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Mobiquity Technologies, Inc.
Form 10-K
March 21, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

COMMISSION FILE NUMBER: 000-51160

MOBIQUITY TECHNOLOGIES, INC.

(Exact name of Registrant as specified in its charter)

New York
(State of jurisdiction of

incorporation or organization)

600 Old Country Road, STE 541, Garden City, NY
(Address of principal executive offices)

Registrant's telephone number, including area code:

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

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

11-3427886
(I.R.S. Employee

Identification Number)

11530
(Zip Code)

(516) 256-7766

None

Common Stock, \$.0001 Par Value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

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Check whether the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ☐

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

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

Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K is not contained in this form, and no disclosure will be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in part III of this Form 10-K or any amendment to this Form 10-K ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company as defined by Rule 12b-2 of the Exchange Act: smaller reporting company ☒.

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

As of June 28, 2013, the number of shares held by non-affiliates was approximately 37,659,000 shares based upon 45,383,682 shares of Common Stock outstanding. The approximate market value based on the last sale (i.e. \$.43 per share as of June 28, 2013) of the Company's Common Stock was approximately \$16,200,000.

The number of shares outstanding of the Registrant's Common Stock, as of March 13, 2014 was 59,506,582.

FORWARD-LOOKING STATEMENTS

We believe this annual report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to risks and uncertainties and are based on the beliefs and assumptions of our management, based on information currently available to our management. When we use words such as "believes," "expects," "anticipates," "intends," "plans," "estimates," "should," "likely" or similar expressions, we are making forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations set forth under "Business" and/or "Management's Discussion and Analysis of Financial Condition and Results of Operations." Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Our future results and stockholder values may differ materially from those expressed in the forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict. Stockholders are cautioned not to put undue reliance on any forward-looking statements. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information under "Risk Factors." In addition to the Risk Factors and other important factors discussed elsewhere in this annual report, you should understand that other risks and uncertainties and our public announcements and filings under the Securities Exchange Act of 1934, as amended could affect our future results and could cause results to differ materially from those suggested by the forward-looking statements.

Item 1. Business

Company Overview

Mobiquity Technologies, Inc. (the "Company," "Mobiquity," "we" or "our"), a New York corporation. Through its wholly-owned subsidiary, Mobiquity Networks, Inc., is an advertising technology (Ad Tech) company focusing on connecting Fans (consumers) and Brands through a single platform utilizing Online, Social and Mobile. Mobiquity leverages leading edge mobile technologies including Bluetooth (Push & Beacon BLE), Wi-Fi, NFC (Near Field Communications) and QR (Quick Response) code and employs propriety devices through retail environments to build physical networks. Assets are managed in a single platform creating a new class of consumer engagement and data intelligence.

Mobiquity Devices

Our Mobiquity devices which are deployed through retail locations to create the Mobiquity network include Mobi-Units, Mobi-Beacons and Mobi-Tags. Mobi-Units utilize both Bluetooth and Wi-Fi to communicate with all devices, including smart phones and feature phones. An advantage of Mobi-Units is that consumers have the choice through an opt-in process to receive only desired content and offers. Additionally, through the use of Wi-Fi, consumer can connect to view content and receive special offers. Mobi-Beacons which utilize Bluetooth LE 4.0, are also part of the Mobi-Unit, and can dramatically enhance the in-app experience through the use of hyper accurate location event

data. Mobi-Tags interact with smart phones utilizing QR and NFC and can promote app downloads, social media engagement and database building.

Our Single Integrated Platform

The Mobiquity Platform employs a number of core solutions to help us engage with nearly 100% of the mobile market. Our data/services include campaign management, analytics and campaign results and reward programs and special offers to consumers.

The Network

Through our various agreements with mall developer (Simon Property Group) and strategic partners (EYE Corp), we have deployed physical devices throughout 100 of the top shopping malls across the United States. These devices work together to create our NETWORK, which provides advertisers the opportunity to reach millions of mall visitors per month with mobile content and offers when they are most receptive to advertising messages. We are also planning to expand our network into other venues, such as; stadiums, arenas, colleges, airports and retail chains to name a few.

The highlights of our network include the following:

- 100 shopping malls;
- Represents approximately 120 million monthly shopping visits;
- Provides access to affluent, highly-sought-after demographic; and
- National coverage – Top 10+ DMA's throughout the country, such as but not limited to; New York, Los Angeles and Chicago.

Our location-based mobile marketing network is designed to reach on-the-go shoppers via their mobile devices. We offer extremely targeted messaging engineered to engage and influence shoppers as they move about the mall environment. Mobiquity's Mobi-Units are strategically placed in shopping malls near entrances, anchor stores, escalators and other high traffic and high dwell time areas. Mobiquity's Mobi-Unit placement takes advantage of the opportunity to provide a reminder to consumers just before making a purchase decision. These Mobi-Units generate high awareness and brand recognition at the right time and place.

Mobiquity Toolkit

We are creating a new class of contextually relevant consumer experience based on time, location, proximity and personalization. Our Mobiquity platform provides advertisers the following:

Core Services

The pictures that follow demonstrate practical applications of our Mobi-Units, Mobi-Beacons and Mobi-Tags:

SMART DATA

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Mobiquity Advantages

- Ubiquitous technologies allow us to reach nearly 100% of mobile devices.
- Devices are integrated on a single platform.
Platform monitors & reports device activity in real-time, manages campaigns, delivers highly targeted content and
- provides 3rd Party access to our network through SDK (Software Development Kit) & API (Application Program Interface) integration.
Mobiquity has already established a PREMIUM network footprint. Mall-based network reaches a premier demographic.
- Ready to translate experience to in-store applications.

Acquisition of Intellectual Property of FuturLink

In March 2013, the Company formed as a wholly-owned subsidiary, Mobiquity Wireless, SLU in Spain. Mobiquity Wireless then acquired the assets of FuturLink at a cost of approximately \$160,200, which cash was paid from the Company's current working capital. These assets include, without limitation, the FuturLink technology (U.S. patents and source codes), trademark(s) and access point (proximity marketing) component parts.

As the technology owner, the Company realized immediate benefits and will leverage the hardware and software included in its purchase to expand its mall-based footprint in the United States. The acquisition of FuturLink's technology and corresponding U.S. patents provides the Company with the flexibility and autonomy to; improve, upgrade and integrate new ideas and cutting edge technologies into its existing platform. This will allow the Company to evolve as new technologies emerge.

The Company believes that the intellectual property of FuturLink which is now owned by the Company will be a valuable asset to the Company as it moves forward with its technology platform. In the event our intellectual property positions are challenged, invalidated, circumvented or expire, or if we fail to prevail in future intellectual property litigation, our business could be adversely affected. Our success depends in part on our ability to defend our intellectual property rights. Third parties may seek to challenge, invalidate or circumvent our intellectual property rights. In addition, 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. See "Risk Factors."

Our Integrated Marketing Subsidiary

Our wholly-owned subsidiary, Ace Marketing, Inc., changed its name to Ace Marketing & Promotions, Inc. in September 2013 when our parent corporation, Mobiquity Technologies, Inc. changed its name from Ace Marketing & Promotions, Inc. to its current name. Our subsidiary, Ace, is an Integrated Marketing Company focused on marketing process analysis and technology-based growth acceleration strategies. Ace offers Brand Analysis & Development, Website Analysis & Development, Database Analysis & Building, and Integrated Marketing Campaigns using: direct mail, email marketing, mobile marketing, promotional products and other mediums that help its clients connect with their customers and acquire new business.

Ace Advantages

Ace is an integrated marketing company focused on working with clients to grow their business. Ace offers brand analysis and development, website analysis and development, database analysis and building, and integrated marketing campaigns using: direct mail, email marketing, mobile marketing, promotional products and other mediums that help our clients connect with their customers and acquire new business.

Ace has created a four-step process supported by marketing technology platforms to provide a comprehensive range of capabilities with the goal of having the right client utilize the right message at the right time.

The “Ace Process”

- Brand analysis and development,
- Website analysis and development,
- Database analysis and building, and
- Integrated marketing campaigns.

BRAND ANALYSIS & DEVELOPMENT

Ace's clients have one chance to make a first impression. Our clients' brand image creates that impression, and reinforces that message each time their customer interacts with our client's brands. Our creative department can help each client design a branding strategy for its business that creates the image and lasting impression that each of our clients need. Adding a client's brand to promotional merchandise is a subtle, yet effective way to drive repeat impressions and awareness of a client's brand. Well-placed branded merchandise often stays in front of customers for many years, and can offer the lowest cost per impression marketing available today. To achieve the highest level of brand control and innovative style, we can work with each client's team to create custom merchandise to perfectly reflect the image a client wants to project to its customers. We work with a proven team of domestic and international designers and product manufactures to ensure that each client's custom products deliver the style and performance within the required cost-structure.

In creating a strong brand, our team must be able to answer each of the following questions:

- Brand Analysis: Does it send the right message our client's want?
- Brand Creation: Have we achieved a professional look?
- Brand Consistency: Is our client marketing consistent across all mediums?

WEBSITE ANALYSIS & DEVELOPMENT

Ace believes that each client's business is judged by its website, and if its prospects can't find our client online, it's like our client does not exist at all. A recent study by BIA/Kelsey indicates that 97% of consumers go online to research products and services. If they're not finding the company during their searches, there's no doubt about it: companies are likely losing a substantial amount of business.

Ace has created a proprietary web development platform ("AcePlace CMS") that is changing the way websites are developed and maintained. Our platform drastically reduces the programming and coding required to deliver outstanding functionality, and delivers a content management system that puts the control back into our clients' hands. More importantly, with AcePlace CMS, each client can manage its own branded merchandise/company store, its own in-house database, e-mail, and text marketing communication from a single platform.

Ace's keys to creating a strong web presence are as follows:

- Create a strong brand image;
- Utilize a content management system (CMS);
 - Use AcePlace as a client's central marketing tool; and
- Make sure our client's website is optimized for mobile devices.

DATABASE ANALYSIS & BUILDING

Ace works with each client's existing database(s) to ensure that each client has the most accurate and up-to-date information for its clients including (but not limited to) physical addresses, email addresses and phone numbers. Ace also "Models" the demographic and psychographic characteristics of the customers/clients in its database. Ace utilizes this information to learn even more about each client's existing customers. Ace can create a demographic/psychographic profile of each client's ideal customer base. This highly-targeted knowledge can be utilized to accurately identify high-probability prospects in each client's market area. Ace makes the most of each client's data by performing the following tasks with the help of our clients:

- Data Cleaning & Appending: We make sure that our client's data and information are accurate.

- Data Modeling: We determine, statistically speaking, which customers should be utilizing our client's products and services

- Acquisition Modeling: Then, based on the results of the data modeling, we project who else our clients should be targeting

INTEGRATED MARKETING CAMPAIGNS

The most effective way to increase the response rate and rate of return on investment of each client's marketing program is to deliver personalized messages that are targeted to the right audience as determined through advanced database management. Each client's message must then be delivered utilizing the most effective medium for the intended customer. Ace provides integrated platforms that deliver the right message to the right client using the right delivery method.

Each multi-channel marketing capabilities include the following:

- Branded merchandise;

- Direct mail marketing;

- E-Mail marketing; and
- Mobile marketing.

Our Distribution and Marketing Strategy

Key elements of our distribution and marketing strategy are as follows:

We have created a suite of solutions for one stop shopping. With our suite of solutions in place, Ace now offer its clients and potential clients the ability to work smarter in addressing their marketing needs by leveraging technology platforms. The services and technology platforms assembled provide our clients with an exceptional mix of solutions for reaching their customers in ways that were previously impossible. Clients have the ability to choose a single marketing or a complete package of solutions working together seamlessly. By offering the entire suite of solutions, the need for multiple vendors has been eliminated, and Ace can be a single source provider of brand marketing, advanced integrated marketing platforms, mobile marketing, social networks, website development and digital media.

Creating awareness of our products, services and facilities. Our revenues are derived from existing customers and new customers through word of mouth recommendations, attendance at trade shows and our sales representatives.

Providing generous incentives to our sales people to increase performance levels. We offer competitive commissions in addition to back office support and research assistance to allow our independent sales representatives to optimize their sales time and to provide them with adequate incentives to sell promotional products to our customers rather than for our competitors.

Provide research, consulting, design and fulfillment services to our customers to increase profitability. We design promotional products for our customers and provide consulting services in connection therewith. We utilize licensed research software technology and order entry systems in conjunction to our own proprietary software that enables us to provide the best services to our customers in the timeliest fashion possible.

Competition

Our Company competes in the advertising technology and location-based mobile marketing business and in all other facets of our business against small, medium and large companies throughout the United States. We can provide no assurances that our business will be able to compete against other companies that may have more financial resources and greater experience than the Company.

With respect to our integrated marketing subsidiary, while our competition in this business vertical is extensive with over 20,000 distributors, we believe that there are no companies that dominate the market in which we operate. Our Company competes within the industry on the basis of service, competitive prices, personnel relationships and competitive commissions to our sales representatives to sell promotional products for us rather than our competitors. Competitors' advantages over us may include better financing, greater experience, lower margins and better personal relationships than us.

Employees

As of March 12, 2014, we had 27 full time employees, including executive management, technical personnel, salespeople, and support staff employees. We also utilize four additional firms/persons who provide services to us on a non-exclusive basis as independent consultants.

Item 1.A. Risk Factors

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS, IN ADDITION TO THE OTHER INFORMATION PRESENTED IN THIS FORM 10-K, IN EVALUATING US AND OUR BUSINESS. ANY OF THE FOLLOWING RISKS, AS WELL AS OTHER RISKS AND UNCERTAINTIES, COULD HARM OUR BUSINESS AND FINANCIAL RESULTS AND CAUSE THE VALUE OF OUR SECURITIES TO DECLINE, WHICH IN TURN COULD CAUSE YOU TO LOSE ALL OR PART OF YOUR INVESTMENT.

RISKS RELATING TO OUR BUSINESS

History of operating losses. Since we went public in 2005, we have experienced a continued history of operating losses. For the years ended December 31, 2013, 2012, and 2011, we incurred a net loss of \$6,087,465, \$4,134,061 and \$2,209,508, respectively. Our operating losses for the past three years are attributable to the general state of the economy and transforming the Company into an advertising technology corporation as described in “Item 1.” We can provide no assurances that our operations will be profitable in the future. During the fiscal years ended December 31, 2013, 2012 and 2011, we have completed equity financings totaling approximately \$5,500,000, \$1,900,000 and \$2,200,000, respectively. We can provide no assurances that we will be able to continue to raise additional financing to supplement our liquidity and capital resource needs on terms satisfactory to us if at all.

The Company entered into a Convertible Promissory Note which is secured by all the assets of the Company. This Note has a current maturity date of June 12, 2014, but the noteholder has the right to call the Note at any time, which could adversely affect the Company’s 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 the assets of the Company. On December 12, 2013, Thomas Arnost, a director of the Company, purchased the \$350,000 Note from TCA (which principal amount has been reduced to \$322,000) and entered into an agreement with the Company to extend the due date of the note until June 12, 2014, 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 the Company and could materially adversely affect the Company’s liquidity and capital resources. We can provide no assurances that the Company will be able to meet its obligations under the Note and the other Transaction Documents.

We have transformed the Company from an integrated marketing company to an advertising technology company and postponed the rollout of our mall-offers platform described in prior Exchange Act filings. We can provide no assurances that our plan of operation will be successful. The Company has evolved from an integrated marketing company to an advertising technology company. Through an increase in both physical and human resources, the Company believes it has built an infrastructure that Management believes is ready to achieve significant revenues through the deployment of its Mobi-Units, Mobi-Beacons and Mobi-Tags as described in Item 1. In this respect, our mall network has expanded to 100 malls and we have increased our employment base and technical staff to 27 employees. In 2013, we upgraded our technology through the improvements offered by Bluetooth 4.0 LE in our Mobi-Beacons. The Company is seeking to realize on the advertising revenue potential of its mall network footprint and in order to concentrate on these sales opportunities, the Company has temporarily postponed the rollout of its mall-offers platform described in prior Exchange Act filings. In 2013, the Company also restructured itself into two operating divisions, namely Ace Marketing and Mobiquity Networks. In 2013, the Company acquired its licensed technology from FuturLink, a transaction at a cost of approximately \$160,000 which should substantially reduce the cost of our Mob-Units as they are deployed in malls and other retail locations. Management believes that the foregoing measures should lead to additional sales and increase shareholder value, although no assurances can be given in this regard.

Our advertising technology network is unproven and the establishment of this business may not result in sufficient revenues and profitability to justify the expenditures thereof. Also, revenues to date, have been limited. Through our wholly-owned subsidiary, Mobiquity Networks, Inc., we are now an advertising technology (Ad Tech) company focusing on connecting Fans (consumers) and Brands through a single platform utilizing Online, Social and Mobile. Mobiquity leverages leading edge mobile technologies including Bluetooth (Push & Beacon BLE), Wi-Fi, NFC (Near Field Communications) and QR (Quick Response) code and employs propriety devices through retail environments to build physical networks, including Mobi-Units, Mobi-Beacons and Mobi-Tags. Assets are managed in a single platform creating a new class of consumer engagement and data intelligence. Our data/services include campaign management, analytics and reward programs and special offers to consumers. Through our various agreements with mall developers and strategic partners, we have deployed our physical devices throughout 100 of the top shopping malls throughout the United States. In fiscal 2013, we had net sales of \$162,500 from the use of our Mobiquity Network. Our advertising technology network is unproven and the establishment of this business may not result in sufficient revenues and profitability to justify the expenditures thereof.

The location-based mobile marketing industry is relatively new. 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 2013, we purchased the mobile advertising technology from our licensor. As of the filing date of this Form 10-K, we have not generated significant revenue from this new and unproven segment of our business. The ABI Research report published in January 2008 on mobile marketing refers to the industry as still being in its “wild west” years but forecasts it will settle down and become a \$24 billion slice of the worldwide marketing and advertising pie by 2013. It estimated there was about \$1.8 billion spent in 2007 on all forms of mobile marketing. While Management intends to market our Mobiquity devices as a premier mobile technology, we can provide no assurances that Mobiquity will generate substantial advertising revenues 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. See “Item 1 – Competition.”

Dependence upon our agreements with Simon Property Group, L.L.P. and Eye Corp Pty Ltd. We have partnered with Eye Corp Pty Ltd., ("Eye Corp") an out-of-home media company which operates the largest mall advertising display network in the United States, to roll-out an expansive network which comprises of retail, dining, transportation, sporting, music, and other high traffic venues. We have signed an exclusive rights agreement with a Top Mall Developer (the "Simon Property Group") to create a location-based mobile marketing network called Mobiquity Networks. The 75 mall agreement runs through December of 2017. Through our relationship with Eye Corp, Mobiquity's mall network system is also located in 25 premier Macerich malls. We are dependent upon our agreements with Eye Corp. and Simon Property Group to execute on the development of our Proximity Marketing business and to attempt to achieve profitable operations. We can provide no assurances that our operations will be profitable.

