as our SDK which can be embedded within mall clients' mobile apps, to deliver relevant content in real time to shoppers' smart phones as they visit these malls. IBM has agreed to work with these clients to provide the analytics solutions needed to deliver personalized, one-on-one content to shoppers through Mobiquity's platform, and to help clients obtain insights from shopper transactions to drive improved customer experience and business performance. IBM services will also provide the integration capabilities needed to combine the Mobiquity Network platform in the mall common areas with the in-store server and network infrastructure, to optimize delivery of context-relevant content for the shopper. However, there is a risk that we may be unable to realize the benefits of this agreement, and a further risk that our agreement with IBM may not result in revenue generating or profitable operations of our company.

The reach of our Mobi-Beacons is dependent upon our successful integration of our SDK into various mobile applications (or apps) to allow us to communicate with our targeted audience. For us to create substantial revenues from our Mobi-Beacons, we are dependent upon entering into agreements with mobile application publishers to expand our targeted audience similar to the agreements described under "Business – Our Single Integrated Platform." Our Mobi-Beacons communicate with our SDK which will be embedded into apps pursuant to agreements we negotiate with app publishers. The greater the number of publisher apps into which our SDK is embedded, the greater the chance of triggering a beacon engagement for which we get compensated by advertisers. We currently have entered into agreements with a limited number of third party app publishers. There is a risk that we will be unable to expand our third party publisher network on terms satisfactory to us, or at all, and if we are unable to do so, our results of operations and overall business prospects would suffer.

The location-based mobile marketing industry is relatively new and our competition may become extensive. In 2008, we became an authorized distributor, provider and reseller in the United States of mobile advertising solutions, in the location-based mobile advertising industry. In March 2013, we purchased the mobile advertising technology from our licensor. In 2011, we started transforming our company into a location-based mobile mall marketing enterprise with the formation of our Mobiquity Networks subsidiary. Currently, we have not generated significant

revenue from this new and unproven segment of our business as our proximity marketing revenues totaled \$149,500 and \$162,500 for the years ended December 31, 2014 and 2013, respectively. While we intend to market our Mobiquity devices as a differentiated and advantageous mobile technology to attempt to capitalize on our location-based mobile mall network footprint, there is a risk that we will be unable to expand this business or generate substantial advertising revenues to support operations. Moreover, there is a risk that our location-based mobile mall network will be unable to compete with large, medium and small competitors that are in (or may enter) the proximity marketing industry with substantially larger resources and management experience. If our Mobiquity technology is unsuccessful for any reason in the marketplace, our business would be substantially harmed.

We expect to derive substantially all of our future revenues from our principal technology, which leaves us subject to the risk of reliance on such technology. Further, our principal technology is subject to pending patent applications which could be rejected by the United States Patent and Trademark Office. We expect to derive substantially all of our future revenues from our Mobiquity location-based mobile advertising technology. As such, any factor adversely affecting our ability to offer and implement our solution to new customers, including regulatory issues, market acceptance, competition, performance and reliability, reputation, price competition and economic and market conditions, would likely harm our operating results. Also, we may be unable to develop our principal technology, which would also harm our operating results. Moreover, in spite of our efforts related to the registration of our technology with the United States Patent and Trademark Office, if patent protection is not available for our principal technology because of rejection of our patent applications, the viability of our Mobiquity offering would likely be adversely impacted to a significant degree, which would materially impair our business prospects and results of operations.

If our Mobiquity technology fails to satisfy current or future customer requirements, we may be required to make significant expenditures to redesign the technology, and we may have insufficient resources to do so. Our Mobiquity technology is designed to address an evolving marketplace and must comply with current and evolving customer requirements in order to gain market acceptance. There is a risk that we will not meet anticipated customer requirements or desires, including those of our key property licensor, Simon Property Group. If we are required to redesign our technologies to address customer demands or otherwise modify our business model, we may incur significant unanticipated expenses and losses, and we may be left with insufficient resources to engage in such activities. If we are unable to redesign our technology, develop new technology or modify our business model to meet customer desires or any other customer requirements that may emerge, our operating results would be materially and adversely affected.

If we fail to respond quickly to technological developments, our service may become uncompetitive and obsolete. The location-based mobile advertising market in which we plan to compete are expected to experience rapid technology developments, changes in industry standards, changes in customer requirements and frequent new improvements. If we are unable to respond quickly to these developments, we may lose competitive position, and our technologies may become uncompetitive or obsolete, causing revenues and operating results to suffer. In order to compete, we may be required to develop or acquire new technology and improve our existing technology and processes on a schedule that keeps pace with technological developments. We must also be able to support a range of changing customer preferences. For instance, our shopping mall customers may have different requirements from universities or other users of our technology and solution, and thus we may be required to adopt our platform to accommodate the different customers. We cannot guarantee that we will be successful in any manner in these efforts.

We cannot predict our future capital needs and we may not be able to secure additional financing. Between January 2013 and April 2015, we raised approximately \$14.5 million in private equity and debt financing to support our transformation from an integrated marketing company to an advertising technology company. Since we might be unable to generate recurring or predictable revenue or cash flow to fund our operations, we will likely need to seek additional (perhaps substantial) equity or debt financing even following this offering to provide the capital required to maintain or expand our operations. We may also need additional funding for developing products and services, increasing our sales and marketing capabilities, promoting brand identity, and acquiring complementary companies, technologies and assets, as well as for working capital requirements and other operating and general corporate purposes. We cannot predict our future capital needs with precision, and we may not be able to secure additional financing on terms satisfactory to us, if at all, which could lead to determination of our business.