We cannot predict our future capital needs and we may not be able to secure additional financing. Between January 2013 and February 2014, we raised over \$7.5 million in private financing to support our transformation from an integrated marketing company to an advertising technology company. During the balance of 2014 and beyond, it is anticipated that additional funding will be necessary to expand our mall footprint and to support our operations. We can provide no assurances that additional equity or debt financings will be available to us on mutually satisfactory terms, if at all. Such additional financings may involve substantial dilution of our stockholders or may require that we relinquish rights to certain of our technologies or products. In addition, we may experience operational difficulties and delays due to working capital restrictions. Failure to secure additional financing on favorable terms could have severe adverse consequences to us.

We will need to protect our intellectual property which we acquired from FuturLink which could prove costly. The Company believes that the intellectual property of FuturLink which is now owned by the Company will be a valuable asset to the Company as it moves forward with its technology platform. In the event our intellectual property positions are challenged, invalidated, circumvented or expire, or if we fail to prevail in future intellectual property litigation, our business could be adversely affected. Our success depends in part on our ability to defend our intellectual property rights. Third parties may seek to challenge, invalidate or circumvent our intellectual property rights. In addition, 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.

Our industry is highly competitive and we may not be able to compete successfully. Our Company competes in the advertising technology and location-based mobile marketing business and in all other facets of our business against small, medium and large companies throughout the United States. We can provide no assurances that our business will be able to compete against other companies that may have more financial resources and greater experience than the Company. With respect to our integrated marketing subsidiary, while our competition in this business vertical is extensive with over 20,000 distributors, we believe that there are no companies that dominate the market in which we operate. Our Company competes within the industry on the basis of service, competitive prices, personnel relationships and competitive commissions to our sales representatives to sell promotional products for us rather than our competitors. Competitors' advantages over us may include better financing, greater experience, lower margins and better personal relationships than us. In the future, we may be unable to compete successfully and competitive pressures may reduce our revenues.

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. We obtain 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.

Our future performance is materially dependent upon our management and their ability to manage our growth. Our future success is substantially dependent upon the efforts and abilities of members of our existing management, particularly Dean L. Julia, Co-Chief Executive Officer, Michael Trepeta, Co-Chief Executive Officer and Sean Trepeta, President of Mobiquity Networks. The loss of the services of these persons could have a material adverse effect on our business. As of the filing date of this Form 10-K, we have five-year employment agreements with each of Messrs. Julia and M. Trepeta, which agreements renew on March 1st of each calendar year for an additional year unless the executive's employment agreement is terminated on or before December 30th of the prior calendar year. However, we 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.

RISKS RELATING TO AN INVESTMENT IN OUR COMMON STOCK

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 in 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.

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:

- 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 our 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.

Provisions of our Certificate of Incorporation and agreements could delay or prevent a change in control of our Company. Certain provisions of our certificate of incorporation may discourage, delay, or prevent a merger or acquisition that a shareholder may consider favorable. These provisions include:

- Authority of the board of directors to issue preferred stock; and
- Prohibition on cumulative voting in the election of directors.

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.

Lack of Independent Directors. The Sarbanes-Oxley Act of 2002 requires us as a public corporation to have an audit committee composed solely of independent directors. Currently, we have no independent directors and lack an Audit Committee of the Board of Directors. Audit committee communications will have to go directly to board members and addressed with the Board of Directors. We can provide no assurances that we will be able to attract and maintain independent directors on our Board or form an Audit Committee in compliance with Sarbanes-Oxley.

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. 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 Shares. In addition, since our Common Stock is quoted on the OTCBB, investors may experience a lack of buyers to purchase such stock or a lack of market makers to support the stock price.

We have entered into an Equity Agreement pursuant to which we registered up to 5,000,000 shares of Common Stock for resale under the Equity Agreement. The sale of such shares could depress the market price of our Common Stock. Effective May 31, 2012, we entered into a \$2,000,000 Equity Agreement with TCA Global Credit Master Fund L.P. (“TCA”) We also entered into a Registration Rights Agreement pursuant to which we were obligated and we registered with the Securities and Exchange Commission up to 5,000,000 shares of Common Stock for resale pursuant to an effective Registration Statement dated April 12, 2013. Such 5,000,000 registered shares of Common Stock under the Equity Agreement could potentially materially depress the market price of our Common Stock. To date, we have only sold 8,000 shares under the Equity Agreement.

The Company may not have access to the full amount available under the Equity Agreement. We have not drawn down any substantial amounts under the Equity Agreement with TCA. Our ability to draw down funds and sell shares under the Equity Agreement requires that we maintain an effective Registration Statement, of which there can be no assurances give. Because our ability to draw down amounts under the Equity Agreement is subject to a number of conditions, there is no guarantee that we will be able to draw down any substantial portion or all of the \$2,000,000 available to us under the Equity Agreement.

Certain restrictions on the extent of puts and the delivery of advance notices may have little, if any, effect on the adverse impact of our issuance of shares in connection with the equity agreement, and as such, TCA may sell a large number of shares, resulting in substantial dilution to the value of shares held by existing shareholders. TCA has agreed, subject to certain exceptions listed in the Equity Agreement, to refrain from holding an amount of shares which would result in TCA or its affiliates owning more than 9.99% of the then-outstanding shares of the Company’s common stock at any one time. These restrictions, however, do not prevent TCA from selling shares of common stock received in connection with a put, and then receiving additional shares of common stock in connection with a subsequent put. In this way, TCA could sell more than 9.99% of the outstanding common stock in

a relatively short time frame while never holding more than 9.99% at one time. Accordingly, the aforementioned ownership restrictions on the extent of puts and the delivery of advance notices may have little, if any, effect on the adverse impact of our issuance of shares in connection with the equity agreement, and as such, TCA may sell a large number of shares, resulting in substantial dilution to the value of shares held by existing shareholders.

TCA will pay less than the then-prevailing market price for our Common Stock. The Common Stock to be issued to TCA pursuant to the Equity Agreement will be purchased at a 5% discount to the average of the lowest closing price of the common stock of any two trading days, consecutive or inconsecutive, during the five consecutive trading days immediately following the date of our advance notice to TCA of our election to put shares pursuant to the Equity Agreement. TCA has a financial incentive to sell our common stock immediately upon receiving the shares to realize the profit equal to the difference between the discounted price and the market price. If TCA sells the shares, the price of our common stock could decrease. If our stock price decreases, TCA may have a further incentive to sell the shares of our common stock that it holds. These sales may have a further impact on our stock price.

Your ownership interest may be diluted and the value of our common stock may decline by exercising the put right pursuant to our equity agreement. Effective May 31, 2012, we entered into a \$2,000,000 Equity Agreement with TCA. Pursuant to the Equity Agreement, when we deem it necessary, we may raise capital through the private sale of our common stock to TCA at a price equal to ninety-five percent (95%) of the lowest daily volume weighted average price of the Company's common stock for the five trading days immediately following the date our advance notice is delivered. Because the put price is lower than the prevailing market price of our common stock, to the extent that the put right is exercised, your ownership interest may be diluted.

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.

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 relative inexperience with these requirements may 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. As discussed in the preceding risk factors, the market for our common shares is characterized by significant price volatility when compared to seasoned issuers, and we expect that our share price will 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.

PART II

Item 5. Market for Common Equity, Related Stockholder Matters, and IssuerPurchases of Equity Securities.

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. The following table sets forth the range of high and low sales prices of our Common Stock for the last two fiscal years.

| Quarters Ended | High | Low |
|--------------------|---------|-----|
| March 31, 2012 | \$ 1.00 | .38 |
| June 30, 2012 | .85 | .37 |
| September 30, 2012 | .64 | .25 |
| December 31, 2012 | .54 | .21 |
| March 31, 2013 | .50 | .20 |
| June 30, 2013 | .60 | .37 |
| September 30, 2013 | .55 | .33 |
| December 31, 2013 | .53 | .32 |

The closing sales price on March 13, 2014 was \$.70 per share. All quotations provided herein reflect inter-dealer prices, without retail mark-up, markdown or commissions.

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. See "Risk Factors."

As of March 13, 2014, there were approximately 175 holders of record of our common stock, although we believe that there are other persons who are beneficial owners of our common stock held in street name. Our transfer agent is Continental Stock Transfer & Trust Company, 17 Battery Place, 8th Floor, New York, NY 10004.

DIVIDEND POLICY

We have never paid any cash dividends and intend, for the foreseeable future, to retain any future earnings for the development of our business. Our Board of Directors will determine our future dividend policy on the basis of various factors, including our results of operations, financial condition, capital requirements and investment opportunities.

RECENT SALES OF UNREGISTERED SECURITIES

(a) In fiscal 2013, we had no sales or issuances of unregistered common stock, except we made sales or issuances of unregistered securities listed in the table below:

| Date of Sale | Title of Security | Number Sold | Consideration Received and Description of | Exemption from Registration Claimed | If Option, Warrant or Convertible Security, terms of exercise or conversion |
|---------------------------|---|-----------------|---|--|---|
| | | | Underwriting or Other Discounts to Market Price or Convertible Security, Afforded to Purchasers | | |
| Jan. –December 2013 | Common Stock; Class BB Warrants; Placement Agent warrants; and options | 18,445,000 | | | |
| | | shares | | | |
| | | and 9,222,500 | | | |
| | | warrants; | \$5,533,500; cash | | |
| | | 625,000 | compensation | | Warrants exercisable at \$.50 |
| | Placement | Placement | totaling \$150,000 | Rule 506 | per share through |
| | | Agent warrants; | was paid. | | December 15, 2017 |
| | | 500,000 options | | | |
| January 2013 | Warrants | granted to | | | |
| | | counsel in lieu | | | |
| | | of cash | | | |
| January 2013 | Warrants | 600,000 shares | Services rendered; | Rule 506 | Warrants exercisable at \$.30 per share through Jan. 2017 |
| | | (Note: 150,000 | no commissions paid | | |

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warrants vesting
quarterly).

Shares issued pursuant

| | | | | | |
|----------------------|--------------------------|--|--|-----------------|---|
| January 2013 | Common Stock | 673,598 shares | To anti-dilution rights; no additional monies | Rule 506 | Not applicable |
| January 2013 | Common Stock | 24,642 shares | Received by the Company and no commissions paid Penalty shares; no commissions paid Services rendered in | Rule 506 | Not applicable |
| January 2013 | Common Stock | 200,000 shares | the fourth quarter of 2012, but issued in Jan. 2013 | Rule 506 | Not applicable |
| March 2013 | Common Stock | 528,000 shares | Preferred Stock conversion; no commissions paid | Section 3(a)(9) | Not applicable |
| Feb. – December 2013 | Common Stock and Options | 1,780,000 shares; 500,000 Options (1) | Services rendered; no commissions paid | Rule 506 | Options exercisable at \$.30 per share through April 11, 2018 |
| August 2013 | Common Stock | 258,327 shares | Shares issued pursuant to Milestone Warrants; no additional monies received by the Company and no commissions paid | Rule 506 | Not applicable |

(b) Rule 463 of the Securities Act is not applicable to the Company.

(c) In fiscal 2013, there were no repurchases by the Company of its Common Stock.

RECENT PURCHASES OF SECURITIES

In 2013, we have had no repurchases of our Common Stock.

Item 6. Selected Financial Data

Not Applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our financial statements and the notes thereto appearing elsewhere in this Form 10-K. All statements contained herein that are not historical facts, including, but not limited to, statements regarding anticipated future capital requirements, our future plan of operations, our ability to obtain debt, equity or other financing, and our ability to generate cash from operations, are based on current expectations. These statements are forward-looking in nature and involve a number of risks and uncertainties that may cause the Company's actual results in future periods to differ materially from forecasted results.

Overview

The Company is an advertising technology (Ad Tech) company focusing on connecting Fans (consumers) and Brands through a single platform utilizing Online, Social and Mobile. Mobiquity leverages leading edge mobile technologies including Bluetooth (Push & Beacon BLE), Wi-Fi, NFC (Near Field Communications) and QR (Quick Response) code and employs propriety devices through retail environments to build physical networks. Assets are managed in a single platform creating a new class of consumer engagement and data intelligence.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of financial statements requires management to make estimates and disclosures on the date of

the financial statements. On an on-going basis, we evaluate our estimates including, but not limited to, those related to revenue recognition. We use authoritative pronouncements, historical experience and other assumptions as the basis for making judgments. Actual results could differ from those estimates. We believe that the following critical accounting policies affect our more significant judgments and estimates in the preparation of our financial statements.

REVENUE RECOGNITION - Revenue is recognized when title and risk of loss transfers to the customer and the earnings process is complete. In general, title passes to our customers upon the customer's receipt of the merchandise. Revenue is recognized on a gross basis since the Company has the risks and rewards of ownership, latitude in selection of vendors and pricing, and bears all credit risk. Advance payments made by customers are included in customer deposits.

ALLOWANCE FOR DOUBTFUL ACCOUNTS. We are required to make judgments based on historical experience and future expectations, as to the realizability of our accounts receivable. We make these assessments based on the following factors: (a) historical experience, (b) customer concentrations, customer credit worthiness, (d) current economic conditions, and (e) changes in customer payment terms.

ACCOUNTING FOR STOCK BASED COMPENSATION. Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The Company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them ("expected term"), the estimated volatility of the Company's common stock price over the expected term ("volatility") and the number of options for which vesting requirements will not be completed ("forfeitures"). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations.

Plan of Operation

The Company has evolved from an integrated marketing company to an advertising technology company. Through an increase in both physical and human resources, the Company believes it has built an infrastructure that Management believes is ready to achieve significant revenues through the deployment of its Mobi-Units, Mobi-Beacons and Mobi-Tags as described in Item 1. In this respect, our mall network has expanded to 100 malls and we have increased our employment base and technical staff to 27 employees. In 2013, we upgraded our technology through the improvements offered by Bluetooth 4.0 LE in our Mobi-beacons. The Company is seeking to realize on the advertising revenue potential of its mall network footprint and in order to concentrate on these sales opportunities, the Company has temporarily postponed the rollout of its mall-offers platform described in prior Exchange Act filings. In 2013, the Company also restructured itself into two operating divisions, namely Ace Marketing and Mobiquity Networks. In 2013, the Company acquired its licensed technology from FuturLink, a transaction at a cost of approximately \$160,000 which should substantially reduce the cost of our Mob-Units as they are deployed in malls and other retail locations. Management believes that the foregoing measures should lead to additional sales and increase shareholder value, although no assurances can be given in this regard.

The Company anticipates continuing to rely on external financing from sales of its common stock to support its operations until cash flow from operations has a positive impact on operations, although no assurances can be given in this regard.

Results of Operations

2013 versus 2012

The following table sets forth certain selected condensed statement of operations data for the periods indicated in dollars. In addition, we note that the period-to-period comparison may not be indicative of future performance.

| | Years Ended December 31 | |
|--------------------------|-------------------------|--------------|
| | 2013 | 2012 |
| Revenue | \$3,157,532 | \$2,890,652 |
| Cost of Revenues | 2,353,095 | 2,170,265 |
| Gross Profit | 804,437 | 720,387 |
| Operating Expenses | 6,665,082 | 4,667,122 |
| Loss from operations | (5,860,645) | (3,946,735) |
| Net Loss | (6,087,465) | (4,134,061) |
| Preferred Stock Dividend | — | — |

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| | | |
|--|--------------|--------------|
| Net Loss Allocable to Common Stockholders | (6,087,465) | (4,134,061) |
| Net (Loss) per common Share | (.14) | (.16) |
| Weighted average common Shares outstanding | 42,438,849 | 26,216,795 |

We generated revenues of \$3,157,532 for 2013 compared to \$2,890,652 in 2012. The change in revenues of \$266,880 in 2013 compared to 2012 is due to the increased efforts of our sales force. Additionally, we also anticipate our revenues to increase in our Mobiquity Networks subsidiary due to the implementation of our Mobi-Beacons and more advertisers utilizing our mall network.

Cost of revenues was \$2,353,095 or 74.5% of revenues for 2013 compared to \$2,170,265 or 75.1% of revenues for 2012. Cost of revenues includes purchases and freight costs associated with the delivery of merchandise to our customers.

Gross profit was \$804,437 for 2013 or 25.5% of net revenues compared to \$720,387 in the same period of 2012 or 24.9% of revenues. Gross profits will vary period-to-period depending upon a number of factors including the mix of items sold and the volume of product sold. Also, it is our practice to pass freight costs on to our customers with low to no profit margin. As advertising revenue from the use of our Mobiquity devices increases, it is expected that our margins will increase significantly. At the current time, revenues from the use of our Mobiquity devices are not a material portion of our consolidated revenues.

Selling, general, and administrative expenses were \$6,665,082 for 2013 as compared to \$4,667,122 for 2012. Such costs include payroll and related expenses, commissions, insurance, rents, professional, consulting and public awareness fees. The overall increase of \$1,997,960 was primarily due to an increase in consulting and professional fees of \$507,595, \$490,944 increase in payroll, \$283,832 increase in non-cash stock based compensation, \$177,232 increase in commissions, \$134,877 increase in rents for our proximity marketing division and \$62,403 increase in insurance. These increases can be attributed to the growth and expansion of the Mobiquity Network subsidiary. We believe that the additional expenses included in fiscal 2013 in both physical and human resources will position us to anticipate revenue growth in Mobiquity Networks for 2014.

Our net loss was \$6,087,465 for 2013 compared to a net loss of \$4,134,061 for 2012. The increase in our loss from operations for 2013 as compared to the comparable period of the prior year was primarily due to the cost of growing our infrastructure within Mobiquity Networks, the additional sales time it is taking to develop our Mobiquity Networks sales and substantial increases in non-cash stock based compensation, rent, commissions, insurance, professional fees and payroll expense as described herein. No benefit for income taxes is provided for 2013 and 2012 due to the full valuation allowance on the net deferred tax assets. Our ability to be profitable in the future is dependent upon the successful introduction and usage of our location-based mobile marketing services by advertisers.

Liquidity and Capital Resources

The Company had cash and cash equivalents of \$1,740,989 at December 31, 2013.

Cash used by operating activities for the year ended December 31, 2013 was \$3,692,630. This resulted from a net loss of \$6,087,465, partially offset by non-cash expenses, including depreciation and amortization of \$289,289, stock based compensation of \$1,765,074, amortization of deferred financing costs of \$51,624 and recognition of beneficial conversion feature of \$116,667. Additionally, working capital components of current assets and current liabilities, to the exclusion of cash, provided \$170,913. Cash used in investing activities amounted to \$309,611, which funds were used to acquire property and equipment primarily for purchases of proximity marketing boxes. Cash provided by financing activities of \$5,380,632 was the result of the sale of our company common stock, net of offering costs.