When we elect to raise additional funds or additional funds are required, we may raise such funds from time to time through public or private equity offerings, debt financings or other financing alternatives, as well as through sales of common stock to Aspire Capital under the purchase agreement which we intend to terminate upon the completion of this offering. Additional equity or debt financing may not be available on acceptable terms, if at all. If we are unable to raise additional capital in sufficient amounts or on terms acceptable to us, we will be prevented from pursuing operational development and commercialization efforts and our ability to generate revenues and achieve or sustain profitability will be substantially harmed.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences, which are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us. Should the financing we require to sustain our working capital needs be unavailable or prohibitively expensive when we require it, our business, operating results, financial condition and prospects could be materially and adversely affected and we may be unable to continue our operations. Failure to secure additional financing on favorable terms could have severe adverse consequences to us.

Our financing arrangement with Aspire Capital could be particularly dilutive and uncertain. In March 2014, we entered into a purchase agreement with Aspire Capital as a source of funding for up to \$15 million and filed a registration statement with the Securities and Exchange Commission to register for sale the resale of 750,000 shares, including 100,000 shares which have already been issued. The prices at which we may sell shares to Aspire Capital are not fixed and are based on current market prices although they are subject to a floor. Therefore, if we elect to utilize this funding mechanism when our share price is low, the dilutive impact of such funding would be more significant than if we raised funds at higher prices. Moreover, the extent to which we utilize the purchase agreement with Aspire Capital as a future source of funding will depend on a number of factors, including the prevailing market price of our common stock, the volume of trading in our common stock and the extent to which we are able to secure funds from other sources. The number of shares that we may sell to Aspire Capital under the purchase agreement on any given day and during the term of the agreement is limited. Additionally, we and Aspire Capital may not affect any

sales of shares of our common stock under the purchase agreement during the continuance of an event of default or on any trading day that the closing sale price of our common stock is less than \$3.20 per share. Even if we are able to access the full \$15 million under the purchase agreement, we may still need additional capital to fully implement our business, operating and development plans. Upon the completion of this offering, we intend to terminate our financing arrangement with Aspire Capital.

Our future performance is materially dependent upon our management and their ability to manage our growth. Our future performance is substantially dependent upon the efforts and abilities of members of our existing management, particularly Thomas Arnost, Executive Chairman, Dean L. Julia, Co-Chief Executive Officer, Michael Trepeta, Co-Chief Executive Officer, Paul Bauersfeld, our Chief Technology Officer, and Sean Trepeta, President of Mobiquity Networks. This is particularly the case as we seek to ramp up our newer location-based mobile advertising network business in 2015 and beyond. Mr. Arnost has a three-year employment agreement with us expiring in 2017. Dean L. Julia and Michael Trepeta each have five-year employment agreements which renew for an additional one year if not terminated on or before December 30th of the prior calendar year. Mr. Bauersfeld and Sean Trepeta is each an employee at will. The loss of the services of the aforementioned key persons could have a material adverse effect on our business. We currently lack “key man” life insurance policies on any of our officers or employees. Competition for additional qualified management is intense, and we may be unable to attract and retain additional key personnel. The number of management personnel is currently limited and they may be unable to manage our expansion successfully and the failure to do so could have a material adverse effect on our business, results of operations and financial condition.

If our management team does not remain with us in the future, our business, operating results and financial condition could be adversely affected. Our future success depends in large part on our current senior management team and our ability to attract and retain additional high-quality management and operating personnel. Our senior management team’s in-depth knowledge of and deep relationships with the participants in our industry are extremely valuable to us. Our business also requires skilled technical and marketing personnel, who are in high demand and are often subject to competing offers. Competition for qualified employees is intense in our industry, and the loss of even a few qualified employees, or an inability to attract, retain and motivate additional highly skilled employees required for the planned expansion of our business, could harm our operating results and impair our ability to grow. To attract and retain key personnel, we use various measures, including an equity incentive program and incentive bonuses for executive officers and other employees. These measures may not be enough to attract and retain the personnel we require to operate our business effectively. We also have a number of employees who were granted stock options over the past few years that have an exercise price per share that is significantly lower than the current fair market value. If we are successful as a public company, of which there can be no assurances, these employees may choose to exercise their options and sell the shares, recognizing a substantial gain. As a result, it may be difficult for us to retain such employees.

If we are unable to attract additional management and sales representatives, or if a significant number of our manager or sales representatives leave us, our ability to increase our net revenues could be negatively impacted. Our ability to expand our business will depend, in part, on our ability to attract additional management and sales representatives. Competition for qualified managers and sales representatives can be intense, and we may be unable to hire additional team members when we need them or at all. Any difficulties we experience in attracting additional managers or sales representatives could have a negative impact on our ability to expand our retailer base, increase net revenues and continue our growth. In addition, we must retain our current management and sales representatives and properly incentivize them to obtain new relationships. If a significant number of our managers and sales representatives were to leave us, our net revenues could be negatively impacted. In certain circumstances, we have entered into agreements with our managers and sales representatives that contain non-compete provisions to mitigate this risk, but we may need to litigate to enforce our rights under these agreements, which could be time-consuming, expensive and ineffective. A significant increase in the turnover rate among our current managers or sales representatives could also increase our recruiting costs and decrease our operating efficiency, which could lead to a decline in our net revenues and profitability.

We presently do not hold any issued patents, and we will need to protect our intellectual property which we acquired from FuturLink and which we are developing on our own. In 2013, we acquired our proximity marketing intellectual property consisting of patent applications, source codes and trademark(s) from our licensor, FuturLink, at a cost of approximately \$160,000. However, we do not own the rights to any issued patents. The patent applications acquired related to the hardware and associated process for identifying and acquiring connections to mobile devices and the process for delivering select content to users on an opt-in basis, but it is possible that no patents will issue from these applications, which could prevent us from realizing the full benefits of the underlying inventions. Additionally, significant “know how” was acquired with respect to managing remote hardware across a large physical network. We expect to leverage the hardware and software included in our purchase to expand our mall-based footprint in the United States, and should we lose access to this technology, our business prospects could be harmed. Also, since we acquired this technology, we have further developed our ability to manage large networks of hardware to include beacon technology, and we have expanded campaign management tools to optimize them to meet the demands of our customers. Importantly, we have also developed a proprietary method for encrypting and decrypting the beacon signals on a rolling basis to ensure that our beacon network remains fully secure and exclusively for the beneficial use of our clients.

We believe our intellectual property, much of which is only protected through trade secrets and could potentially be misappropriated by others, gives us a lead in the industry with respect to the sophisticated management of large-scale network deployments and campaign management. However, there is a risk that competitors with large financial resources will adapt and make changes that may overcome our perceived advantage. Most beacon providers focus on single-store applications and are not capable of managing beacons across multiple locations, much less manage a public network that will be accessed by multiple advertisers versus a single retailer. Our network-focused platform approach is a key selling tool when presenting our capabilities to property owners, such as mall developers, who understand the challenge associated with managing a large number of hardware solutions across hundreds of properties. However, there is a risk that we will be unable to protect our trade secrets from being misappropriated by others. In the event patents are granted, our intellectual property positions could be challenged, invalidated, circumvented or expire or we could fail to protect our future intellectual property through unsuccessful litigation. Any failure to protect our intellectual property, could adversely affect our business, and our future prospects depend in part on our ability to defend our intellectual property rights, which we may be unable to do for cost or technological

reasons.

In addition, third parties may seek to challenge, invalidate or circumvent our intellectual property rights. Moreover, our intellectual property positions might not protect us against competitors with similar products or technologies because competing products or technologies may not infringe our intellectual property rights. Also, there are third parties who have patents or pending patent applications that they may claim necessitate payment of a royalty or prevent us from commercializing our proprietary rights in certain territories. Intellectual property disputes are frequent, costly and can preclude, delay or increase the cost of commercialization of products and/or services, which could damage our business if this should occur.

Our Mobiquity solution contains and is dependent upon open source software, which may pose particular risks to our proprietary software and solutions. We use open source software in our solutions and will use open source software in the future. Some licenses governing our use of open source software contain requirements that we make available source code for modifications or derivative works we create based upon the open source software, and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in certain manners. Although we monitor our use of open source software, we cannot assure you that all open source software is reviewed prior to use in our solutions, that our programmers have not incorporated open source software into our solutions, or that they will not do so in the future. Additionally, the terms of many open source licenses to which we are subject have not been interpreted by U.S. or foreign courts. There is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market or provide our solutions. In addition, the terms of open source software licenses may require us to provide software that we develop using such open source software to others on unfavorable license terms. As a result of our current or future use of open source software, we may face claims or litigation, be required to release our proprietary source code, pay damages for breach of contract, re-engineer our solutions, discontinue making our solutions available in the event re-engineering cannot be accomplished on a timely basis or take other remedial action. Any such re-engineering or other remedial efforts could require significant additional research and development resources, and we may not be able to successfully complete any such re-engineering or other remedial efforts. Further, in addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and operating results.

We rely on information technology to operate our business and maintain competitiveness, and any failure to adapt to technological developments or industry trends could harm our business. We depend on the use of information technologies and systems. As our operations grow in size and scope, we will be required to continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our solutions in response to competitive services and product offerings. The emergence of alternative platforms will require new investment in technology. New developments in other areas, such as cloud computing, could also make it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

If we fail to respond quickly to technological developments, our technology may become uncompetitive and obsolete. The mobile advertising market is expected to experience rapid technology developments, changes in industry standards, changes in customer requirements and frequent new product introductions and improvements. If we are unable to respond quickly to these developments, we may lose competitive position, and our solutions or technologies may become uncompetitive or obsolete, causing revenues and operating results to suffer. In order to compete, we may be required to develop or acquire new products or technologies and improve our existing technologies and processes on a schedule that keeps pace with technological developments and the requirements for products addressing a broad spectrum and designers and designer expertise in our industry. We must also be able to support a range of changing customer preferences. We cannot guarantee that we will be successful in any manner in these efforts, and our inability to do so could cause our business to suffer.

Our technology and associated business processes may contain undetected errors, which could limit our ability to provide our services and diminish the attractiveness of our offerings. Our Mobiquity technology may contain undetected errors, defects or bugs. As a result, our customers or end users may discover errors or defects in our technology or the systems incorporating our technology may not operate as expected. We may discover significant errors or defects in the future that we may not be able to fix. Our inability to fix any of those errors could limit our ability to provide our solution, impair the reputation of our brand and diminish the attractiveness of our product offerings to our customers. In addition, we may utilize third party technology or components in our products and we rely on those third parties to provide support services to us. Failure of those third parties to provide necessary support services could materially adversely impact our business.