Cash used by operating activities for the year ended December 31, 2012 was \$2,124,033. This resulted primarily from a net loss of \$4,134,061, partially offset by stock based compensation of \$1,481,242, a decrease in accounts receivable and prepaid expenses of \$149,972 and depreciation and amortization of \$233,825. Cash was used in investing activities of \$272,013, which funds were used to acquire property and equipment primarily for purchases of proximity marketing boxes. Cash provided by financing activities of \$2,153,081 was the result of the sale of our company common stock of \$1,887,556 and \$265,525 in proceeds received from a secured loan transaction pursuant to which the Company borrowed \$350,000 in principal due December 12, 2013.

Our company commenced operations in 1998 and was initially funded by our three founders, each of whom has made demand loans to our Company that have been repaid. Since 1999, we have relied on equity financing and borrowings from outside investors to supplement our cash flow from operations.

We anticipate that our future liquidity requirements will arise from the need to finance our accounts receivable and inventories, hire additional sales persons and capital expenditures. The primary sources of funding for such requirements will be cash generated from operations, raising additional capital from the sale of equity or other securities and borrowings under debt facilities which currently do not exist. We believe that we can generate sufficient cash flow from these sources to fund our operations for at least the next fifteen months.

Our company commenced operations in 1998 and was initially funded by our three founders, each of whom has made demand loans to our Company that have been repaid. Since 1999, we have relied on equity financing and borrowings from outside investors to supplement our cash flow from operations.

We anticipate that our future liquidity requirements will arise from the need to finance our accounts receivable and inventories, hire additional sales persons and capital expenditures. The primary sources of funding for such requirements will be cash generated from operations, raising additional capital from the sale of equity or other securities and borrowings under debt facilities which currently do not exist. We believe that we can generate sufficient cash flow from these sources to fund our operations for at least the next fifteen months.

Recent Financings

In the past two fiscal years ended December 31, 2013, the Company completed the following private placement offerings with non-affiliated persons except as otherwise noted:

In January 2012, the Company received gross proceeds of \$575,000 from the sale of 958,338 shares of Common Stock at a purchase price of \$.60 per share. Rockwell Global Capital LLC acted as Placement Agent of the private placement offering, which also included the sale of Warrants to purchase 191,671 shares of Common Stock, exercisable at \$.60 per share and expiring on January 18, 2016. The Placement Agent received a \$25,000 advisory fee, \$51,750 in commissions and warrants to purchase 95,833 shares identical to the warrants sold to investors in the offering. Exemption is claimed for the sale of securities pursuant to Rule 506 and/or Section 4(2) of the Securities Act of 1933, as amended.

The Company was required to file a Registration Statement with the Securities and Exchange Commission ("SEC") to register the resale of the shares of Common Stock sold in the private placement offering and the resale of the shares of Common Stock issuable upon exercise of the Class AA Warrants (collectively the "Registrable Shares"). The Company, at its sole discretion, elected to pay the liquidated damage payment in Common Stock totaling an aggregate of 197,860 shares in lieu of filing a Registration Statement.

In April 2012, the Company received \$270,000 from the exercise of Warrants and issued 900,000 shares of its Common Stock.

Between April 1, 2012 and May 15, 2012, the Company sold 470,000 shares of Series 1 Convertible Preferred Stock at \$1.00 per share. The Series 1 Preferred Stock had certain optional conversion rights and a mandatory conversion

right into common stock on March 31, 2013. In November, 2012, the Series 1 preferred stock investors who invested an aggregate of \$250,000 in April 2012 at a \$1 per share agreed to convert their 250,000 preferred shares into an aggregate of 833,334 common shares and warrants to purchase 416,667 shares, which warrants are exercisable at \$.50 per share through December 15, 2017. The remaining 220,000 shares of outstanding Series 1 Preferred Stock automatically converted into 528,000 shares of restricted Common Stock on March 31, 2013.

On July 10, 2012, the Company sold 1,347,201 shares of its Common Stock to various investors at \$.45 per share subject to certain anti-dilution rights for a period of twenty four months. Due to the Company's November 2012 offering at \$.30 per share as described below, the Company issued an additional 673,598 shares pursuant to the aforementioned anti-dilution rights. The Company received gross proceeds of \$606,240 before offering costs. Each investor received Fixed Price Warrants to purchase 50% of the number of shares of Common Stock purchased in the Offering. The Fixed Price Warrants are exercisable at any time from the date of issuance through July 10, 2017 at an exercise price of \$.55. Each investor also received a Warrant to purchase 20% of the number of shares that were purchased in the Offering (the "Milestone Warrants"). The Milestone Warrants will automatically be exercised without any additional consideration to be paid in the event the Company reports audited gross revenues of less than \$5,000,000 for the period July 1, 2012 through June 30, 2013 unless the volume weighted average price for the Company's Common Stock exceeds \$1.00 per share for a period of at least 30 trading days prior to January 5, 2013. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

In November 2012, the aforementioned Series 1 Preferred Stock investors, who invested an aggregate of \$250,000 in April 2012 together with another Common Stock holder, invested \$301,000 at an offering price of \$.30 per share and received 1,003,334 shares of Common Stock and Warrants to purchase 501,667 shares, exercisable at \$.50 per share through December 15, 2017. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

During 2013, the Company raised \$5,562,816 in gross proceeds from the sale of its Common Stock at \$.30 per share. Pursuant to said offering, the Company sold 19,125,006 shares of its Common Stock and Class BB Warrants to purchase 9,562,503 shares of Common Stock exercisable at \$.50 per share through December 15, 2017. A total of \$150,000 of commissions was paid to a licensed member of FINRA together with Warrants to purchase 625,000 shares. Exemption from registration for the sale of the aforementioned securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended. Thomas Arnost, Sean Trepeta and Sean McDonnell, officers and directors of the Company, purchased \$200,000, \$90,000 and \$50,000, respectively, of securities pursuant to said offering.

Entry into a Secured Promissory Note and other Agreements with TCA Global Credit Master Fund L.P.

Reference is made to “Risk Factors” under Item 1(A) of this Form 10-K and the Notes to the Consolidated Financial Statements under Notes 12 and 13 contained in Item 8 of this Form 10-K for a discussion of certain material agreements entered into by the Company in June 2012 that pertain to borrowing \$350,000 pursuant to a Convertible Promissory and entering into a Committed Equity Facility Agreement for \$2 million and a Registration Rights Agreement. The Company also entered into various security agreements to have the Note secured by all the assets of the Company.

TCA agreed to purchase from the Company, from time to time, in the Company’s discretion (subject to the conditions set forth therein), for a period of twenty-four (24) months, commencing on the effective date of the registration statement filed by the Company for resale of the Shares issuable under the Purchase Agreement, up to \$2,000,000 of the Company’s common stock;

Pursuant to a registration rights agreement between the Company and TCA entered into in connection with the Equity Agreement, the Company agreed to file a registration statement with the U.S. Securities and Exchange Commission (the “SEC”) for the resale of not less than the maximum number of shares of common stock allowable pursuant to Rule 415 under the Securities Act, of shares of common stock issuable under the Equity Agreement; The purchase price for the shares of common stock sold under the Equity Agreement will be equal to ninety-five percent (95%) of the lowest daily volume weighted average price of the Company’s common stock for the five (5) consecutive trading days (the “Pricing Period”) after the Company delivers to TCA an Advance notice in writing (the “Market Price”) requiring TCA to Advance funds to the Company, subject to the terms of the Equity Agreement. The maximum amount of common stock that TCA shall be obligated to purchase with respect to any single Advance under the Equity Agreement will be the greater of: (i) an amount calculated by multiplying the Market Price applicable to the relevant Advance notice by 200,000 shares or (ii) two hundred percent (200%) of the average daily volume of shares of common stock traded during the immediately preceding five (5) consecutive trading days

applicable to the relevant Advance notice.

As further consideration for TCA entering into and structuring the equity facility, the Company paid to TCA a fee by issuing to TCA that number of shares of the Company's common stock that equal a dollar amount of one hundred thousand dollars (\$100,000) (the "Facility Fee Shares"). It is the intention of the Company and TCA that the value of the Facility Fee Shares shall equal \$100,000. In the event the value of the Facility Fee Shares issued to TCA does not equal \$100,000 after a ninth month evaluation date, the Equity Agreement provides for an adjustment provision allowing for necessary action to adjust the number of shares issued. In February 2013, TCA sold 196,078 shares it received and it received net proceeds of approximately \$48,000. The Company elected to pay the remaining Facility Fee in cash in March 2013.

We relied on an exemption from the registration requirements of the Securities Act. The transaction does not involve a private offering, TCA is an “accredited investor” and/or qualified institutional buyer and TCA has access to information about the Company and its investment.

TCA will periodically purchase our common stock under the Equity Agreement and will, in turn, sell such shares to investors in the market at the market price. This may cause our stock price to decline, which will require us to issue increasing numbers of common shares to TCA to raise the same amount of funds, as our stock price declines. Neither the Equity Agreement nor any rights of the parties under the Equity Agreement may be assigned or delegated to any other person.

There are substantial risks to investors as a result of the issuance of shares of our common stock under the Equity Agreement. These risks include dilution of stockholders, significant decline in our stock price and our inability to draw sufficient funds when needed. See “Risk Factors.”

Assignment of Secured Promissory Note

In December 2013, Thomas Arnost, a director of Mobiquity, purchased from TCA Global Credit Master Fund, the Company’s outstanding convertible promissory note in the amount of \$350,000. Subsequently Mr. Arnost and the Company agreed to fix the conversion price of the note at \$.30 per share, extend the due date of the Note to June 12, 2014, subject to Mr. Arnost’s right to call the note at any time in his sole discretion, and increase the interest rate to 15% per annum. The Company has the right to prepay the note, subject to Mr. Arnost’s right of conversion.

Item 7.A Qualitative and Qualitative Disclosures about Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. Our primary exposure to market risk is interest rate risk associated with our short term money market investments. The Company does not have any financial instruments held for trading or other speculative purposes and does not invest in derivative financial instruments, interest rate swaps or other investments that alter interest rate exposure. The Company does not have any credit facilities with variable interest rates.

Item 8. Financial Statements

Financial Statements and Supplementary Data

The report of the Independent Registered Public Accounting Firm, Financial Statements and Schedules are set forth herein.

MOBIQUITY TECHNOLOGIES, INC.

FORMERLY KNOWN AS ACE MARKETING & PROMOTIONS, INC.

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Messineo & Co., CPAs LLC

2471 N McMullen Booth Road, Suite. 302

Clearwater, FL 33759-1362

T: (518) 530-1122

F: (727) 674-0511

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Mobiquity Technologies, Inc.

(formerly known as Ace Marketing & Promotions, Inc.)

Garden City, NY

We have audited the accompanying consolidated balance sheet of Mobiquity Technologies, Inc. (formerly known as Ace Marketing & Promotions, Inc.) (the "Company") for the year ended December 31, 2013 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mobiquity Technologies, Inc. (formerly known as Ace Marketing & Promotions, Inc.) as of December 31, 2013 and the results of its consolidated operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Messineo & Co., CPAs, LLC

Clearwater, Florida

March 3, 2014

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DKM Certified Public Accountants

2451 N. McMullen Booth Road, Suite 308

Clearwater Florida 33759-1362

727.444.0931

www.dkmcpas.com

Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders

Mobiquity Technologies, Inc.

(formerly known as Ace Marketing & Promotions, Inc.)

Garden City, NY

We have audited the accompanying consolidated balance sheet of Mobiquity Technologies, Inc. (formerly known as Ace Marketing & Promotions, Inc.) (the "Company") for the year ended December 31, 2012 and the related consolidated statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ace Marketing & Promotions, Inc. as of December 31, 2012 and the results of its consolidated operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

DKM Certified Public Accountants

Clearwater, Florida

February 18, 2013

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MOBIQUITY**TECHNOLOGIES, INC.**

Consolidated Balance Sheets

| December 31, | 2013 | 2012 |
|---|----------------|-------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$1,740,989 | \$362,598 |
| Accounts receivable, net of allowance for doubtful accounts of \$30,000 and \$20,000 as of December 31, 2013 and 2012, respectively | 433,856 | 444,262 |
| Inventory | 109,073 | 92,615 |
| Prepaid expenses and other current assets | 141,921 | 170,960 |
| Total Current Assets | 2,425,839 | 1,070,435 |
| Property and equipment, net of accumulated depreciation of \$596,035 and \$378,190 as of December 31, 2013 and 2012, respectively | 466,772 | 581,567 |
| Intangible assets, net of accumulated amortization of \$153,416 and \$83,333 as of December 31, 2013 and 2012, respectively | 301,784 | 166,667 |
| Other Assets | 34,109 | 27,501 |
| Total Assets | \$3,228,504 | \$1,846,170 |
| Liabilities and Stockholders' Equity | | |
| Current Liabilities: | | |
| Accounts payable | \$485,401 | \$348,712 |
| Accrued expenses | 177,943 | 160,098 |
| Convertible promissory note | 322,000 | 298,376 |
| Total Current Liabilities | 985,344 | 807,186 |
| Commitments and Contingencies | — | — |
| Stockholders' Equity: | | |
| Preferred Stock, \$.0001 par value; 5,000,000 shares authorized, zero and 220,000 shares issued and outstanding at December 31, 2013 and December 31, 2012 respectively | — | 22 |
| Common stock, \$.0001 par value; 200,000,000 and 100,000,000 shares authorized; 52,402,247 and 30,252,938 shares issued and outstanding at 2013 and 2012, respectively | 5,240 | 3,025 |
| Additional paid-in capital | 21,948,920 | 14,485,740 |
| Stock subscription receivable | (175,000) | — |
| Accumulated other comprehensive income (loss) | 1,268 | — |

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| | | |
|--|--------------|--------------|
| Accumulated deficit | (19,505,767) | (13,418,302) |
| | 2,274,661 | 1,070,485 |
| Less: Treasury Stock, at cost, 23,334 shares | (31,501) | (31,501) |
| Total Stockholders' Equity | 2,243,160 | 1,038,984 |
| Total Liabilities and Stockholders' Equity | \$3,228,504 | \$1,846,170 |

See auditor's report and notes to the consolidated financial statements.

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MOBIQUITY**TECHNOLOGIES, INC.**Consolidated Statements of Operations
Years Ended December 31,

2013 2012

| | | |
|--|----------------|----------------|
| Revenues, net | \$3,157,532 | \$2,890,652 |
| Cost of Revenues | 2,353,095 | 2,170,265 |
| Gross Profit | 804,437 | 720,387 |
| Operating Expenses: | | |
| Selling, general and administrative expenses | 6,665,082 | 4,667,122 |
| Total Operating Expenses | 6,665,082 | 4,667,122 |
| Loss from Operations | (5,860,645) | (3,946,735) |
| Other Income (Expense): | | |
| Interest expense | (227,094) | (182,943) |
| Interest income | 274 | 436 |
| Loss on abandonment of fixed assets | | (4,819) |
| Total Other Income (Expense) | (226,820) | (187,326) |
| Net Loss | \$(6,087,465) | \$(4,134,061) |
| Net Loss Per Common Share: | | |
| Basic | \$(0.13) | \$(0.16) |

Weighted Average Common Shares Outstanding:

| | | |
|-------|------------|------------|
| Basic | 42,438,849 | 26,216,795 |
|-------|------------|------------|

See auditor's report and notes to the consolidated financial statements.

MOBIQUITY**TECHNOLOGIES, INC.**

Consolidated Statement of Stockholders' Equity

Years Ended December 31,

| | Total Stockholders' | Preferred Stock | | Common Stock | | Additional Paid-in | Stock | Accumulated Other Comprehensive Income (Loss) |
|--|------------------------|-----------------|--------|--------------|----------|-----------------------|--------------|---|
| | Equity | Shares | Amount | Shares | Amount | Capital | Subscription | |
| Balance, at December 31, 2011 | \$ 1,683,993 | | | 23,284,236 | \$ 2,328 | \$ 10,997,407 | | |
| Stock Purchase | 1,752,240 | | | 4,208,872 | 434 | 1,751,806 | | |
| Stock Grant | 1,210,911 | | | 1,926,496 | 179 | 1,210,732 | | |
| Stock Purchase | 470,000 | 470,000 | 47 | — | — | 469,953 | | |
| Preferred Conversion of Preferred Stock | — | (250,000) | (25) | 833,334 | 84 | (59) | | |
| Option Grant | 219,647 | | | | | 219,647 | | |
| Warrant Grant | 50,684 | | | | | 50,684 | | |
| Beneficial Conversion | 120,254 | | | | | 120,254 | | |
| Feature Closing Costs on equity issuance | (334,684) | | | | | (334,684) | | |
| Net Loss | (4,134,061) | | | | | | | |
| Balance, at December 31, 2012 | \$ 1,038,984 | \$ 220,000 | \$ 22 | 30,252,938 | \$ 3,025 | \$ 14,485,740 | \$— | \$— |

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| | | | | | | | | |
|-------------------------------|--------------|-----------|-------|------------|---------|--------------|--------------|---------|
| Stock Purchase | 5,562,816 | — | — | 19,125,006 | 1,913 | 5,735,903 | (175,000) | |
| Offering costs | (182,184) | — | — | — | — | (182,184) | | |
| Stock Grant | 1,048,091 | — | — | 2,402,969 | 240 | 1,047,851 | | |
| Option Grant | 716,983 | — | — | — | — | 716,983 | | |
| Warrant Grant | — | — | — | — | — | — | | |
| Stock Cancel | — | — | — | — | — | — | | |
| Conversion of preferred stock | — | (220,000) | (22) | 528,000 | 53 | (31) | | |
| Conversion of debt | 28,000 | — | — | 93,334 | 9 | 27,991 | | |
| Beneficial Conversion | 116,667 | — | — | — | — | 116,667 | | |
| Feature | | | | | | | | |
| Net Loss | (6,086,197) | — | — | — | — | | | 1,268 |
| Balance, at December 31, 2013 | \$2,243,160 | — | \$— | 52,402,247 | \$5,240 | \$21,948,920 | \$(175,000) | \$1,268 |

See auditor's report and notes to the consolidated financial statements.