Interruptions or delays in service from key third parties could impair the delivery of our Mobiquity solutions and harm our business. Our Mobiquity business relies on bandwidth providers, internet service providers and mobile networks to deliver content. Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our service. These providers may be vulnerable to damage or interruption from break-ins, computer viruses, denial-of-service attacks, acts of terrorism, vandalism or sabotage, power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes and similar events. The occurrence of any of these events, a decision to close applicable facilities without adequate notice or other unanticipated problems could result in loss of data, lengthy interruptions in the availability of our services and harm to our reputation and brand. We have not adequately developed disaster recovery arrangements, thus leaving us at risk for disasters or similar events. As we depend on

continuous and uninterrupted access to the Internet through third-party bandwidth providers to operate our business, if we lose the services of one or more of our bandwidth providers for any reason or if their services are disrupted, we could experience disruption in our services or we could be required to retain the services of a replacement bandwidth provider, which could increase our operating costs and harm our business and reputation.

We cannot predict our future capital needs and we may not be able to secure additional financing. Between January 2013 and April 2015, we raised approximately \$14.5 million in private equity and debt financing to support our transformation from an integrated marketing company to an advertising technology company. Since we might be unable to generate recurring or predictable revenue or cash flow to fund our operations, we will likely need to seek additional equity or debt financing even following this offering to provide the capital required to maintain or expand our operations. We may also need additional funding for developing products and services, increasing our sales and marketing capabilities, promoting brand identity, and acquiring complementary companies, technologies and assets, as well as for working capital requirements and other operating and general corporate purposes. We cannot predict our future capital needs with precision, and we may not be able to secure additional financing on terms satisfactory to us, if at all.

Because we do not manufacture the promotional products we distribute, we are dependent upon third parties for the manufacture and supply of our promotional products. Our Ace Marketing subsidiary obtains all of our promotional products from third-party suppliers, both domestically and overseas primarily in China. We submit purchase orders to our suppliers who are not committed to supply products to us. Therefore, suppliers may be unable to provide the products we need in the quantities we request. Because we lack control of the actual production of the promotional products we sell, we may be subject to delays caused by interruption in production based on conditions outside of our control. In the event that any of our third-party suppliers were to become unable or unwilling to continue to provide the products in required volumes, we would need to identify and obtain acceptable replacement sources on a timely cost effective basis. There is no guarantee that we will be able to obtain such alternative sources of supply on a timely basis, if at all. An extended interruption in the supply of our products would have an adverse effect on our results of operations, which most likely would adversely affect the value of our common stock.

We entered into a convertible promissory note which is secured by all of our assets. This note has a current maturity date of December 31, 2015, but the noteholder has the right to call the note at any time, which could adversely affect our liquidity and capital resources. On June 12, 2012, we entered into a secured convertible promissory note due December 12, 2013 in the amount of \$350,000 with TCA Global Credit Master Fund L.P. This note is secured by all of our assets. On December 12, 2013, Thomas Arnost our Executive Chairman, purchased the \$350,000 Note from TCA (which principal amount has been reduced to \$322,000) and, subsequently entered into an agreement with us to extend the due date of the note until December 12, 2014 and again he extended the due date to December 31, 2015, subject to his right to call the note at any time, in addition to certain other conditions. The payment of this Note at maturity or earlier if accelerated by Mr. Arnost at his sole discretion could come at a time when it would not be advantageous to us and could materially adversely affect our liquidity and capital resources. We can provide no assurances that we will be able to meet our obligations under the note. Upon the completion of this offering, we intend to retire this note from the proceeds of this offering, subject to Mr. Arnost's conversion rights.

Changes in consumer sentiment or laws, rules or regulations regarding tracking technologies and other privacy matters could have a material adverse effect on our ability to generate net revenues and could adversely affect our ability to collect data on consumer shopping behavior. The collection and use of electronic information about user is an important element of our Mobiquity technology and solutions. However, consumers may become increasingly resistant to the collection, use and sharing of information, including information used to deliver advertising and to attribute credit to publishers in performance marketing programs, and take steps to prevent such collection, use and sharing of information. For example, consumer complaints and/or lawsuits regarding advertising or other tracking technologies in general and our practices specifically could adversely impact our business. In addition to this change in consumer preferences, if retailers or brands perceive significant negative consumer reaction to targeted advertising or the tracking of consumers' activities, they may determine that such advertising or tracking has the potential to negatively impact their brand. In that case, advertisers may limit or stop the use of our solutions, and our operating results and financial condition would be adversely affected.

Our business practices with respect to data and consumer protection could give rise to liabilities or reputational harm as a result of governmental regulation, legal requirements or industry standards relating to consumer privacy, data protection and consumer protection. Federal, state and international laws and regulations govern the collection, use, retention, sharing and security of data that we collect. We strive to comply with all applicable laws, regulations, self-regulatory requirements and legal obligations relating to privacy, data protection and consumer protection, including those relating to the use of data for marketing purposes. It is possible, however, that these requirements may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot assure you that our practices have complied, comply, or will comply fully with all such laws, regulations, requirements and obligations. Any failure, or perceived failure, by us to comply with federal, state or international laws or regulations, including laws and regulations regulating privacy, data security, marketing communications or consumer protection, or other policies, self-regulatory requirements or legal obligations could result in harm to our reputation, a loss in business, and proceedings or actions against us by governmental entities, consumers, retailers or others. We may also be contractually liable to indemnify and hold harmless performance marketing networks or other third parties from the costs or consequences of noncompliance with any laws, regulations, self-regulatory requirements or other legal obligations relating to privacy, data protection and consumer protection or any inadvertent or unauthorized use or disclosure of data that we store or handle as part of operating our business. Any such proceeding or action, and any related indemnification obligation, could hurt our reputation, force us to incur significant expenses in defense of these proceedings, distract our management, increase

our costs of doing business and cause consumers and retailers to decrease their use of our marketplace, and may result in the imposition of monetary liability.

As we develop and provide solutions, we may be subject to additional and unexpected regulations, which could increase our costs or otherwise harm our business. As we develop and provide solutions that address new market segments, we may become subject to additional laws and regulations, which could create unexpected liabilities for us, cause us to incur additional costs or restrict our operations. From time to time, we may be notified of or otherwise become aware of additional laws and regulations that governmental organizations or others may claim should be applicable to our business. Our failure to anticipate the application of these laws and regulations accurately, or other failure to comply, could create liability for us, result in adverse publicity or cause us to alter our business practices, which could cause our net revenues to decrease, our costs to increase or our business otherwise to be harmed.

We rely on information technology to operate our business and maintain competitiveness, and any failure to adapt to technological developments or industry trends could harm our business. We depend on the use of information technologies and systems. As our operations grow in size and scope, we must continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features and reliability of our solutions in response to competitive services and product offerings. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

Government regulation of the Internet, e-commerce and m-commerce is evolving, and unfavorable changes or failure by us to comply with these laws and regulations could substantially harm our business and results of operations. We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet, e-commerce and m-commerce in a number of jurisdictions around the world. Existing and future regulations and laws could impede the growth of the Internet, e-commerce, m-commerce or other online services. These regulations and laws may involve taxation, tariffs, privacy and data security, anti-spam, data protection, content, copyrights, distribution, electronic contracts, electronic communications and consumer protection. It is not clear how existing laws and regulations governing issues such as property ownership, sales and other taxes, libel and personal privacy apply to the Internet as the vast majority of these laws and regulations were adopted prior to the advent of the Internet and do not contemplate or address the unique issues raised by the Internet, e-commerce or m-commerce. It is possible that general business regulations and laws, or those specifically governing the Internet, e-commerce or m-commerce may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. We cannot assure you that our practices have complied, comply or will comply fully with all such laws and regulations. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business, and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant resources in defense of these proceedings, distract our management, increase our costs of doing business, and cause consumers and retailers to decrease their use of our marketplace, and may result in the imposition of monetary liability. We may also be contractually liable to indemnify and hold harmless third parties from the costs or consequences of noncompliance with any such laws or regulations. In addition, it is possible that governments of one or more countries may seek to censor content available on our websites and mobile applications or may even attempt to completely block access to our marketplace. Adverse legal or regulatory developments could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected and we may not be able to maintain or grow our net revenues as anticipated.

There may be limitations on the effectiveness of our internal controls, and a failure of our control systems to prevent error or fraud may materially harm our company. Proper systems of internal controls over financial accounting and disclosure are critical to the operation of a public company. We have a limited accounting and finance staff, and such staff has relatively limited experience in operating the accounting function of a growing public company. As such, we may be unable to effectively establish, implement and update our internal control systems. This would leave us without the ability to reliably assimilate and compile financial information about our company and significantly impair our ability to prevent error and detect fraud, all of which would have a negative impact on our company from many perspectives.

Moreover, we do not expect that disclosure controls or internal control over financial reporting, even if properly in place, will prevent all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Failure of our control systems to prevent error or fraud could materially and adversely affect our business, reputation, stock price and results

of operations.

Risks Relating To An Investment In Our Common Stock

Our future sales of common stock by management and other stockholders may have an adverse effect on the then prevailing market price of our common stock. In the event a public market for our common stock is sustained in the future, sales of our common stock may be made by holders of our public float or by holders of restricted securities in compliance with the provisions of Rule 144 of the Securities Act of 1933. In general, under Rule 144, a non-affiliated person who has satisfied a six-month holding period in a fully reporting company under the Securities Exchange Act of 1934, as amended, may, sell their restricted common stock without volume limitation, so long as the issuer is current with all reports under the Exchange Act in order for there to be adequate common public information. Affiliated persons may also sell their common shares held for at least six months, but affiliated persons will be required to meet certain other requirements, including manner of sale, notice requirements and volume limitations. Non-affiliated persons who hold their common shares for at least one year will be able to sell their common stock without the need for there to be current public information in the hands of the public. Future sales of shares of our public float or by restricted common stock made in compliance with Rule 144 may have an adverse effect on the then prevailing market price, if any, of our common stock.

A significant portion of our total outstanding shares are eligible to be sold into the market in the near future, which could cause the market price of our common shares to drop significantly, even if our business is doing well. Sales of a substantial number of our common shares in the public market, or the perception in the market that the holders of a large number of shareholders intend to sell shares could reduce the market price of our common shares. After this offering, we will have post-split common shares outstanding. This number includes the shares that we are selling in this offering, assuming the underwriters' over-allotment option is exercised, which may be resold in the public market immediately without restriction, unless purchased by our affiliates. While a portion of our outstanding shares are currently restricted as a result of securities laws or lock-up agreements, they will become eligible to be sold at various times after the offering. Significant sales of common shares could cause the market price of our common shares to drop significantly.