MOBIQUITY**TECHNOLOGIES, INC.**Consolidated Statements of Cash Flows
Years Ended December 31,

| | 2013 | 2012 |
|---|---------------|---------------|
| Cash Flows from Operating Activities: | | |
| Net loss | \$(6,087,465) | \$(4,134,061) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 289,289 | 233,825 |
| Stock-based compensation | 1,765,074 | 1,481,242 |
| Beneficial conversion feature | 116,667 | 120,254 |
| Amortization of deferred financing costs | 51,624 | 32,851 |
| Loss on sale of assets | | 4,819 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in operating assets: | | |
| Accounts receivable | 10,406 | 90,662 |
| Inventory | (16,458) | 8,077 |
| Prepaid expenses and other assets | 22,431 | 51,233 |
| Increase (decrease) in operating liabilities: | | |
| Accounts payable | 136,689 | (51,211) |
| Accrued expenses | 17,845 | 38,276 |
| Increase (decrease) in foreign assets and liabilities, currency translation | 1,268 | — |
| Total adjustments | 2,394,835 | 2,010,028 |
| Net Cash Used in Operating Activities | (3,692,630) | (2,124,033) |
| Cash Flows from Investing Activities: | | |
| Purchase of property and equipment | (104,411) | (272,013) |
| Acquisition of intellectual property | (205,200) | |
| Net Cash Used in Investing Activities | (309,611) | (272,013) |
| Cash Flows from Financing Activities: | | |
| Proceeds from Loan | — | 265,525 |
| Principal payments on Loan | — | — |
| Proceeds from issuance of stock | 5,380,632 | 1,887,556 |
| Net Cash Provided by Financing Activities | 5,380,632 | 2,153,081 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 1,378,391 | (242,965) |
| Cash and Cash Equivalents, beginning of period | 362,598 | 605,563 |
| Cash and Cash Equivalents, end of period | \$1,740,989 | \$362,598 |
| Supplemental Disclosure Information: | | |
| Cash paid for interest | \$58,803 | \$62,689 |
| Cash paid for taxes | \$— | \$— |

Non-cash Disclosures:

| | | |
|--------------------------------------|-----------|-----|
| Financing and extinguishment of debt | \$350,000 | \$— |
| Exchanged debt for common shares | \$28,000 | \$— |

See auditor's report and notes to the consolidated financial statements.

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MOBIQUITY TECHNOLOGIES, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS –

On September 10, 2013, Mobiquity Technologies, Inc. changed its name from Ace Marketing & Promotions, Inc. (the "Company" or "Mobiquity").

Mobiquity Technologies, Inc. is an advertising technology (Ad Tech) company focusing on connecting Fans (consumers) and Brands through a single platform utilizing Online, Social and Mobile. Mobiquity leverages leading edge mobile technologies including Bluetooth (Push & Beacon BLE), Wi-Fi, NFC (Near Field Communications) and QR (Quick Response) code and employs propriety devices through retail environments to build physical networks. Assets are managed in a single platform creating a new class of consumer engagement and data intelligence.

Mobiquity Technologies has developed and acquired a number of innovative marketing technologies, spanning location-based mobile marketing, mobile customer data analytics, web content and customer relationship management, that it will continue to leverage through its two wholly-owned U.S. subsidiaries: Mobiquity Networks and Ace Marketing & Promotions and Mobiquity Wireless SLU, a company incorporated in Spain.

Ace Marketing, Inc., which recently changed its name to its parent corporation's old name, namely, Ace Marketing & Promotions, Inc. ("AMI"), is an Integrated Marketing Company focused on marketing process analysis and technology-based growth acceleration strategies. AMI offers Brand Analysis & Development, Website Analysis & Development, Database Analysis & Building, and Integrated Marketing Campaigns using: direct mail, email marketing, mobile marketing, promotional products and other mediums that help its clients connect with their customers and acquire new business

Mobiquity Networks, Inc. is a leading provider of hyper-local mobile marketing solutions. Mobiquity is continuing to attempt to build one of the nation's largest Location-Based Mobile Marketing networks. Location-Based Mobile Marketing is a mobile marketing tool that delivers rich digital content to any Bluetooth or Wi-Fi enabled device

within a 300ft radius of a central terminal. Our technology permits delivery to virtually any mobile device and properly formats each message to ensure that every user receives the best possible experience. Results are fully trackable, giving campaigns full performance accountability. We offer brands the opportunity to reach millions of consumers with relevant, engaging content that is 100% free to the end user. The Mobiquity network is the largest mall-based Bluetooth network of its kind. It is currently installed in 100 malls across the US, covering each of the top 10 designated marketing areas (“DMA’s”), and has the ability to reach approximately 120 million shopping visits per month.

Mobiquity Wireless SLU is a corporation incorporated in Spain. This corporation has an office in Spain to support our U.S. operations. See “Note 2” below regarding “Acquisition of Assets of FuturLink.”

Agreement with Simon Property Group, L.P.

In April 2011, we signed an exclusive rights agreement with a Top Mall Developer (the "Simon Property Group") to create a location-based mobile marketing network utilizing Bluetooth technology called **Mobiquity Networks**. In August 2013, we amended the original agreement to now provide for a 75 mall agreement by the end of 2013, which contract runs through December 31, 2017 and includes top malls in the Simon Mall portfolio. Through our partnership agreement with Eye Corp., we also are located in 25 Macerich malls. These agreements provide advertisers the opportunity to reach millions of mall visitors per month with mobile content and offers when they are most receptive to advertising messages.

Our Location-Based Mobile advertising medium is designed to reach on-the-go shoppers via their mobile devices with free rich media content delivered using Bluetooth or Wi-Fi. This advertising medium offers extremely targeted messaging engineered to engage and influence shoppers as they move about the mall environment.

Mobiquity Networks Mobi-units will be strategically positioned in shopping malls near entrances, anchor stores, escalators and other high-traffic, and high dwell-time areas. Mobiquity Networks Mobi-unit placement takes advantage of the opportunity to provide a reminder to consumers and touch them just before making a purchase decision. These units generate high awareness and brand recognition at the right time and place.

PRINCIPLES OF CONSOLIDATION - The accompanying consolidated financial statements include the accounts of Mobiquity Technologies, Inc., formerly known as Ace Marketing & Promotions, Inc., and its wholly owned subsidiaries, Mobiquity Networks, Inc., Ace Marketing, Inc., (which has had its name changed to Ace Marketing & Promotions, Inc. and Mobiquity Wireless S.L.U.). All intercompany accounts and transactions have been eliminated in consolidation.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

FAIR VALUE OF FINANCIAL INSTRUMENTS - Effective January 1, 2008, the Company adopted FASB ASC 820, "Fair Value Measurements and Disclosures" ("ASC 820"), for assets and liabilities measured at fair value on a recurring basis. ASC 820 establishes a common definition for fair value to be applied to existing generally accepted accounting principles that require the use of fair value measurements, and establishes a framework for measuring fair value and expands disclosure about such fair value measurements. The adoption of ASC 820 did not have an impact on the Company's financial position or operating results, but did expand certain disclosures.

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ASC 820 requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized below:

Level 1: Observable inputs such as quoted market prices in active markets for identical assets or liabilities

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data

Level 3: Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

Cash and cash equivalents include money market securities that are considered to be highly liquid and easily tradable as of December 31, 2013 and 2012. These securities are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within our fair value hierarchy.

The carrying amounts of financial instruments, including accounts receivable, accounts payable and accrued liabilities, and promissory note, approximated fair value as of December 31, 2013 and 2012 , because of the relatively short-term maturity of these instruments and their market interest rates.

RECLASSIFICATIONS - Certain amounts in the prior period financial statements have been reclassified to conform to the current period presentation. These reclassifications had no effect on reported losses.

CASH AND CASH EQUIVALENTS - The Company considers all highly liquid debt instruments with a maturity of three months or less, as well as bank money market accounts, to be cash equivalents.

CONCENTRATION OF CREDIT RISK - Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of trade receivables and cash and cash equivalents.

Concentration of credit risk with respect to trade receivables is generally diversified due to the large number of entities comprising the Company's customer base and their dispersion across geographic areas principally within the United States. The Company routinely addresses the financial strength of its customers and, as a consequence, believes that its receivable credit risk exposure is limited.

The Company places its temporary cash investments with high credit quality financial institutions. At times, the Company maintains bank account balances, which exceed FDIC limits. The Company has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash. Management does not believe significant credit risk exists at December 31, 2013 and 2012.

REVENUE RECOGNITION - Revenue is recognized when title and risk of loss transfers to the customer and the earnings process is complete. In general, title passes to our customers upon the customer's receipt of the merchandise. Revenue is recognized on a gross basis since the Company has the risks and rewards of ownership, latitude in selection of vendors and pricing, and bears all credit risk. Advance payments made by customers are included in customer deposits.

The Company records all shipping and handling fees billed to customers as revenues and related costs as cost of goods sold, when incurred.

Additional source of revenue, derived from emails/texts directly to consumers are recognized under contractual arrangements. Revenue from this advertising method is recognized at the time of service provided.

ALLOWANCE FOR DOUBTFUL ACCOUNTS - Management must make estimates of the uncollectability of accounts receivable. Management specifically analyzes accounts receivable and analyzes historical bad debts, customer concentrations, customer credit-worthiness, current economic trends and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful accounts.

INVENTORY – Inventory is recorded at cost (First In, First Out) and is comprised of finished goods. The Company maintains an inventory on hand for its largest customer's frequent order items. All items held are branded for the customer, therefore are not available for public distribution. The Company has an agreement with this customer, for cost recovery, if vendor relationship is terminated. There has been no reserves placed on inventory, based on this

arrangement.

PROPERTY AND EQUIPMENT - Property and equipment are stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are being amortized using the straight-line method over the estimated useful lives of the related assets or the remaining term of the lease. The costs of additions and improvements, which substantially extend the useful life of a particular asset, are capitalized. Repair and maintenance costs are charged to expense. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the account and the gain or loss on disposition is reflected in operating income.

LONG LIVED ASSETS - Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. We did not recognize any impairment losses for any periods presented.

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WEBSITE TECHNOLOGY - Website technology developed during the year was capitalized for the period of development and testing. Expenditures during the planning stage and after implementation have been expensed in accordance with ASC985.

ADVERTISING COSTS - Advertising costs are expensed as incurred. For the years ended December 31, 2013 and 2012 there were advertising costs of \$3,840 and \$1,404, respectively.

ACCOUNTING FOR STOCK BASED COMPENSATION. Stock based compensation cost is measured at the grant date fair value of the award and is recognized as expense over the requisite service period. The Company uses the Black-Sholes option-pricing model to determine fair value of the awards, which involves certain subjective assumptions. These assumptions include estimating the length of time employees will retain their vested stock options before exercising them (“expected term”), the estimated volatility of the Company’s common stock price over the expected term (“volatility”) and the number of options for which vesting requirements will not be completed (“forfeitures”). Changes in the subjective assumptions can materially affect estimates of fair value stock-based compensation, and the related amount recognized on the consolidated statements of operations. Refer to Note 8 “Stock Option Plans” in the Notes to Consolidated Financial Statements in this report for a more detailed discussion.

BENEFICIAL CONVERSIONS - Debt instruments that contain a beneficial conversion feature are recorded as deemed interest to the holders of the convertible debt instruments. The beneficial conversion is calculated as the difference between the fair value of the underlying common stock less the proceeds that have been received for the debt instrument limited to the value received. The beneficial conversion amount is recorded as interest expense and an increase to additional paid-in-capital. The beneficial conversion has been fully accreted to the face value of the original loan and interest expense has been recognized.

FOREIGN CURRENCY TRANSLATIONS - The Company’s functional and reporting currency is the U.S. dollar. We own a subsidiary in Europe. Our subsidiary’s functional currency is the EURO. All transactions initiated in EUROS are translated into U.S. dollars in accordance with ASC 830-30, “*Translation of Financial Statements*,” as follows:

- (i) Monetary assets and liabilities at the rate of exchange in effect at the balance sheet date.
- (ii) Fixed assets and equity transactions at historical rates.
- (iii) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are deferred until realization and are included as a separate component of stockholders’ equity as a component of comprehensive income or loss. Therefore, translation adjustments are not included in determining net income (loss) but reported as other comprehensive income.

No significant realized exchange gains or losses were recorded since March 7, 2013 (date of acquisition of subsidiary) to December 31, 2013.

INCOME TAXES - Deferred income taxes are recognized for temporary differences between financial statement and income tax basis of assets and liabilities for which income tax or tax benefits are expected to be realized in future years. A valuation allowance is established to reduce deferred tax assets, if it is more likely than not, that all or some portion of such deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date.

NET INCOME PER SHARE - Basic net income per share is computed by dividing income available to common shareholders by the weighted-average number of common shares outstanding. Diluted earnings per share reflect, in periods in which they have a dilutive effect, the impact of common shares issuable upon exercise of stock options. The number of common shares potentially issuable upon the exercise of certain options and warrants that were excluded from the diluted loss per common share calculation was approximately 26,185,000 and 18,895,000 because they are anti-dilutive, as a result of a net loss for the years ended December 31, 2013 and 2012, respectively.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

We have reviewed the FASB issued Accounting Standards Update (“ASU”) accounting pronouncements and interpretations thereof that have effectiveness dates during the periods reported and in future periods. The Company has carefully considered the new pronouncements that alter previous generally accepted accounting principles and does not believe that any new or modified principles will have a material impact on the corporation’s reported financial position or operations in the near term. The applicability of any standard is subject to the formal review of our financial management and certain standards are under consideration.

NOTE 2: PROPERTY AND EQUIPMENT

Property and equipment, net, consist of the following at December 31:

| | USEFUL LIVES | 2013 | 2012 |
|-------------------------------|--------------|-------------|-----------|
| Furniture and Fixtures | 5 years | \$1,060,084 | \$955,673 |
| Leasehold Improvements | 5 years | 4,084 | 4,084 |
| | | 1,064,168 | 959,757 |
| Less Accumulated Depreciation | | 596,035 | 378,190 |
| | | \$466,772 | \$581,567 |

Depreciation expense for the years ended December 31, 2013 and 2012 was \$219,206 and \$183,825, respectively.

NOTE 3: INTANGIBLE ASSETS

Intangible assets, net, consist of the following at December 31:

| | USEFUL LIVES | 2013 | 2012 |
|--|--------------|-----------|-----------|
| Contractual license | 5 years | \$250,000 | \$250,000 |
| Acquisition of intellectual property (FuturLink) | 5 years | 160,200 | — |
| Website technology development | 5 years | 45,000 | — |
| | | 455,200 | 250,000 |
| Less Accumulated Depreciation | | 153,416 | 83,333 |
| | | \$301,784 | \$166,667 |

Future amortization, for the years ending December 31, is as follows:

| | |
|------------|----------|
| 2013 | \$91,040 |
| 2014 | 91,040 |
| 2015 | 57,707 |
| 2016 | 41,040 |
| 2017 | 20,957 |
| thereafter | — |
| | 301,784 |

Amortization expense for the years ended December 31, 2013 and 2012 was \$70,083 and \$50,000, respectively.

Acquisition of Assets of FuturLink

On March 7, 2013, the Company acquired the assets of FuturLink at a cost of approximately \$160,200, which cash was paid from the Company's current working capital. These assets include, without limitation, the FuturLink technology (patents and source codes), trademark(s) and access point (proximity marketing) component parts. At the time of acquisition, FuturLink's assets were minimal; the purchase price was apportioned to the intellectual property received in exchange. The Company changed its name to Mobility Networks upon acquisition and is a consolidated component of these financial statements.

NOTE 4: CONVERTIBLE PROMISSORY NOTE

On June 12, 2012, the Company closed on a security agreement (the “Security Agreement”) with TCA related to a \$350,000 convertible promissory note issued by the Company in favor of TCA (the “Convertible Note”), which Convertible Note was funded by TCA on June 12, 2012. The maturity date of the Convertible Note was December 2013, and the Convertible Note bears interest at a rate of twelve percent (12%) per annum. The Convertible Note is convertible into shares of the Company’s common stock at a price equal to ninety-five percent (95%) of the average of the lowest daily volume weighted average price of the Company’s common stock during the five (5) trading days immediately prior to the date of conversion. The Convertible Note may be prepaid in whole or in part at the Company’s option without penalty. The Security Agreement granted to TCA a continuing, first priority security interest in all of the Company’s assets, wheresoever located and whether now existing or hereafter arising or acquired. The Company’s wholly-owned subsidiary, Mobiquity Networks, Inc., also entered into a similar Security Agreement and Guaranty Agreement. On December 12, 2013, TCA sold its entire interest in the Company’s \$350,000 secured promissory note to Thomas Arnost, a director of the Company, at face value. Mr. Arnost entered into an amendment to the note to extend the maturity date of the note to June 12, 2014, subject to his right to declare the note due and payable at any time in his sole discretion. Also, the interest rate was raised from 12% per annum to 15% and the conversion price of the shares issuable upon conversion of the note was fixed at \$.30 per share. The aforementioned note is convertible at the sole discretion of the noteholder. The noteholder immediately converted \$28,000 into 93,334 shares of common stock in December 2013. The balance on the note is \$322,000 as of December 31, 2013 and interest accrued in the amount of \$2,158, included in accrued expense.

The Company evaluated the terms of the new note in accordance with ASC Topic No. 815 - 40, *Derivatives and Hedging - Contracts in Entity’s Own Stock*. The Company determined that the conversion feature did not meet the definition of a liability and therefore did not bifurcate the conversion feature and account for it as a separate derivative liability. The Company evaluated the conversion feature for a beneficial conversion feature. The effective conversion price was compared to the market price on the date of the note and was deemed to be less than the market value of underlying common stock at the inception of the note. Therefore, the Company recognized a beneficial conversion feature in the amount of \$116,667. The beneficial conversion feature was recorded as an increase in additional paid-in capital and recognized interest expense in the period.

NOTE 5: INCOME TAXES

The provision for income taxes for the years ended December 31, 2013 and 2012 is summarized as follows:

| | 2013 | 2012 |
|----------|------|------|
| Current: | | |
| Federal | \$ — | — |
| State | — | — |

| | | |
|-----------|------|------|
| | — | — |
| Deferred: | | |
| Federal | — | — |
| State | — | — |
| | \$ — | \$ — |

The Company has federal and state net operating loss carry forwards of approximately \$12,235,000, which can be used to reduce future taxable income through 2030. The Company is open for tax years for the years ended 2008 through present.