Our management will have broad discretion over the use of the net proceeds from this offering and we may use the net proceeds in ways with which you disagree or which do not produce beneficial results. We currently intend to use the net proceeds from this offering as described under Use of Proceeds, including a significant portion of the net proceeds for working capital and corporate purposes. We have not allocated specific amounts of the net proceeds from this offering for any of the foregoing purposes. Accordingly, our management will have significant discretion and flexibility in applying the net proceeds of this offering. You will be relying on the judgment of our management with regard to the use of these net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. It is possible that the net proceeds will be invested in a way that does not yield a favorable, or any, return for us or our stockholders. The failure of our management to use such funds effectively could have a material adverse effect on our business, financial condition, and results of operation.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future as we do further financings and transactions. You will incur immediate and substantial dilution as a result of this offering. After giving effect to the sale by us of up to _____ post-split common shares offered in this offering (_____ post-split common shares if the underwriters' over-allotment option is fully exercised) at the public offering price of \$ _____ per share, and after deducting the underwriting discount and estimated offering expenses payable by us, investors in this offering can expect an immediate dilution of \$ _____ per share (\$ _____ per share if the underwriters' over-allotment is fully exercised). In addition, in the past, we have issued options, warrants and convertible notes to acquire our common shares and we may issue additional convertible debt and equity securities, options and warrants and preferred shares in the future. To the extent these options, warrants or convertible notes or preferred shares are ultimately exercised or converted, you will sustain further future dilution.

We do not intend to pay dividends. We do not anticipate paying cash dividends on our common stock in the foreseeable future. We may not have sufficient funds to legally pay dividends. Even if funds are legally available to pay dividends, we may nevertheless decide in our sole discretion not to pay dividends. The declaration, payment and amount of any future dividends will be made at the discretion of our board of directors, and will depend upon, among other things, the results of our operations, cash flows and financial condition, operating and capital requirements, and other factors our board of directors may consider relevant. There is no assurance that we will pay any dividends in the future, and, if dividends are paid, there is no assurance with respect to the amount of any such dividend.

We lack an established trading market for our common stock, and you may be unable to sell your common stock at attractive prices or at all. There is currently a limited trading market for our common stock on the OTCQB under the symbol "MOBQ." There can be no assurances given that an established public market will be obtained for our common stock or that any public market will last. As a result, we cannot assure you that you will be able to sell your common stock at attractive prices or at all and we intend to apply for listing of our common stock on NYSE MKT. Although we believe that this offering and an exchange listing would improve the liquidity of our common shares, there can be no assurance that an active public market for our common shares will develop or be sustained.

If we become listed on NYSE MKT, we will be unable to access equity capital without shareholder approval if such equity capital sales would result in dilution above regulatory thresholds, and consequently we may be unable to obtain financing sufficient to sustain our business if we are unsuccessful in soliciting requisite shareholder approvals. If our common stock becomes listed on NYSE MKT, we would will be subject to rules requiring shareholder approval for certain capital raising transactions. The operation of these rules could limit our ability to raise capital through issuance of shares or convertible securities without jeopardizing our listing status. If we were to violate such rules, our company would be subject to delisting from NYSE MKT and share prices and trading volumes would likely suffer.

If we do not meet the continued listing standards of NYSE MKT our liquidity and share price may suffer. If our common stock is approved for listing on NYSE MKT, there is no assurance that our company will be able to continue to meet all necessary requirements for listing on NYSE MKT, as the NYSE MKT may suspend trading in, or remove our listing from trading, if in the opinion of the Exchange our financial condition and/or operating results appear to be unsatisfactory to the Exchange or if we fail to comply with the listing agreements with the Exchange; therefore, there is no assurance that our common shares will continue to trade on a national securities exchange. At any time when our shares do not trade on a national exchange, liquidity may be reduced and our stock price could decline.

The market price for our common stock may be highly volatile. The market price for our common stock may be highly volatile. A variety of factors may have a significant impact on the market price of our common stock, including:

- quarterly fluctuations of operating results due to the seasonality of our Mobiquity Networks mall-based business;
- the publication of earnings estimates or other research reports and speculation in the press or investment community;
- changes in our industry and competitors;
- our financial condition, results of operations and prospects;
- any future issuances of our common stock, which may include primary offerings for cash, and the grant or exercise of stock options from time to time;
- general market and economic conditions; and
- any outbreak or escalation of hostilities, which could cause a recession or downturn in the U.S. economy.

In addition, the markets in general can experience extreme price and volume fluctuations that can be unrelated or disproportionate to the operating performance of the companies listed or quoted. Broad market and industry factors may negatively affect the market price of our common stock, regardless of actual operating performance. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against companies. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business.

Our stockholders recently approved a reverse stock split which could adversely affect the market liquidity of our common stock, impair the value of your investment and harm our business. There are a number of risks associated with the reverse stock split that we expect to effect prior to the effectiveness of the registration statement of which this prospectus is a part, including that the reverse stock split may not result in a sustained increase in the per share price of our common shares. We cannot predict whether the reverse stock split will increase the market price for our common shares on a sustained basis. The history of similar stock split combinations for companies in like circumstances is varied, and we cannot predict whether:

the market price per share of our common shares after the reverse stock split will result in a sustained rise in proportion to the reduction in the number of shares of our common shares outstanding before the reverse stock split, *i.e.*, that the post-split market price of our common shares will equal or exceed the pre-split price multiplied by the split ratio;

the reverse stock split will result in a per share price that will attract brokers and investors who do not trade in lower priced stocks;

the reverse stock split will result in a per share price that will increase our ability to attract and retain employees and other service providers;

the market price per share will equal or exceed the price required to qualify for initial listing or remain in excess of the minimum bid price as required by NYSE MKT for initial listing; or

that we will otherwise meet the requirements of NYSE MKT for continued inclusion for trading on NYSE MKT.

In addition, we reduced the number of shares available in the public float and this may impair the liquidity in the market for our common shares on a sustained basis, which may in turn reduce the value of our common shares. We may in the future undergo one or more additional stock splits, stock dividends and/or reverse stock splits. If we issue additional shares in the future, it will likely result in the dilution of our existing shareholders.

Our executive directors and executive officers have a material level of control over us, which could delay or prevent a change in our corporate control favored by our other stockholders. As of the date of this prospectus, our directors and executive officers beneficially own, in the aggregate, approximately ____% of our outstanding common stock. These figures include potential future exercises of outstanding options or warrants into shares of common stock. The interests of our current directors and executive officers may differ from the interests of other stockholders. As a result, these current directors and officers could have the ability to exercise material influence over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the following actions:

approval of certain mergers and other significant corporate transactions, including a sale of substantially all of our assets and material financing transactions;

election of directors;

adoption of or amendments to stock option plans;

amendment of charter documents; or

issuance of “blank check” preferred stock.

Our certificate of incorporation grants our board of directors the authority to issue a new series of preferred stock without further approval by our shareholders, which could adversely affect the rights of the holders of our common shares. Our board of directors has the power to fix and determine the relative rights and preferences of preferred stock. Our board of directors also has the power to issue preferred stock without further shareholder approval, subject to applicable listing regulations. As a result, our board of directors could authorize the issuance of new series of preferred stock that would grant to holders thereof certain preferred rights to (i) our assets upon liquidation; (ii) receive dividend payments ahead of holders of common shares; (iii) and the redemption of the shares, together with a premium, prior to the redemption of our common shares. In addition, our board of directors could authorize the issuance of new series of preferred stock that is convertible into our common shares, which could decrease the relative voting power of our common shares or result in dilution to our existing shareholders.

Research analysts do not currently publish research about our business, limiting information available to shareholders, and if this continues to be the case or if analysts do publish unfavorable commentary or downgrade our common shares it could adversely affect our stock price and trading volume. The trading market for our common shares will depend, in part, on the research and reports that research analysts publish about us and our business and industry. The price of our common shares could decline if one or more research analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business. If one or more of the research analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our common shares could decrease, which could cause our stock price or trading volume to decline.

As a public company, we are subject to complex legal and accounting requirements that will require us to incur significant expenses and will expose us to risk of non-compliance. As a public company, we are subject to numerous legal and accounting requirements that do not apply to private companies. The cost of compliance with many of these requirements is material, not only in absolute terms but, more importantly, in relation to the overall scope of the operations of a small company. Our management team is relatively inexperienced in complying with these requirements, which may lead to errors in our accounting and financial statements and which may impair our operations. This inexperience may also increase the cost of compliance and may also increase the risk that we will fail to comply. Failure to comply with these requirements can have numerous adverse consequences including, but not limited to, our inability to file required periodic reports on a timely basis, loss of market confidence and/or governmental or private actions against us. We cannot assure you that we will be able to comply with all of these requirements or that the cost of such compliance will not prove to be a substantial competitive disadvantage vis-à-vis our privately held and larger public competitors.

We may be subject to shareholder litigation, thereby diverting our resources that may have a material effect on our profitability and results of operations. The market for our common shares may be characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price may continue to be more volatile than a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may become the target of similar litigation. Securities litigation will result in substantial costs and liabilities and will divert management's attention and resources.

Compliance with changing regulation of corporate governance and public disclosure will result in additional expenses and pose challenges for our management. Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd-Frank Wall Street Reform and Consumer Protection Act, and the rules and regulations promulgated thereunder, the Sarbanes-Oxley Act and SEC regulations, have created uncertainty for public companies and significantly increased the costs and risks associated with accessing the U.S. public markets. Our management team will need to devote significant time and financial resources to comply with both existing and evolving standards for public companies, which will lead to increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Our common stock may be considered “penny stock” and may be difficult to trade. The SEC has adopted regulations that generally define “penny stock” to be an equity security that has a market or exercise price of less than \$5.00 per share, subject to specific exemptions. The market price of our common stock may be less than \$5.00 per share and, therefore, may be designated as a “penny stock” according to SEC rules, unless our common shares are trading on a national exchange. This designation requires any broker or dealer selling these securities to disclose certain information concerning the transaction, obtain a written agreement from the purchaser and determine that the purchaser is reasonably suitable to purchase the securities. These rules may restrict the ability of brokers or dealers to sell our common stock and may affect the ability of investors to sell their common shares.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Except for the historical information contained in this prospectus, the statements contained in this prospectus are “forward-looking statements” that reflect our current view with respect to future events and financial results. We urge you to consider that statements that use the terms “anticipate,” “believe,” “do not believe,” “expect,” “plan,” “intend,” “estimate” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity, or our achievements, or industry results, to be materially different from any future results, performance, levels of activity, or our achievements expressed or implied by such forward-looking statements. Some of these risks are as follows:

we have a history of operating losses and an accumulated deficit of approximately \$32.6 million at March 31, 2015 and our auditors have expressed a substantial doubt about our ability to continue as a going concern;

our business prospects and future growth could become dependent upon our rights agreement with Simon and our rights agreement with Macerich, each a top mall developer, to create exclusively in the common areas a location-based marketing network called Mobiquity Networks in about 295 malls across the United States. We can provide no assurance that we will be able to comply with all the requirements of each agreement and successfully extend the terms of each agreement. In the event that we lose our rights under either agreement, our business could be materially and adversely harmed. We intend to attempt to expand our mall network footprint into other malls and non-mall venues. We can provide no assurances that our expansion plans will be successful;