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The tax effects of temporary differences which give rise to deferred tax assets (liabilities) are summarized as follows:

| | YEARS ENDED DECEMBER 31, | |
|-----------------------------------|-----------------------------|-------------|
| | 2013 | 2012 |
| Deferred Tax Assets: | | |
| Net operating loss carry-forwards | \$6,698,000 | \$4,446,000 |
| Stock based compensation | 2,605,000 | 1,939,000 |
| Beneficial Conversion Feature | 46,000 | 46,000 |
| Allowance for doubtful accounts | 8,000 | 8,000 |
| Deferred Tax Assets | 9,357,000 | 6,439,000 |
| Less Valuation Allowance | 9,357,000 | 6,439,000 |
| Net Deferred Tax Asset | \$— | \$— |

A reconciliation of the federal statutory rate to the Company's effective tax rate is as follows:

| | YEARS ENDED DECEMBER 31, | |
|-------------------------------------|-----------------------------|-----------|
| | 2013 | 2012 |
| Federal Statutory Tax Rate | 34.00 % | 34.00 % |
| State Taxes, net of Federal benefit | 6.00 % | 6.00 % |
| Change in Valuation Allowance | (40.00 %) | (40.00 %) |
| Total Tax Expense | 0.00 % | 0.00 % |

NOTE 6: STOCKHOLDERS' EQUITY

On January 30, 2012, the Company's private placement offering was terminated. Rockwell Global Capital LLC acted as Placement Agent. The Company received gross proceeds of \$575,000 from the sale of 958,338 shares of Common Stock at a purchase price of \$.60 per share. The private placement offering also included the sale of Warrants to purchase 191,671 shares of Common Stock, exercisable at \$.60 per share and expiring on January 18, 2016. The Placement Agent received a \$25,000 advisory fee, \$51,750 in commissions and warrants to purchase 95,833 shares identical to the warrants sold to investors in the offering. Exemption is claimed for the sale of securities pursuant to Rule 506 and/or Section 4(2) of the Securities Act of 1933, as amended.

The Company is required to file a Registration Statement with the Securities and Exchange Commission ("SEC") to register the resale of the shares of Common Stock sold in the private placement offering and the resale of the shares of

Common Stock issuable upon exercise of the Class AA Warrants (collectively the “Registrable Shares”). If a Registration Statement covering the Registrable Shares is not filed with the SEC on or before March 15, 2012 or is not declared effective within 120 days of January 30, 2012 (subject to a 60 day extension in the event the SEC is performing a full review of the Registration Statement), the Company shall pay to each investor as liquidated damages, a payment equal to 1.5% of the aggregate amount invested by such investor in the offering, cumulative for every 30 day period until such Registration Statement has been filed or declared effective or a portion thereof, up to a maximum of 15% per annum. The Company, at its sole discretion, elected to pay the liquidated damage payment in Common Stock. As of December 31, 2012, the Registration Statement has not been filed and the Company has elected to issue the maximum liquidation damages for a period of one year of an aggregate of 197,860 shares.

In April 2012, the Company received \$270,000 from the exercise of Warrants and issued 900,000 shares of its Common Stock. Between April 1, 2012 and May 15, 2012, the Company sold 470,000 shares of Series 1 Convertible Preferred Stock at \$1.00 per share pursuant to an ongoing plan of financing. The Series 1 Preferred Stock had the following rights, preferences and privileges:

Automatic Conversion into Common Stock. Each Preferred Share shall automatically convert on March 31, 2013 into shares of the Company's Common Stock (the "Common Shares") based on a conversion price of the lower of \$.60 per share or an amount equal to 90% of the average closing sales price for the Company's Common Stock on the OTC Bulletin Board (or Pink Sheets) for the 20 trading days immediately preceding March 31, 2013, with a floor of \$.45 per share. The number of shares of Common Stock issuable pursuant to the automatic conversion ranges from a minimum of 366,666 shares to a maximum of 488,888 shares.

Optional Conversion into Common Stock. Commencing July 1, 2012, each Preferred Share shall at the option of the holder become convertible into Common Shares based on a conversion price of the lower of \$.60 per share or 85% of the average closing sales price for the Company's Common Stock on the OTC Bulletin Board (or Pink Sheets) for the 20 trading days immediately preceding the Conversion Date, with a floor of \$.45 per share. The number of shares of Common Stock issuable pursuant to the optional conversion ranges from a minimum of 366,666 shares to a maximum of 488,888 shares.

Conversion Premium. Upon calculation of the number of Common Shares, the Preferred Shareholder is entitled to receive upon conversion of Series 1 Preferred Stock into Common Stock; the investor will receive an additional 8% premium. Accordingly, once the number of Common Shares is determined based upon the automatic conversion or optional conversion formulas set forth above, the investor will have that number of Common Stock multiplied by 1.08 (i.e. 108%) to determine the actual number of Common Shares to be issued upon conversion.

Voting. The Preferred Shares shall have no voting rights until converted into Common Shares, except as otherwise required by applicable state law.

Dividends. The Preferred Shares shall have no dividend rights until converted into Common Shares, except as otherwise required by applicable state law.

Liquidation Preference. The Preferred Shares shall have no liquidation preference and shall be treated the same as a holder of Common Shares.

Call Option. The Company may call the Preferred Shares for redemption at a price of \$1.08 per share at any time on or after July 1, 2012, subject to the investor's right of conversion upon no less than 10 days prior written notice of redemption to each Preferred Shareholder, which notice may only be provided to the holders so long as the Company completes a financing or series of financings totaling at least \$2 million in gross proceeds (excluding monies raised from the sale of the Series 1 Preferred Stock).

On July 10, 2012, the Company sold 1,347,201 shares of its Common Stock to various investors at \$.45 per share subject to certain anti-dilution rights for a period of twenty four months. Due to the Company's November 2012 offering at \$.30 per share as described below, the Company issued an additional 673,598 shares pursuant to the aforementioned anti-dilution rights. The Company received gross proceeds of \$606,240 before offering costs. Each investor received Fixed Price Warrants to purchase 50% of the number of shares of Common Stock purchased in the Offering. The Fixed Price Warrants are exercisable at any time from the date of issuance through July 10, 2017 at an exercise price of \$.55. Each investor also received a Warrant to purchase 20% of the number of shares that were purchased in the Offering (the "Milestone Warrants"). The Milestone Warrants provided that they would automatically be exercised without any additional consideration to be paid in the event the Company reports audited gross revenues of less than \$5,000,000 for the period July 1, 2012 through June 30, 2013 unless the volume weighted average price for the Company's Common Stock exceeds \$1.00 per share for a period of at least 30 trading days prior to January 5,

2013. In August 2013, the Company issued 258,327 shares of Common Stock pursuant to the Milestone Warrants without any cash consolidation being paid. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

In November, 2012, the Series 1 preferred stock investors who invested an aggregate of \$250,000 in April 2012 at a \$1 per share agreed to convert their 250,000 preferred shares into an aggregate of 833,334 common shares and warrants to purchase 416,667 shares, which warrants are identical to the warrants which were sold to the Legend investors described below. The remaining 220,000 shares of outstanding Series 1 Preferred Stock automatically converted into 528,000 shares of restricted Common Stock on March 31, 2013.

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In November 2012, the aforementioned Series 1 stock investors, who invested an aggregate of \$250,000 in April 2012 together with another Common Stock holder, invested \$301,000 at an offering price of \$.30 per share and received 1,003,334 shares of Common Stock and Warrants to purchase 501,667 shares, exercisable at \$.50 per share through December 15, 2017. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

During 2013, the Company raised \$5,562,816 in gross proceeds from the sale of its Common Stock at \$.30 per share and a subscription for an additional \$175,000, which was received in January 2014. Pursuant to said offering, the Company sold 19,125,006 shares of its Common Stock and Class BB Warrants to purchase 9,562,503 shares of Common Stock exercisable at \$.50 per share through December 15, 2017. A total of \$182,184 was incurred for offering costs, including \$150,000 of commissions paid to a licensed member of FINRA together with Warrants to purchase 625,000 shares. Exemption from registration for the sale of the aforementioned securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended. Thomas Arnost, Sean Trepeta, and Sean McDonnell, officers and/or directors of the Company, purchased \$200,000, \$90,000 and \$50,000, respectively, of securities pursuant to said offering.

NOTE 7: SHARE-BASED COMPENSATION

In July 2012 and November 2012 the Company issued to consultants five year warrants to purchase 37,250 shares and 125,000 shares respectively, at exercise prices ranging from \$.35 per share to \$.55 per share.

In January 2013, the Company issued to consultants, warrants to purchase 600,000 shares exercisable at \$.30 per share through January 2017. In June 2013, the Company issued to consultants, options to purchase 500,000 shares exercisable at \$.30 per share through April 11, 2018.

During the past three years, the Company has granted under our 2005 Plan certain employees and consultants restricted stock awards for services for the prior year with vesting to occur after the passage of an additional 12 months. These awards totaled 51,000 Shares for 2009, subject to continued services with the Company through December 31, 2009. These awards totaled 105,000 Shares for 2010 subject to continued services with the Company through December 31, 2010. These awards totaled 45,000 Shares for 2011 subject to continued services with the Company through December 31, 2012.

All stock options under the Plan are granted at or above the fair market value of the common stock at the grant date. Employee and non-employee stock options generally vest over periods ranging from one to three years and generally expire either five or ten years from the grant date.

The Company's Plan is accounted for, in accordance with the recognition and measurement provisions requires compensation costs related to share-based payment transactions, including employee stock options, to be recognized in the financial statements. In addition, the Company adheres to the guidance set forth within Securities and Exchange Commission which provides the staff's views regarding the interaction between certain SEC rules and regulations and provides interpretations with respect to the valuation of share-based payments for public companies.

The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility is based upon historical volatility of the Company's stock and other contributing factors. The expected term is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. Previously such assumptions were determined based on historical data.

In June, 2011, the Company hired an advisor to provide investor awareness and business advisory services at a cost of \$10,000 per month and 25,000 shares of restricted stock. For January through June 2012 the Company issued 150,000 shares of common stock for consulting services. Pursuant to an agreement effective June, 2012 the Company agreed to pay the adviser \$10,000 per month plus 100,000 shares per quarter. A total of 200,000 shares of common stock were issued for the last six months of 2012. The advisory agreement was terminated in November 2012 and then a new agreement was entered into pursuant to which the adviser received five year warrants to purchase 125,000 shares of common stock exercisable at \$.35 per share through November, 2017.

In April 2012 the Company entered into various business advisory agreements pursuant to which a total of 535,000 shares were issued in connection with services rendered. In September 2012, an aggregate of 71,040 shares of common stock were returned to the Company for cancellation to settle a dispute between the Company and certain consultants.

For the year 2013, the Company issued an aggregate of 2,402,969 shares in connection with business advisory services, at a fair market value of \$1,048,091.

NOTE 8: STOCK COMPENSATION

The Company's results for the years ended December 31, 2013 and 2012 include employee share-based compensation expense totaling \$1,765,074 and \$1,481,242, respectively. Such amounts have been included in the Statements of Operations within selling, general and administrative expenses. No income tax benefit has been recognized in the statement of operations for share-based compensation arrangements due to a history of operating losses.

The following table summarizes stock-based compensation expense for the years ended December 31, 2013 and 2012:

| | Years Ended December 31, | |
|---|-----------------------------|-------------|
| | 2013 | 2012 |
| Employee stock based compensation-option grants | \$258,511 | \$238,500 |
| Employee stock based compensation-stock grants | — | 13,500 |
| Non-Employee stock based compensation-option grants | 347,138 | 297,011 |
| Non-Employee stock based compensation-stock grants | 1,048,091 | 881,547 |
| Non-Employee stock based compensation-stock warrant | 111,334 | 50,684 |
| | \$1,765,074 | \$1,481,242 |

NOTE 9: STOCK OPTION PLANS

During Fiscal 2005, the Company established, and the stockholders approved, an Employee Benefit and Consulting Services Compensation Plan (the "2005 Plan") for the granting of up to 2,000,000 non-statutory and incentive stock options and stock awards to directors, officers, consultants and key employees of the Company. On June 9, 2005, the Board of Directors amended the Plan to increase the number of stock options and awards to be granted under the Plan to 4,000,000. During Fiscal 2009, the Company established a plan of long-term stock-based compensation incentives for selected Eligible Participants of the Company covering 4,000,000 shares. This plan was adopted by the Board of

Directors and approved by stockholders in October 2009 and shall be known as the 2009 Employee Benefit and Consulting Services Compensation Plan (the "2009 Plan"). In September 2013, the Company's stockholders approved an increase in the number of shares covered by the 2009 Plan to 10,000,000. (The 2005 and 2009 Plans are collectively referred to as the "Plans" and the Company has a combined 14,000,000 shares available for issuance under the Plans.)

All stock options under the Plans are granted at or above the fair market value of the common stock at the grant date. Employee and non-employee stock options vest over varying periods and generally expire either 5 or 10 years from the grant date. The fair value of options at the date of grant was estimated using the Black-Scholes option pricing model. For option grants, the Company will take into consideration payments subject to the provisions of ASC 718 "Stock Compensation", previously Revised SFAS No. 123 "Share-Based Payment" ("SFAS 123 (R)"). The fair values of these restricted stock awards are equal to the market value of the Company's stock on the date of grant, after taking into certain discounts. The expected volatility is based upon historical volatility of our stock and other contributing factors. The expected term is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. Previously, such assumptions were determined based on historical data.

The weighted average assumptions made in calculating the fair values of options granted during the years ended December 31, 2013 and 2012 are as follows:

| | Years Ended December 31, | |
|--------------------------|-----------------------------|---------|
| | 2013 | 2012 |
| Expected volatility | 134.99 % | 303.1 % |
| Expected dividend yield | — | — |
| Risk-free interest rate | 2.7 % | 1.06 % |
| Expected term (in years) | 5.45 | 6.65 |

| | Share | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|--|-----------|--|---|---------------------------------|
| Outstanding, January 1, 2013 | 4,575,000 | \$.76 | 4.36 | 27,000 |
| Granted | 2,470,000 | \$.38 | 6.44 | |
| Exercised | — | — | | |
| Cancelled / Expired | — | — | | |
| Outstanding, December 31, 2013 | 7,045,000 | \$.49 | 4.52 | 314,750 |
| Options exercisable, December 31, 2013 | 7,045,000 | \$.49 | 4.52 | — |

The weighted-average grant-date fair value of options granted during the years ended December 31, 2013 and 2012 was \$.41 and \$0.54, respectively.

The aggregate intrinsic value of options outstanding and options exercisable at December 31, 2013 is calculated as the difference between the exercise price of the underlying options and the market price of the Company's common stock for the shares that had exercise prices, that were lower than the \$.47 closing price of the Company's common stock on December 31, 2013.

As of December 31, 2013, the fair value of unamortized compensation cost related to unvested stock option awards was zero.

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The option information provided above includes options granted outside of the Plans, which total 1,600,000 as of December 31, 2013.

The weighted average assumptions made in calculating the fair value of warrants granted during the years ended December 31, 2013 and 2012 are as follows:

| | Years Ended | |
|--------------------------|-------------|---------|
| | 2013 | 2012 |
| Expected volatility | 70.66 % | 52.88 % |
| Expected dividend yield | — | — |
| Risk-free interest rate | .88 % | .3 % |
| Expected term (in years) | 4.44 | 3.5 |

| | Share | Weighted Average Exercise Price | Weighted Average Remaining Contractual Term | Aggregate Intrinsic Value |
|---|--------------|--|---|---------------------------------|
| Outstanding, January 1, 2013 | 14,319,532 | \$.55 | 1.56 | 0 |
| Granted | 11,172,508 | \$.51 | 3.98 | |
| Exercised | — | — | | |
| Cancelled/Expired | (5,851,665) | — | | |
| Outstanding, December 31, 2013 | 19,640,375 | \$.56 | 2.88 | 209,500 |
| Warrants exercisable, December 31, 2013 | 19,640,375 | \$.56 | 2.88 | 209,500 |

NOTE 10: COMMITMENTS AND CONTINGENCIES

LEASE COMMITMENTS –

In February 2012, the Company entered into a lease agreement for new executive office space of approximately 4,200 square feet located at 600 Old Country Road, Suite 541, Garden City, NY 11530. The lease agreement is for 63 months, commencing April 2012 and expiring June 2017. The annual rent under this office facility for the first year is estimated at \$127,000, including electricity, subject to an annual increase of 3%. In the event of a default in which the Company is evicted from the office space, Mobiquity would be responsible to the landlord for an additional payment of rent of \$160,000 in the first year of the lease, an additional payment of \$106,667 in the second year of the lease and an additional payment of rent of \$53,333 in the third year of the lease. Such additional rent would be payable at the discretion of the Company in cash or in Common Stock of the Company.

The Company leases office space under non-cancelable operating leases in Farmingville, NY expiring in November 2014. The Company is obligated for the payment of real estate taxes under these leases. The Company is also currently leasing additional office space on a month-to-month basis. The Company also leases approximately 1,200 square feet of office and warehouse space in Spain at a monthly cost of approximately \$2,200. Minimum future rentals under non-cancelable lease commitments are as follows:

| YEARS ENDING DECEMBER 31, | |
|---------------------------|-----------|
| 2014 | 126,000 |
| 2015 | 135,000 |
| 2016 | 139,000 |
| 2017 and thereafter | 36,000 |
| | \$436,000 |

Rent and real estate tax expense was approximately \$869,800 and \$736,700 for the years December 31, 2013 and 2012, respectively.

EMPLOYMENT CONTRACTS –

On March 1, 2005, the Company entered into employment contracts with two of its officers, namely, Dean L. Julia and Michael D. Trepeta. The employment agreements provide for minimum annual salaries plus bonuses equal to 5% of pre-tax earnings (as defined) and other perquisites commonly found in such agreements. In addition, pursuant to the employment contracts, the Company granted the officers options to purchase up to an aggregate of 400,000 shares of common stock.

On August 22, 2007, the Company approved a three year extension of the employment contracts with two of its officers expiring on February 28, 2011. The employment agreements provided for minimum annual salaries with scheduled increases per annum to occur on every anniversary date of the contract and extension commencing on March 1, 2008. A signing bonus of options to purchase 150,000 shares granted to each executive were fully vested at the date of the grant and exercisable at \$1.20 per share through August 22, 2017. Ten year options to purchase 50,000 shares of common stock are to be granted at fair market value on each anniversary date of the contract and extension commencing March 1, 2008. Termination pay of one year base salary based upon the scheduled annual salary of each executive officer for the next contract year, plus the amount of bonuses paid (or entitle to be paid) to the executive for the current fiscal year of the preceding fiscal year, whichever is higher.

On April 7, 2010, the Board of Directors approved a five-year extension of the employment contract of Dean L. Julia and Michael D. Trepeta to expire on March 1, 2015. The Board approved the continuation of each officer's current salary and scheduled salary increases on March 1st of each year. The Board also approved a signing bonus of stock options to purchase 200,000 shares granted to each officer which is fully vested at the date of grant and exercisable at \$.50 per share through April 7, 2020; ten-year stock options to purchase 100,000 shares of Common Stock to be granted to each officer at fair market value on each anniversary date of the contract and extension thereof commencing March 1, 2011; and termination pay of one year base salary based upon the scheduled annual salary of each executive officer for the next contract year plus the amount of bonuses paid or entitled to be paid to the executive for the current fiscal year or the preceding fiscal year, whichever is higher. In the event of termination, the executives will continue to receive all benefits included in the employment agreement through the scheduled expiration date of said employment agreement prior to the acceleration of the termination date thereof.

In July 2012, the Company approved and in January 2013 the Company implemented amending the employment agreements of Messrs. Julia and M. Trepeta to expire on February 28, 2017, subject to an automatic one year renewal on March 1, 2013 and on each March 1st thereafter, unless the Employment Agreement is terminated in accordance with its terms on or before December 30th of the prior calendar year. In the event of termination without cause, the executives will continue to receive all salary and benefits included in the employment agreement through the scheduled expiration date of said employment agreement prior to the acceleration of the termination date thereof, plus one year termination pay.

On May 28, 2013, the Company approved amending the employment agreements of Messrs. Julia and Trepeta to provide that each officer may choose an annual bonus equal to 5% of pre-tax earnings for the most recently completed year before deduction of annual bonuses paid to officers or, in the event majority control of the Company is acquired by a person or a group of persons during the prior fiscal year, the officer may choose to receive the aforementioned bonus or 1% of the control consideration paid by acquirer(s) to acquire majority control of the Company.

TRANSACTIONS WITH MAJOR CUSTOMERS –

The Company sells its products to a geographically diverse group of customers, performs ongoing credit evaluations of its customers and generally does not require collateral. During the year ended December 31, 2013 a customer accounted for approximately 8% of net revenues and for the year ended December 31, 2012 a customer accounted for approximately 5% of net revenues. The Company holds on hand certain items that are ordered on a regular basis.

NOTE 11: SUPPLEMENTARY INFORMATION - STATEMENT OF CASH FLOWS

Cash paid during the years for:

| | YEARS ENDED DECEMBER 31, | |
|--------------|-----------------------------|----------|
| | 2013 | 2012 |
| Interest | \$58,803 | \$62,689 |
| Income Taxes | \$— | \$— |

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Non cash disclosures:

On December 12, 2013 a director of the Company was assigned the \$350,000 note held by TCA Global. The note assigned was negotiated for extension of maturity date, to June 12, 2014, interest payable at 15%. Any outstanding balance and any accrued interest thereon may be converted into common stock at a price of \$.30 per share. The Company may prepay the note without penalties. In December 2013, request was made to convert \$28,000 of the note balance, into 93,334 shares of common stock.

NOTE 12: SEGMENT INFORMATION

Reportable operating segment is determined based on Mobiquity Technologies, Inc.'s management approach. The management approach, as defined by accounting standards which have been codified into FASB ASC 280, Segment Reporting,” is based on the way that the chief operating decision-maker organizes the segments within an enterprise for making decisions about resources to be allocated and assessing their performance. Our chief operating decision-maker is our Chief Executive Officer and Chief Financial Officer.

While our results of operations are primarily reviewed on a consolidated basis, the chief operating decision-maker also manages the enterprise in two operating segments: (i) Ace Marketing and Promotions, Inc. captures Branding & Branded Merchandise (ii) Mobiquity Networks represent our Mobil Marketing.

Corporate management defines and reviews segment profitability based on the same allocation methodology as presented in the segment data tables below:

| | Ace Marketing & Promotions, Inc. | Mobiquity Networks Inc. | Total |
|-----------------------------------|--|-------------------------------|--------------|
| Net sales | \$2,995,032 | 162,500 | \$3,157,532 |
| Operating (loss) | (3,775,827) | (1,795,529) | (5,571,356) |
| Interest income | 274 | — | 274 |
| Interest (expense) | (227,094) | — | (227,094) |
| Depreciation and amortization | (99,860) | (189,429) | (289,289) |
| Net Loss | (4,102,507) | (1,984,958) | (6,087,465) |
| Total assets at December 31, 2013 | 2,287,313 | 941,191 | 3,228,504 |

All intersegment sales and expenses have been eliminated from the table above.

NOTE 13. COMMITTED EQUITY FACILITY AGREEMENT/REGISTRATION RIGHTS AGREEMENT

On June 12, 2012, Mobiquity finalized a committed equity facility (the “Equity Facility”) with TCA Global Credit Master Fund, LP, a Cayman Islands limited partnership (“TCA”), whereby the parties entered into as of May 31, 2012 (i) a committed equity facility agreement (the “Equity Agreement”) and (ii) a registration rights agreement (the “Registration Rights Agreement”).

Committed Equity Facility Agreement

On June 12, 2012, the Company finalized an Equity Agreement with TCA. Pursuant to the terms of the Equity Agreement, for a period of twenty-four months commencing on the effective date of the Registration Statement (as defined herein), TCA shall commit to purchase up to \$2,000,000 of the Company’s common stock (the “Shares”), pursuant to Advances (as defined below), covering the Registrable Securities (as defined below). The purchase price of the Shares under the Equity Agreement is equal to ninety-five percent (95%) of the lowest daily volume weighted average price of the Company’s common stock during the five (5) consecutive trading days after the Company delivers to TCA an Advance notice in writing requiring TCA to advance funds (an “Advance”) to the Company, subject to the terms of the Equity Agreement.

The “Registrable Securities” include (i) the Shares; and (ii) any securities issued or issuable with respect to the Shares by way of exchange, stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise.

As further consideration for TCA entering into and structuring the Equity Facility, the Company shall pay to TCA a fee by issuing to TCA that number of shares of the Company’s common stock that equal a dollar amount of one hundred thousand dollars (\$100,000) (the “Facility Fee Shares”). It is the intention of the Company and TCA that the value of the Facility Fee Shares shall equal \$100,000. In the event the value of the Facility Fee Shares issued to TCA does not equal \$100,000 after a ninth month evaluation date, the Equity Agreement provides for an adjustment provision allowing for necessary action to adjust the number of shares issued. In June 2012, the Company issued 196,078 shares of common stock as the initial Facility Fee Shares. As of December 31, 2013, a total of 8,000 shares have been issued and paid for pursuant to the Equity Facility.

Registration Rights Agreement

On June 12, 2012, the Company finalized the Registration Rights Agreement with TCA. Pursuant to the terms of the Registration Rights Agreement, the Company is obligated to file a registration statement (the “Registration Statement”) with the U.S. Securities and Exchange Commission (the “SEC”) to cover the Registrable Securities. The Company must use its commercially reasonable efforts to cause the Registration Statement to be declared effective by the SEC. On April 12, 2013, a Registration Statement was declared effective by the SEC covering the resale of up to 5,000,000 shares under the Equity Agreement.

NOTE 14: SUBSEQUENT EVENTS

There are no subsequent events required to be disclosed in the Notes to Financial Statements through the date of the report, except as follows:

Between January 1, 2014 and the date of this report, the Company has raised gross proceeds of \$2,160,300 from the sale of its Common Stock (including \$175,000 of the stock subscription receivables) at \$.30 per share. In connection with this private placement offering, the Company has issued 7,201,000 shares of Common Stock and Class BB Warrants to purchase 3,600,500 shares of Common Stock at an exercise price of \$.50 per share through December 15, 2017.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

Recent History of auditor changes:

Our financial statements were previously audited by the firm of Peter Messineo, CPA (“PM”). In December 2012 Peter Messineo, CPA merged into the firm known as DKM Certified Public Accountants (“DKM”). DKM had audited our previous financial statement for the year ending December 31, 2012. In April 2013 the agreement of DKM and PM was terminated. On May 6, 2013 the Company engaged, Messineo & Co., CPAs, LLC, which is the successor continuation of the original audit firm (PM).

DKM's report on the financial statements for the year ended December 31, 2012 contained no adverse opinion or disclaimer of opinion and was not qualified or modified as to audit scope or accounting. Our filings include DKM's report.

Item 9.A Controls and Procedures.

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that these disclosure controls and procedures are effective.

Report of Management on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company. Internal control over financial reporting is a process to provide reasonable assurance regarding the reliability of our financial reporting for external purposes in accordance with accounting principles generally accepted in the United States of America. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of company assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial

statements would be prevented or detected.

Management conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that the company's internal control over financial reporting was effective as of December 31, 2013. There were no significant changes in our internal control over financial reporting during the year ended December 31, 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our independent auditors have not audited and are not required to audit this assessment of our internal control over financial reporting for the fiscal year ended December 31, 2013.

Item 9.B. Other Information.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The names, ages and principal occupations of the Company's present officers and directors are listed below.

| NAME (1) (2) | AGE | FIRST BECAME DIRECTOR AND/OR OFFICER | POSITION |
|-----------------------|-----|--|---|
| Dean L. Julia | 46 | 1998 | Co-Chief Executive Officer/Secretary/Treasurer/Director/Co-Founder |
| Michael D. Trepeta | 42 | 1998 | Co-Chief Executive Officer/President/Director/ Co-Founder |
| Sean McDonnell | 53 | 2005 | Chief Financial Officer |
| Thomas Arnost | 67 | 2011 | Chairman of the Board (3) |
| Sean Trepeta | 46 | 2011 | Director/President of Mobiquity Networks |

(1) Directors are elected at the annual meeting of stockholders and hold office until the following annual meeting.

(2) There is currently a vacancy on the Board of Directors.

(3) Mr. Arnost is Chairman of the Board, but not an executive officer.

The terms of all officers expire at the annual meeting of directors following the annual stockholders meeting. Officers serve at the pleasure of the Board and may be removed, either with or without cause, by the Board of Directors, and a successor elected by a majority vote of the Board of Directors, at any time.

MANAGEMENT TEAM

Our officers, directors and founders each have experience in the development of early stage companies including business strategies, products and services and financing.

DEAN L. JULIA

Mr. Julia holds a Bachelor of Business Administration from Hofstra University received in 1990. From 1991-1996, Mr. Julia worked at various Investment Banks where he was involved in the funding of numerous IPO's in the Bio Technology and Communications sectors. From September 1996 through February 1998, Mr. Julia served as President and Chief Executive Officer of DLJ Consulting, a financial intermediary consultant for public and private companies. In 1998, Mr. Julia co-founded Mobiquity and became an officer, director and principal stockholder of the company. He continues to serve as Co-CEO of Mobiquity where he sets overall strategy and continually fosters key relationships with technology partners and developers. Mr. Julia also serves as COO of Mobiquity's wholly-owned subsidiary, Mobiquity Networks, where he is responsible for the integration of the sales and IT departments of Mobiquity with the creative, IT and database departments of Mobiquity. He continues to set all operational strategies for scaling each department to meet the demands of managing and maintaining the aggressive expansion of the national proximity marketing network. Mr. Julia is a founder of the Company, has demonstrated his management ability at senior levels, he has served on the board since its inception and he is expected to continue to serve on the Board.

MICHAEL D. TREPETA

Mr. Trepeta received a Bachelor of Science Degree in Applied Economics and Business Management with a minor in Communications from Cornell University in 1993. From 1993-1996, Mr. Trepeta worked as a stockbroker and was involved in the funding of numerous development-stage and growth companies. From September of 1996 through February 1998, he served as President of MDT Consulting Group, Inc., a corporation contracted by various companies to serve as a financial intermediary to investment bankers and to assist in developing products, services, and business strategies. In 1998, Mr. Trepeta co-founded Mobiquity as an officer, director and principal owner of the company. He continues to set the strategy for all integrated marketing efforts at Mobiquity through the development of models and solutions that leverage the attributes of cutting edge marketing technologies. As Co-CEO of Mobiquity and as Chief Executive Officer of its wholly-owned subsidiary, Mobiquity Networks, Mr. Trepeta is responsible for setting strategy for the continued roll-out of Mobiquity's national proximity marketing network by securing long term strategic partnerships with key property owners and management companies while simultaneously forming key partnerships with out of home agencies who control the media assets within those properties. Mr. Trepeta, a founder of the Company, has demonstrated his management ability at senior levels and he is expected to continue to serve on the board.

SEAN MCDONNELL

Sean J. McDonnell, Certified Public Accountant, has been self-employed and in private accounting practice since January 1990 handling many different types of business entities and associations. Mr. McDonnell has spent much of his time helping his customers grow their companies and acquire financing for the purchase of buildings and equipment. Prior to starting his own practice, he was employed from 1985 - 1990 as a senior staff member in the accounting firm of Breiner & Bodian CPA's. After graduating from Dowling College in 1984, he was employed by Kenneth Silver C.P.A. from 1984 - 1985. He is currently serving on the boards of the Police Athletic League, North East Youth Sports Association and Sound Beach Soccer Club, Inc. Mr. McDonnell has served as our Chief Financial Officer since January 3, 2005 and currently as an employee, he devotes such time to our affairs as is necessary for the performance of his duties.

THOMAS ARNOST

Mr. Thomas Arnost previously served as the Co-President of Univision Communications, Inc. Station Group, where he joined the company in 1994. He served as the Co-President of Univision Television Group, from 1997 to 2006, and prior to that as Executive Vice President of Univision Television Group from 1994 to 1996. In 2002, Mr. Arnost helped in successful launch of the Telefutura Station Group, which has since, significantly contributed to Univision's overall revenue growth and market value. During his tenure with Univision, total station group revenue grew from under \$120 million in 1993 to approximately \$700 million in 2006. Also during his tenure, the Company's market value grew from roughly \$500 million to over \$14 billion. Mr. Arnost has been a director of the Company since December 2011. Mr. Arnost's extensive business, financial, management and leadership experience in the telecommunications industry particularly qualifies him for serving on the Company's board as an independent director.

SEAN TREPETA

Prior to joining the Mobiquity Networks team in May of 2011, Mr. Trepeta was President of Varsity Networks, a leading online portal dedicated to serving the High School sports market. While at Varsity Networks, Mr. Trepeta grew the network to include over 10,000 high school team websites and was responsible for growing web traffic to include millions of monthly visitors and registered users across the country allowing for additional revenue streams through the placement of online advertising by major national brands. Prior to this, Mr. Trepeta was the President and Co-Founder of OPEX Communications, Inc., a leading telecommunication service provider which was located in Chicago, specializing in traditional long-distance, wireless, and dedicated services. Mr. Trepeta increased sales and was able to grow the company through agents and the Internet to \$48 million in annual sales before selling OPEX in 2006. Before working for OPEX, Mr. Trepeta was the vice president of sales and marketing for the US Buying Group, Inc. responsible for developing a small business-buying program, which included value added services such as overnight shipping, office supplies, and computer software products, as well as a full line of telecommunications services. Mr. Trepeta also developed and implemented the agent and carrier divisions of USBG. Prior to joining

USBG, he was with MCI Telecommunications and NYNEX in New York City. As President of Mobiquity Networks, Mr. Trepeta is responsible for once again setting all sales and marketing strategies internally as well as handling the relationship and training of the national sales force of Mobiquity's key out of home Mall Media partner, EYE Corp. He continues to foster strategic relationships with agencies and national brands. Mr. Trepeta holds a Bachelor of Science degree from the State University of New York at Cortland. Mr., Trepeta has been a director of the Company since December 2011. Mr. Trepeta's extensive sales and marketing experience and management experience in the telecommunications industry qualifies him for serving on the Company's board of directors.

Corporate Governance

Our business, property and affairs are managed by, or under the direction of, our Board, in accordance with the General Corporation Law of the State of New York and our By-Laws. Members of the Board are kept informed of our business through discussions with the Chief Executive Officer and other key members of management, by reviewing materials provided to them by management.

We continue to review our corporate governance policies and practices by comparing our policies and practices with those suggested by various groups or authorities active in evaluating or setting best practices for corporate governance of public companies. Based on this review, we have adopted, and will continue to adopt, changes that the Board believes are the appropriate corporate governance policies and practices for our Company. We have adopted changes and will continue to adopt changes, as appropriate, to comply with the Sarbanes-Oxley Act of 2002 and subsequent rule changes made by the SEC and any applicable securities exchange.

Director Qualifications and Diversity

The board seeks independent directors who represent a diversity of backgrounds and experiences that will enhance the quality of the board's deliberations and decisions. Candidates shall have substantial experience with one or more publicly traded companies or shall have achieved a high level of distinction in their chosen fields. The board is particularly interested in maintaining a mix that includes individuals who are active or retired executive officers and senior executives, particularly those with experience in the finance and capital market industries.

In evaluating nominations to the Board of Directors, our Board also looks for certain personal attributes, such as integrity, ability and willingness to apply sound and independent business judgment, comprehensive understanding of a director's role in corporate governance, availability for meetings and consultation on Company matters, and the willingness to assume and carry out fiduciary responsibilities. Qualified candidates for membership on the Board will be considered without regard to race, color, religion, sex, ancestry, national origin or disability.

Risk Oversight

Enterprise risks are identified and prioritized by management and each prioritized risk is assigned to the full board for oversight. These risks include, without limitation, the following:

Risks and exposures associated with strategic, financial and execution risks and other current matters that may present material risk to our operations, plans, prospects or reputation.

Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosure, internal control over financial reporting, financial policies, investment guidelines and credit and liquidity matters.

Risks and exposures relating to corporate governance; and management and director succession planning.

Risks and exposures associated with leadership assessment, and compensation programs and arrangements, including incentive plans.

Board Leadership Structure

In accordance with the Company's By-Laws, the Chairman of the Board, Thomas Arnost, presides at all meetings of the Board. Currently, the offices of Chairman of the Board and Chief Executive Officer are separated, although the Company has no fixed policy with respect to the separation of these titles. The Chairman of the Board is a non-executive officer of the Company.

Indemnification

The New York Business Corporation Law contains provisions permitting and, in some situations, requiring New York corporations to provide indemnification to their officers and directors for losses and litigation expense incurred in connection with their service to the corporation. Our certificate of incorporation and bylaws contain provisions requiring our indemnification of our directors and officers and other persons acting in their corporate capacities.

In addition, we may enter into agreements with our directors providing contractually for indemnification consistent with the certificate of incorporation and bylaws. Currently, we have no such agreements. The New York Business Corporation Law also authorizes us to purchase insurance for our directors and officers insuring them against risks as to which we may be unable lawfully to indemnify them. We intend to obtain limited insurance coverage for our officers and directors as well as insurance coverage to reimburse us for potential costs of our corporate indemnification of officers and directors.

As far as exculpation or indemnification for liabilities arising under the Securities Act of 1933 may be permitted for directors and officers and controlling persons, we have been advised that in the opinion of the Securities and Exchange Commission such exculpation or indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

LACK OF COMMITTEES

Our Company has no audit, compensation or nominating committees of our board of directors or committees performing similar functions. The audit committee communications will go directly to the board members until such time as an audit committee is formed.