the location-based mobile marketing industry is relatively new and unproven. We will attempt to capitalize on our location-based mobile mall network footprint. We can provide no assurances that we will be able to generate substantial revenues to support our operations or to successfully compete against large, medium and small competitors that are in (or may enter) the proximity marketing industry with substantially larger resources and management experience;

our operations will require substantial additional financing to expand our mall footprint in other malls and outside of malls in other synergistic venues and to generally support our operations. The raise of additional capital will likely involve substantial dilution to our stockholders. We can also provide no assurances that additional financing will be available to us on favorable terms, if at all;

our location-based mobile marketing technology is based upon intellectual property which we originally licensed from an unrelated company and subsequently purchased. Our success will depend upon our ability to have patents issued from patent applications filed in connection with such intellectual property and also to defend our intellectual property rights from challenges or circumvention of our intellectual property rights by third parties;

our future performance is materially dependent upon our management and their ability to manage our growth as well as our ability to retain their services. The loss of our key management personnel could have a material adverse effect on our business. If we are unable to manage our expansion successfully and obtain substantial revenues for our location-based mobile mall network and outside of malls in other synergistic venues, the failure to do so could have a material adverse on our business, results of operations and financial condition; and

substantially all of our revenues to date have been generated by our integrated marketing subsidiary Ace Marketing. This subsidiary faces extensive competition with no company dominating the market in which our subsidiary operates.

Please see “Risk Factors” for a discussion of the risks that could have an effect on such forward-looking statements. You should not place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by applicable law, including the securities laws of the United States, we undertake no obligation to publicly release any update or revision to any forward-looking statements to reflect new information, future events or circumstances, or otherwise after the date hereof.

USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and estimated offering expenses payable by us, will be approximately \$8,775,000. Assuming the over-allotment option is exercised in full by the underwriters and satisfied in full by us, we will receive an additional estimated \$1,380,000 in net proceeds, after deducting underwriting discounts and estimated offering expenses payable by us, for a total net proceeds of approximately \$10,155,000.

We expect to use the net proceeds from this offering to maintain our existing rights in about 295 Simon and Macerich malls, sales and marketing, hiring additional personnel, repayment of debt and general corporate purposes. Principal intended uses, in order of priority and subject to availability of funds are as follows:

Agreements with mall developers. Pursuant to our agreement with Simon Property Group, we have installed our proximity marketing hardware solutions in about 240 malls across the Simon mall network in the United States. Pursuant to our agreement with Macerich, on or before June 1, 2015, we intend to install our Mobi-Beacons in about 55 malls across the Macerich mall network across the United States. We have allocated approximately \$4.5 million of the net proceeds of this offering to maintain our existing rights in the Simon and Macerich malls over the 12 months following the completion of this offering.

Additional personnel. We have allocated approximately \$1.5 million of the net proceeds of this offering to hire additional qualified sales and marketing personnel to generate revenue on our proximity mall network and to hire additional engineers, developers, computer and technology support personnel.

To repay certain indebtedness. We have allocated \$600,000 of the net proceeds of this offering to repay \$322,000 of principal plus accrued interest to Thomas Arnost, Executive Chairman, and an additional \$250,000 of principal plus accrued interest to four non-affiliated debt holders. Each of the aforementioned debt obligations may be repaid without penalty subject to the debt holders' conversion rights.

For working capital and general corporate purposes. We have allocated \$2.775 million for working capital and general corporate purposes, which amount will be increased to \$4.155 million in the event the underwriters' over-allotment option is exercised in full. Funds allocated for these purposes, plus any monies not utilized at management's sole discretion for the estimated purposes described above, may be utilized for all proper corporate purposes, including, without limitation, expanding our mall footprint with other mall developers, compensation of executive officers, staff, consultants, payment of rent and general overhead.

The foregoing expected use of net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. The amounts and timing of our actual expenditures may vary significantly depending on numerous factors. As a result, our

management will retain broad discretion over the allocation of the net proceeds from this offering.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments and U.S. government securities.

MARKET PRICE OF COMMON STOCK

Our common stock trades on the OTCQB under the symbol "MOBQ" (formerly "AMKT") on a limited basis. The OTCQB marketplace has effectively replaced the FINRA operated OTC Bulletin Board (OTCBB) as the primary market for SEC reporting securities that trade off exchanges. We intend to apply to list our common stock on the NYSE MKT with such listing to commence upon the closing of this offering. No assurances can be given that our application will be approved.

The following table sets forth the range of high and low sales prices of our common stock for at least the last two fiscal years on the OTCQB after giving retroactive effect to an adjustment for an assumed 1-for-20 reverse stock split which we expect to effect prior to the effectiveness of the registration statement of which this prospectus is a part, as if such reverse split had been effectuated on January 1, 2013.

Quarters Ended	High	Low
March 31, 2013	\$ 10.00	\$ 4.00
June 30, 2013	\$ 12.00	\$ 7.40
September 30, 2013	\$ 11.00	\$ 6.60
December 31, 2013	\$ 10.60	\$ 6.40
March 31, 2014	\$ 15.60	\$ 8.00
June 30, 2014	\$ 12.00	\$ 7.00
September 30, 2014	\$ 13.60	\$ 7.00
December 31, 2014	\$ 9.00	\$ 5.00
March 31, 2015	\$ 7.60	\$ 3.60