Under the National Association of Securities Dealers Automated Quotations definition, an “independent director” means a person other than an officer or employee of the Company or its subsidiaries or any other individuals having a relationship that, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of the director. The board’s discretion in determining director independence is not completely unfettered. Further, under the NASDAQ definition, an independent director is a person who (1) is not currently (or whose immediate family members are not currently), and has not been over the past three years (or whose immediate family members have not been over the past three years), employed by the company; (2) has not (or whose immediate family members have not) been paid more than \$120,000 during the current or past three fiscal years; (3) has not (or whose immediately family has not) been a partner in or controlling shareholder or executive officer of an organization which the company made, or from which the company received, payments in excess of the greater of \$200,000 or 5% of that organizations consolidated gross revenues, in any of the

most recent three fiscal years; (4) has not (or whose immediate family members have not), over the past three years been employed as an executive officer of a company in which an executive officer of Mobiquity has served on that company's compensation committee; or (5) is not currently (or whose immediate family members are not currently), and has not been over the past three years (or whose immediate family members have not been over the past three years) a partner of Mobiquity's outside auditor.

The term "Financial Expert" is defined under the Sarbanes-Oxley Act of 2002, as amended, as a person who has the following attributes: an understanding of generally accepted accounting principles and financial statements; has the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities; an understanding of internal controls and procedures for financial reporting; and an understanding of audit committee functions.

The Company may in the future form an audit committee to consist of one or more independent directors. In the event an audit committee is established, of which there can be no assurances given, its first responsibility would be to adopt a written charter. Such charter would be expected to include, among other things:

- being directly responsible for the appointment, compensation and oversight of our independent auditor, which shall report directly to the audit committee, including resolution of disagreements between management and the auditors regarding financial reporting for the purpose of preparing or issuing an audit report or related work;
- annually reviewing and reassessing the adequacy of the committee's formal charter;
- reviewing the annual audited financial statements with our management and the independent auditors and the adequacy of our internal accounting controls;
- reviewing analyses prepared by our management and independent auditors concerning significant financial reporting issues and judgments made in connection with the preparation of our financial statements;
- reviewing the independence of the independent auditors;
- reviewing our auditing and accounting principles and practices with the independent auditors and reviewing major changes to our auditing and accounting principles and practices as suggested by the independent auditor or its management;
- reviewing all related party transactions on an ongoing basis for potential conflict of interest situations; and
- all responsibilities given to the audit committee by virtue of the Sarbanes-Oxley Act of 2002, which was signed into law by President George W. Bush on July 30, 2002.

LACK OF INDEPENDENT DIRECTORS

During 2013, Domenico Iannucci and Thomas Arnost each served as independent directors of the Company until Mr. Iannucci resigned from the board in December 2013 and Mr. Arnost became a secured creditor of the Company as described below. Mr. Iannucci was replaced by Robert Hussey as a member of the Board in December 2013; however, Mr. Hussey subsequently resigned from the board in February 2014.

Currently, the Company has four directors, including three members of Management and Thomas Arnost. Prior to December 13, 2013, Management deemed Mr. Arnost to be an independent director as defined under the Exchange Act and the NASDAQ definition described under "Lack of Committees." However, in December 2013, Mr. Arnost purchased the secured debt in the principal amount of \$350,000 from TCA Global Master Fund and entered into an agreement to modify the terms of the note so that the note bears interest at the rate of 15% per annum, is convertible at a fixed price of \$.30 per share, and will become due and payable on June 12, 2014, subject to Mr. Arnost's right to call the note at any time in his sole discretion and the Company's right to prepay the note, subject to Mr. Arnost's right of conversion. As a result of Mr. Arnost becoming a secured debt holder of the Company, as of the filing date of this Form 10-K, the Company believes that Mr. Arnost as a secured creditor of the Company may not be deemed to be an independent director, as his security interest may interfere with his judgment as an independent director. Also, Mr. Arnost is eligible to receive certain consulting fees from the Company outside of his services as a director. Accordingly, the Company does not consider Mr. Arnost to be an independent director of the Company at this time.

CODE OF ETHICS

The Company has a new code of ethics that applies to the Company's directors and officers which has been designed to deter wrongdoing and to promote:

- Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company;
- Compliance with applicable governmental law, rules and regulations;
- The prompt internal reporting of violations of the code of ethics to an appropriate pre-identified person; and
- Accountability for adherence to the code of ethics.

A copy of the Code of Ethics is filed as Exhibit 14 to this Form 10-K.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission (the "Commission"). Officers, directors and greater than ten percent stockholders are required by the Commission's regulations to furnish us with copies of all Section 16(a) forms they file. During fiscal 2013, to the best of the knowledge of the Company's directors and officers, no form 3's or form 4's or form 5's were filed late with the Commission by officers or directors, except that Sean Trepeta filed a Form 4 late in 2013 reporting the exercise of his warrants and Thomas Arnost, who gifted promissory notes to his children filed a Form 4 one day late due to a snow storm in the Northeast that affected Company ability's to timely file this report.

Item 11. Executive Compensation.

The following table sets forth the overall compensation earned over the fiscal year ended December 31, 2013 and 2012 by (1) each person who served as the principal executive officer of the Company during fiscal year 2013 and 2012; (2) the Company's most highly compensated (up to a maximum of two) executive officers as of December 31, 2013 and 2012 with compensation during fiscal year 2013 and 2012 of \$100,000 or more; and (3) those two individuals, if any, who would have otherwise been included in section (2) above but for the fact that they were not serving as an executive of the Company as of December 31, 2013.

| Name and Principal | | Salary | Bonus | Stock | Option | Salary | Non-Equity | Non-qualified | All Other | Total |
|-------------------------------------|------|-----------|----------|-------|----------|--------------|--------------|---------------|--------------|--------------|
| | | | | | Awards | Compensation | Incentive | Deferred | Compensation | Compensation |
| | | | | | | Plan | Compensation | Compensation | | |
| Position | Year | (\$) | (\$) | Award | (\$)(1) | (\$) | (\$) | (\$)(2) | (3) | (\$) |
| Dean L. Julia | 2012 | \$293,710 | \$— | — | \$63,000 | — | — | \$ 23,860 | | \$380,570 |
| Co-CEO of the Company | 2013 | \$336,000 | \$— | — | \$35,743 | — | — | \$ 51,417 | | \$423,160 |
| Michael D. Trepeta | 2012 | \$293,710 | \$— | — | \$63,000 | — | — | \$ 23,860 | | \$380,570 |
| Co-CEO of the Company | 2013 | \$336,000 | \$— | — | \$35,743 | — | — | \$ 51,417 | | \$423,160 |
| Sean Trepeta | 2012 | \$110,000 | \$75,000 | — | \$37,500 | — | | \$ 23,860 | | \$256,360 |
| President of Mobiquity Networks (4) | 2013 | \$127,500 | \$— | — | \$6,450 | — | — | \$ 30,207 | | \$164,157 |

The options and restricted stock awards presented in this table for fiscal 2012 and 2013 reflect the full grant date fair value, as if the total dollar amount were earned in the year of grant. The stock awards are valued based on the fair market value of such Shares on the date of grant and are charged to compensation expense over the related (1) vesting period. The options are valued at the date of grant based upon the Black-Scholes method of valuation, which is expensed over the service period over which the options become vested. As a general rule, for time-in-service-based options, the Company will immediately expense any option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the option.

Includes all other compensation not reported in the preceding columns, including (i) perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than \$10,000; (ii) any “gross-ups” or other amounts reimbursed during the fiscal year for the payment of taxes; (iii) discounts from market price with respect to securities purchased from the company except to the extent available generally to all security holders or to all salaried employees; (iv) any amounts paid or accrued in connection with any termination (including without (2) limitation through retirement, resignation, severance or constructive termination, including change of responsibilities) or change in control; (v) contributions to vested and unvested defined contribution plans; (vi) any insurance premiums paid by, or on behalf of, the company relating to life insurance for the benefit of the named executive officer; and (vii) any dividends or other earnings paid on stock or option awards that are not factored into the grant date fair value required to be reported in a preceding column.

(3) Includes compensation for service as a director described under Director Compensation, below.

(4) In 2013, Sean Trepeta received approximately \$10,000 per month in salary. In 2012, Mr. Trepeta received \$10,000 per month in salary and \$75,000 in bonuses.

For a description of the material terms of each named executive officers’ employment agreement, including the terms of the terms of any common share purchase option grants, see that section of this Form 10-K captioned “Employment Agreements.”

No outstanding common share purchase option or other equity-based award granted to or held by any named executive officer in 2013 were repriced or otherwise materially modified, including extension of exercise periods, the change of vesting or forfeiture conditions, the change or elimination of applicable performance criteria, or the change of the bases upon which returns are determined, nor was there any waiver or modification of any specified performance target, goal or condition to payout.

For a description of the material terms of any contract, agreement, plan or other arrangement that provides for any payment to a named executive officer in connection with his or her resignation, retirement or other termination, or a change in control of the company see “Employment Agreements”.

Executive Officer Outstanding Equity Awards at Fiscal Year-End

The following table provides certain information concerning any common share purchase options, stock awards or equity incentive plan awards held by each of our named executive officers that were outstanding as of December 31, 2013.

| Name | Option Awards | | Stock Awards | | Equity Incentive Plan Awards: | | Equity Incentive Plan Awards: | |
|---------------|---|---|---|---|---|---|---|---|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested |
| | | | | | | | | |
| Dean L. Julia | 250,000 | — | — | \$ 1.00 | 01/03/15 | — | — | — |
| (1) | 200,000 | — | — | \$ 1.20 | 12/28/15 | — | — | — |
| | 150,000 | — | — | \$ 1.20 | 08/22/17 | — | — | — |

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| | | | | | | | | | |
|--------------------|---------|----|----|--------|----------|----|----|----|----|
| | 50,000 | -- | -- | \$1.20 | 03/01/13 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.65 | 03/02/19 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.54 | 03/25/20 | -- | -- | -- | -- |
| | 200,000 | -- | -- | \$.50 | 04/07/20 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.26 | 02/28/21 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.61 | 02/28/22 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.25 | 02/13/23 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.38 | 03/01/23 | -- | -- | -- | -- |
| Michael D. Trepeta | | | | | | | | | |
| (1) | 50,000 | -- | -- | \$.25 | 02/13/23 | -- | -- | -- | -- |
| | 100,000 | - | - | \$.38 | 03/01/23 | -- | -- | -- | -- |
| | 250,000 | -- | -- | \$1.00 | 01/03/15 | -- | -- | -- | -- |
| | 200,000 | -- | -- | \$1.20 | 12/28/15 | -- | -- | -- | -- |
| | 150,000 | -- | -- | \$1.20 | 08/22/17 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$1.20 | 03/01/13 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.65 | 03/02/19 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.54 | 03/25/20 | -- | -- | -- | -- |
| | 200,000 | -- | -- | \$.50 | 04.07/20 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.26 | 02/28/21 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.61 | 02/28/21 | -- | -- | -- | -- |
| | 50,000 | -- | -- | \$.25 | 02/13/23 | -- | -- | -- | -- |
| | 100,000 | -- | -- | \$.38 | 03/01/23 | -- | -- | -- | -- |
| Sean Trepeta | | | | | | | | | |
| (2) | 50,000 | -- | -- | \$.75 | 05/07/22 | -- | -- | -- | -- |
| | 100,000 | - | - | \$.38 | 03/01/23 | -- | -- | -- | -- |

(1) All options contain cashless exercise provisions and are currently fully vested.

Sean Trepeta owns warrants to purchase 150,001 shares which are not granted under a compensation plan, which

(2) warrants he purchased from the Company as part of a private placement offering which was primarily sold to non-affiliated persons.

Employment Agreements

Each of the following executive officers is a party to an employment agreement with the Company.

| Name | Position | Monthly Salary (1) | Bonus |
|-----------------|----------------------------|--------------------|-------|
| Dean L. Julia | Co-Chief Executive Officer | \$ 30,000 | (2) |
| Michael Trepeta | Co-Chief Executive Officer | \$ 30,000 | (2) |

Compensation of each executive officer named in the table above has his monthly base salary increased by \$2,000 (1) each subsequent March 1st during the term of the agreement and any extensions thereof. The next scheduled salary increase to \$32,000 per month is scheduled to occur on March 1, 2015.

Annual bonuses are paid by us by the last business day of March for the preceding calendar (fiscal) year, except in the event of termination prior to the end of any fiscal year (other than termination for cause), a pro rata portion of the annual bonus shall be paid within 30 days of termination. In 2013, the Company approved amending the (2) employment agreements of Messrs. Julia and Trepeta to provide that each officer may choose an annual bonus equal to 5% of pre-tax earnings for the most recently completed year before deduction of annual bonuses paid to officers or, in the event majority control of the Company is acquired by a person or a group of persons during the prior fiscal year, the officer may choose to receive the aforementioned bonus or 1% of the control consideration paid by acquirer(s) to acquire majority control of the Company.

A summary of each Executive's employment agreement, as amended, is as follows:

Each Executive's Employment Agreement has a term of five years and automatically renews for a period of one year thereafter effective on March 1st of each new calendar year unless the Employment Agreement is terminated in accordance with its terms on or prior to December 30th of the prior calendar year. As of the filing date of this Form 10-K, each Executive's Employment Agreement currently expires on February 28, 2019. Each Executive may terminate his Employment Agreement upon written three-month notice. In such event, the Company shall be relieved of all of its obligations under the Agreement, except for payment of the Executive's Base Salary and Annual Bonus earned and unpaid through the effective date of termination, those obligations with respect to indemnification and director and officer insurance and severance pay as described below.

We may terminate the Executive's employment for cause ("Cause") as defined in the Agreement. In the event this Agreement is terminated for cause, the Executive's Base Salary and any unearned Annual Bonus, severance pay and all benefits shall terminate immediately upon such discharge, and we shall have no further obligations to the Executive except for payment and reimbursement for any monies due which right to payment or reimbursement accrued prior to such termination.

We may terminate this Agreement upon the disability as defined in the Agreement or death of the Executive by giving written notice to the Executive. In the case of disability, such termination will become effective immediately upon the giving of such notice unless otherwise specified by us. Upon any such termination, we shall be relieved of all our obligations under the Executive's employment, except for payment of the Executive's Base Salary and Annual Bonus earned and unpaid through the effective date of termination and severance pay.

In the event of termination by the Company of Executive's Employment Agreement without cause, then the Executive shall be entitled to receive on the termination date termination pay of one-year base salary based upon the scheduled annual salary of each executive officer for the next contract year, plus the amount of bonuses paid or entitled to be paid to the executive for the current fiscal year or the preceding fiscal year, whichever is higher. In the event of termination, the executives will continue to receive all salary and benefits included in the employment agreement through the scheduled expiration date of said employment agreement prior to the acceleration of the termination date thereof.

We have agreed to defend and indemnify each Executive in his capacity as an officer against all claims, judgments, damages, liabilities, costs and expenses (including reasonable attorney's fees) arising out of, based upon, or related to his performance of services to us, to the maximum extent permitted under law. We will also use our reasonable best efforts to include each Executive as an insured under all applicable directors' and officers' liability insurance policies maintained by us.

Each Executive is currently entitled to the following additional benefits:

- \$2,000 per month pay raise on each March 1 during the term of the Agreement and any extension thereof;
- As an executive officer, the annual grant on March 1 of each year of ten-year stock options to purchase 100,000 shares at an exercise price equal to the then fair market value of our common stock as determined by the Board. As a director of the Company, each Executive also receives the number of options granted annually to each Board member;
- Election to the Board of Directors and during the term of employment, the Board's nomination for re-election to the Board;
- Paid disability insurance and term life insurance for the benefit of each Executive's family in an amount fixed by the Board at a cost not to exceed \$10,000 per annum;
- Use of company automobile with all related costs paid for by us;
- Health insurance;
- Right to participate in any pensions of our company;
- Health insurance; and
- Right to participate in any pensions of our company.

Additional Compensation

In the past, the Company agreed to compensate Dean Julia and Michael Trepeta with options to purchase 1,500,000 shares of Mobiquity Network Inc.'s common stock, exercisable at \$.01 per share in the event such entity raised financing as a stand-alone enterprise for its operations. In order to terminate this compensation, in January 2014, the Board of Directors exchanged its promise of options to Messrs. Julia and Trepeta for an equivalent number of options in the Company at the then fair market value of the Company's Common Stock, under the Company's 2009 Stock Option Plan as described below.

Employment Arrangements

Sean Trepeta became President of Mobiquity Networks in 2011. As of March 1, 2014, Mr. S. Trepeta, who is an employee "at will," is currently earning between \$10,000 and \$20,000 per month with the amount determined each month by Management.

DIRECTOR COMPENSATION

Stock Options

Stock options and equity compensation awards to our non-employee / non-executive directors are at the discretion of the Board. See Director Compensation table below.

Cash Compensation

Our non-employee / non-executive director is eligible to receive a fee of \$500 to be paid for attending each Board meeting; however, no fees were paid in 2013. Mr. Arnost received consulting fees of \$30,000 in fiscal 2013, \$10,000 of which pertained to his services in fiscal 2012.

Travel Expenses

All directors shall be reimbursed for their reasonable out of pocket expenses associated with attending the meeting.

The following table shows the overall compensation earned for the 2013 fiscal year with respect to each non-employee and non-executive director as of December 31, 2013.

| Name and Principal Position | DIRECTOR COMPENSATION | | | | | | Total (\$) |
|--|---|--------------------------|-------------------------------|--|---|--|-------------------|
| | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) | Option Awards (\$ (1)) | Non-Equity Incentive Plan Compensation (\$ (2)) | Nonqualified Deferred Compensation Earnings (\$) | All Other Compensation (\$ (3)) | |
| Thomas Arnost, Director (4) | \$30,000 | — | \$43,857 | — | — | 2,463 | \$76,320 |
| Robert Hussey, Former Director (4) | \$- | -- | \$ 37,407- | | -- -- | - | \$37,407 |
| Domenico Iannucci, Former Director (4) | — | — | \$6,450 | — | — | — | \$6,450 |

The restricted stock awards and options presented in this table for 2013 reflect the full grant date fair value as if the total dollar amount were earned in the year of grant. As a general rule, for time-in-service-based options, the (1) Company will immediately expense any restricted stock awards and option or portion thereof which is vested upon grant, while expensing the balance on a pro rata basis over the remaining vesting term of the restricted stock awards and options.

(2) Excludes awards or earnings reported in preceding columns.

(3) Includes all other compensation not reported in the preceding columns, including (i) perquisites and other personal benefits, or property, unless the aggregate amount of such compensation is less than \$10,000; (ii) any “gross-ups” or other amounts reimbursed during the fiscal year for the payment of taxes; (iii) discounts from market price with respect to securities purchased from the company except to the extent available generally to all security holders or

to all salaried employees; (iv) any amounts paid or accrued in connection with any termination (including without limitation through retirement, resignation, severance or constructive termination, including change of responsibilities) or change in control; (v) contributions to vested and unvested defined contribution plans; (vi) any insurance premiums paid by, or on behalf of, the company relating to life insurance for the benefit of the director; (vii) any consulting fees earned, or paid or payable; (viii) any annual costs of payments and promises of payments pursuant to a director legacy program and similar charitable awards program; and (ix) any dividends or other earnings paid on stock or option awards that are not factored into the grant date fair value required to be reported in a preceding column.

(4) On February 13, 2013, the Board of Directors granted each of the Company's five directors options to purchase 50,000 shares of Common Stock, exercisable at \$.25 per share through February 13, 2023. Messrs. Arnost and Iannucci were directors at the time of the aforementioned grant. On December 13, 2013, the Board of Directors granted Mr. Arnost options to purchase 250,000 shares exercisable at \$.40 per share over a period of ten years. On the same date, Mr. Hussey received identical options to those issued to Mr. Arnost, subject to his acceptance to serve as a Board member, except that Mr. Hussey's options were not scheduled to vest until December 1, 2014. However, when Mr. Hussey resigned from the board in February 2014, the Company's board agreed to vest his options.

Employee Benefit and Consulting Services Compensation Plans

On January 3, 2005, our company established an Employee Benefit and Consulting Services Compensation Plan (the “2005 Plan”) covering 2,000,000 shares, which 2005 Plan was ratified by our stockholders on February 9, 2005. On August 12, 2005, the company’s stockholders approved a 2,000,000 share increase in the 2005 Plan to 4,000,000 shares. On August 28, 2009, the Board adopted the “2009 Plan” identical to the 2005 Plan with 4,000,000 shares under the 2009 Plan. In September 2013, the Company’s stockholders ratified a board amendment to increase the number of shares covered by the 2009 Plan to 10,000,000 shares. All references to “the Plans” include the 2005 Plan and 2009 Plan. As the 2005 and 2009 Plans are identical other than the number of shares covered by each Plan, it is the Company’s intention to first utilize the number of shares issuable (available) under the 2005 Plan prior to issuing shares under the 2009 Plan.

Administration

Our board of directors administers the Plans, has the authority to determine and designate officers, employees, directors and consultants to whom awards shall be made and the terms, conditions and restrictions applicable to each award (including, but not limited to, the option price, any restriction or limitation, any vesting schedule or acceleration thereof, and any forfeiture restrictions). The board may, in its sole discretion, accelerate the vesting of awards.

Types of Awards

The Plans are designed to enable us to offer certain officers, employees, directors and consultants of us and our subsidiaries equity interests in us and other incentive awards in order to attract, retain and reward such individuals and to strengthen the mutuality of interests between such individuals and our stockholders. In furtherance of this purpose, the Plans contain provisions for granting non-statutory stock options and incentive stock options and common stock awards.

Stock Options. A “stock option” is a contractual right to purchase a number of shares of common stock at a price determined on the date the option is granted. An incentive stock option is an option granted under the Internal Revenue Code of 1986 to our employees with certain tax advantages to the grantee over non-statutory stock options. The option price per share of common stock purchasable upon exercise of a stock option and the time or times at which such options shall be exercisable shall be determined by the Board at the time of grant. Such option price in the case of incentive stock options shall not be less than 100% of the fair market value of the common stock on the date of grant and may be granted below fair market value in the case of non-statutory stock options. Incentive stock options granted to owners of 10% or more of our common stock must be granted at an exercise price of at least 110% of the fair market value of our common stock and may not have a term greater than five years. Also, the value of incentive

options vesting to any employee cannot exceed \$100,000 in any calendar year. The option price of our options must be paid in cash, money order, check or common stock of the company. The non-statutory stock options may also contain at the time of grant, at the discretion of the board, certain other cashless exercise provisions. These cashless exercise provisions are included in the currently outstanding non-statutory stock options granted by the board.

Options shall be exercisable at the times and subject to the conditions determined by the Board at the date of grant, but no option may be exercisable more than ten years after the date it is granted. If the optionee ceases to be an employee of our company for any reason other than death, any incentive stock option exercisable on the date of the termination of employment may be exercised for a period of thirty days or until the expiration of the stated term of the option, whichever period is shorter. In the event of the optionee's death, any incentive stock option exercisable at the date of death may be exercised by the legal heirs of the optionee from the date of death until the expiration of the stated term of the option or six months from the date of death, whichever event first occurs. In the event of disability of the optionee, any incentive stock options shall expire on the stated date that the Option would otherwise have expired or 12 months from the date of disability, whichever event first occurs. The termination and other provisions of a non-statutory stock option shall be fixed by the board of directors at the date of grant of each respective option.

Common Stock Award. Common stock awards are shares of common stock that will be issued to a recipient at the end of a restriction period, if any, specified by the board if he or she continues to be an employee, director or consultant of us. If the recipient remains an employee, director or consultant at the end of the restriction period, the applicable restrictions will lapse and we will issue a stock certificate representing such shares of common stock to the participant. If the recipient ceases to be an employee, director or consultant of us for any reason (including death, disability or retirement) before the end of the restriction period unless otherwise determined by the board, the restricted stock award will be terminated.

Awards

As of December 31, 2013, the Company has granted under the Plans a total of 5,445,000 options and outside the Plans a total of 1,600,000 options or a total of options to purchase 7,045,000 shares of the Company's Common Stock with a weighted average exercise price of \$.62 per share. The board has granted options with varying terms.

It is not possible to predict the individuals who will receive future awards under the Plans or outside the Plans or the number of shares of Common Stock covered by any future award because such awards are wholly within the discretion of the Board. The table below contains information as of December 31, 2013 on the known benefits provided to certain persons and group of persons who own options under or outside the Plans.

| | Number of Shares Subject to Options | Range of Exercise Price (\$) per Share | Value of Unexercised Options at Dec. 31, 2013 (1) |
|---|--|---|--|
| Dean L. Julia, Co-CEO | 1,300,000 | .25 - 1.20 | \$ 38,500 |
| Michael D. Trepeta, Co-CEO | 1,300,000 | .25 - 1.20 | \$ 38,500 |
| Sean McDonnell, Chief Financial officer | 50,000 | 1.00 | \$ - |
| Sean Trepeta, President, Mobiquity Networks | 100,000 | .25 - .75 | \$ 11,000 |
| Four Executive Officers as a group | 2,750,000 | .25 - 1.20 | \$ 88,000 |
| Thomas Arnost, Director | 550,000 | .38 - .75 | \$ 11,000 |
| Robert Hussey, Former Director | 250,000 | .40 | \$ 17,500 |
| Non-Executive Officer, | 300,000 | .30-\$ 1.20 | \$ 21,500 |
| Employees and Consultants | | | |

N/A Not applicable.

Value is normally calculated by multiplying (a) the difference between the market value per share at period end (1)(i.e. \$.47 based upon a last sale on (or the last trade date before) December 31, 2013) and the option exercise price by (b) the number of shares of Common Stock underlying the option.

In the past, the Company has granted certain employees and consultants stock awards for services for the prior year with vesting to occur after the passage of an additional 12 months. These awards totaled 45,000 Shares for 2008, subject to continued services with the Company through December 31, 2009. These awards totaled 51,000 Shares for 2009 subject to continued services with the Company through December 31, 2010. These awards totaled 105,000 Shares for 2010 subject to continued services with the Company through December 31, 2011. These awards totaled 45,000 shares for 2011, subject to continued services with the Company through December 31, 2012. A total of 203,500 shares were issued under the 2005 Plan pursuant to the stock award program described above (net of cancellations). No stock awards were granted in fiscal 2012 or fiscal 2013.

Eligibility

Our officers, employees, directors and consultants of Mobiquity and our subsidiaries are eligible to be granted stock options, and common stock awards.

Termination or Amendment of the Plans

The board may at any time amend, discontinue, or terminate all or any part of the Plans, provided, however, that unless otherwise required by law, the rights of a participant may not be impaired without his or her consent, and provided that we will seek the approval of our stockholders for any amendment if such approval is necessary to comply with any applicable federal or state securities laws or rules or regulations.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

As of March 13, 2014, the Company had outstanding 59,506,582 shares of Common Stock. The only persons of record who presently hold or are known to own (or believed by the Company to own) beneficially more than 5% of the outstanding shares of such class of stock is listed below. The following table also sets forth certain information as to holdings of the Company's Common Stock of all officers and directors individually, and all officers and directors as a group.

| Name and Address of Beneficial Owner (1) | Number of Common Shares | Percentage |
|--|-------------------------|------------|
| <i>Officers and Directors:</i> | | |
| Michael D. Trepeta (2) | 2,316,402 | 3.7 |
| Dean L. Julia (2) | 2,286,901 | 3.7 |
| Sean McDonnell (3) | 550,001 | * |
| Sean Trepeta (4) | 1,350,001 | 2.3 |
| Thomas Arnost (5) | 4,223,336 | 6.8 |
| All directors and officers as a group (five persons) (6) | 14,126,641 | 20.5 |
| Clyde Berg (7) | 6,800,000 | 11.1 |

*Represents less than 1%

(1)

Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended, and is generally determined by voting powers and/or investment powers with respect to securities. Unless otherwise noted, all of such shares of common stock listed above are owned of record by each individual named as beneficial owner and such individual has sole voting and dispositive power with respect to the shares of common stock owned by each of them. Such person or entity's percentage of ownership is determined by assuming that any options or convertible securities held by such person or entity, which are exercisable within sixty (60) days from the date hereof, have been exercised or converted as the case may be, but not for the purposes of determining the number of outstanding shares held by any other named beneficial owner. All addresses are c/o Mobiquity Technologies, Inc. 600 Old Country Road, Suite 541, Garden City, NY 11530.

- (2) Mr. Trepeta's beneficial ownership includes 1,016,402 shares and options to purchase 3,000,000 shares. Mr. Julia's beneficial ownership includes 986,901 shares and options to purchase 3,000,000 shares.
- (3) Includes 166,667 shares and options/warrants to purchase 383,334 shares.
- (4) Includes 1,000,000 shares and options/warrants to purchase 350,001 shares.
- (5) Includes 1,500,002 shares, warrants to purchase 1,000,001 shares, options to purchase 650,000 shares and a note in the principal amount of \$322,000 convertible into 1,073,333 shares.
- (6) Includes 4,669,972 shares of Common Stock and options/warrants to purchase 8,383,336 shares, plus notes convertible into 1,073,333 shares.
- Includes 4,816,667 shares and warrants to purchase 1,983,334 shares. Mr. Berg's beneficial ownership excludes
- (7) 666,667 shares and 333,333 warrants owned in a charitable remainder trust in which Mr. Berg has no pecuniary interest or right to vote.

Securities Authorized for Issuance under Equity Compensation Plans.

The following summary information is as of December 31, 2013 and relates to our 2005 Plan and 2009 Plan described elsewhere herein pursuant to which we have granted options to purchase our common stock:

| | (a) | (b) | (c) |
|---|--|---|--|
| Plan category | Number of shares of common stock to be issued upon exercise of outstanding options | Weighted average exercise price of outstanding options(1) | Number of securities remaining available for future issuance under equity compensation plans (excluding shares reflected in column (a))(2) |
| 2005 and 2009 Equity Compensation Plans | 5,445,000 | .57 | 8,351,500 |

(1) Options are exercisable at a price range of \$.10 to \$1.20 per share.

(2) The foregoing table does not reflect 203,500 shares of Common Stock issued pursuant to the 2005 Plan as restricted stock awards.

Item 13. Certain Relationships and Related Transactions and Director Independence.

Recent Securities Transactions

In the past two fiscal years ended December 31, 2013 and the period January 1, 2014 through the filing date of this Form 10-K, the Company completed the following private placement offerings with non-affiliated persons except as otherwise noted:

In January 2012, the Company received gross proceeds of \$575,000 from the sale of 958,338 shares of Common Stock at a purchase price of \$.60 per share. Rockwell Global Capital LLC acted as Placement Agent of the private placement offering, which also included the sale of Warrants to purchase 191,671 shares of Common Stock, exercisable at \$.60 per share and expiring on January 18, 2016. The Placement Agent received a \$25,000 advisory fee, \$51,750 in commissions and warrants to purchase 95,833 shares identical to the warrants sold to investors in the offering. Exemption is claimed for the sale of securities pursuant to Rule 506 and/or Section 4(2) of the Securities Act of 1933, as amended.

The Company was required to file a Registration Statement with the Securities and Exchange Commission (“SEC”) to register the resale of the shares of Common Stock sold in the private placement offering and the resale of the shares of Common Stock issuable upon exercise of the Class AA Warrants (collectively the “Registrable Shares”). The Company, at its sole discretion, elected to pay the liquidated damage payment in Common Stock totaling an aggregate of 197,860 shares in lieu of filing a Registration Statement.

In April 2012, the Company received \$270,000 from the exercise of Warrants and issued 900,000 shares of its Common Stock.

Between April 1, 2012 and May 15, 2012, the Company sold 470,000 shares of Series 1 Convertible Preferred Stock at \$1.00 per share. The Series 1 Preferred Stock had certain optional conversion rights and a mandatory conversion right into common stock on March 31, 2013. In November, 2012, the Series 1 preferred stock investors who invested an aggregate of \$250,000 in April 2012 at a \$1 per share agreed to convert their 250,000 preferred shares into an aggregate of 833,334 common shares and warrants to purchase 416,667 shares, which warrants are exercisable at \$.50 per share through December 15, 2017. The remaining 220,000 shares of outstanding Series 1 Preferred Stock automatically converted into 528,000 shares of restricted Common Stock on March 31, 2013.

On July 10, 2012, the Company sold 1,347,201 shares of its Common Stock to various investors at \$.45 per share subject to certain anti-dilution rights for a period of twenty four months. Due to the Company's November 2012 offering at \$.30 per share as described below, the Company issued an additional 673,598 shares pursuant to the aforementioned anti-dilution rights. The Company received gross proceeds of \$606,240 before offering costs. Each investor received Fixed Price Warrants to purchase 50% of the number of shares of Common Stock purchased in the Offering. The Fixed Price Warrants are exercisable at any time from the date of issuance through July 10, 2017 at an exercise price of \$.55. Each investor also received a Warrant to purchase 20% of the number of shares that were purchased in the Offering (the "Milestone Warrants"). The Milestone Warrants will automatically be exercised without any additional consideration to be paid in the event the Company reports audited gross revenues of less than \$5,000,000 for the period July 1, 2012 through June 30, 2013 unless the volume weighted average price for the Company's Common Stock exceeds \$1.00 per share for a period of at least 30 trading days prior to January 5, 2013. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

In November 2012, the aforementioned Series 1 Preferred Stock investors, who invested an aggregate of \$250,000 in April 2012 together with another Common Stock holder, invested \$301,000 at an offering price of \$.30 per share and received 1,003,334 shares of Common Stock and Warrants to purchase 501,667 shares, exercisable at \$.50 per share through December 15, 2017. Exemption from registration for the sale of securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended.

During 2013, the Company raised \$5,562,816 in gross proceeds from the sale of its Common Stock at \$.30 per share. Pursuant to said offering, the Company sold 19,125,006 shares of its Common Stock and Class BB Warrants to purchase 9,562,503 shares of Common Stock exercisable at \$.50 per share through December 15, 2017. A total of \$150,000 of commissions was paid to a licensed member of FINRA together with Warrants to purchase 625,000 shares. Exemption from registration for the sale of the aforementioned securities is claimed under Rule 506 of Regulation D promulgated pursuant to Section 4(2) of the Securities Act of 1933, as amended. Thomas Arnost, Sean Trepeta and Sean McDonnell, officers and directors of the Company, purchased \$200,000, \$90,000 and \$50,000, respectively, of securities pursuant to said offering.

Transactions with Officers and Directors

The following describes transactions between the Company and its officers and directors for the past two fiscal years ended December 31, 2013 (except as noted above).

Please see the sections titled “Employment Agreements”, “Employment Arrangements” and “Executive Compensation: above for a description of compensation and employment agreements or arrangements paid or options/warrants granted to Dean Julia, Co-CEO of the Company, Michael Trepeta, Co-CEO of the Company, and Sean Trepeta, President of Mobiquity Networks. Sean McDonnell, Chief Financial Officer of the Company, also receives a salary below the amount required of disclosure under “Executive Compensation.”

In March 2012, the Company granted each of Dean L. Julia and Michael Trepeta 10 year options to purchase 100,000 shares exercisable at \$.61 per share.

In May 2012, the Company granted each of Messrs. Iannucci, S. Trepeta, and Arnost options to purchase 50,000 shares exercisable at \$.75 per share over a term of 10 years.

In July 2012, the Company approved and in January 2013, the Company implemented amending the employment agreements of Messrs. Julia and M. Trepeta to expire on February 28, 2017, subject to an automatic one year renewal on March 1, 2013 and on each March 1st thereafter, unless the Employment Agreement is terminated in accordance with its terms on or before December 30th of the prior calendar year.

On February 13, 2013, the Company granted each of its five directors 10-year options to purchase 50,000 shares of Common Stock, exercisable at \$.25 per share.

On March 1, 2013, the Company granted each of Dean L. Julia and Michael Trepeta 10 year options to purchase 100,000 shares exercisable at \$.38 per share.

On December 13, 2013, the Company granted each of Thomas Arnost and Robert Hussey, 10-year options to purchase 250,000 shares exercisable at \$.40 per share. Mr. Arnost's options were fully vested at the time of grant. Mr. Hussey, who joined the board of directors in December 2013 and resigned from the board of directors in February 2014, had his options fully vested as of the date of his resignation.

On March 1, 2014, the Company granted each of Dean L. Julia and Michael Trepeta 10 year options to purchase 100,000 shares exercisable at \$.59 per share.

On March 3, 2014, the Company granted each of its five directors 10-year options to purchase 50,000 shares of Common Stock, exercisable at \$.59 per share.

Director Independence

Reference is made to “Item 10 – Lack of Independent Directors” for details pertaining to the lack of independent directors on the Company’s board of directors as of the filing date of this Form 10-K. As the Company has no independent directors as of the filing date of this Form 10-K, it also has no “Financial Expert” serving as an independent board member or to form an audit committee. The Company is seeking to add to the board of directors an independent director who is also a financial expert. We can provide no assurances that the Company will fill its existing vacancy with an independent director who is also a financial expert.

Item 14. Principal Accountant Fees and Services.

The following table presents aggregate fees for professional services rendered by our independent registered public accounting firm, Peter Messineo, CPA, DKM Certified Public Accountants (for audit of December 31, 2012), Messineo & Co., CPAs, LLC for the audit of our annual consolidated financial statements for the years ended December 31, 2013 and 2012.

| | Year Ended December 31, | |
|---------------------|--------------------------------|-------------|
| | 2013 | 2012 |
| Audit fees | \$ 21,000 | \$ 20,000 |
| Audit- related fees | 9,000 | 6,000 |
| Tax fees | — | — |
| All other fees | — | — |
| Total fees | \$ 30,000 | \$ 26,000 |

Policy on Board Pre-Approval of Services of Independent Registered Public Accounting Firm

Our Board has responsibility for appointing, setting compensation and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the Board has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm. Prior to engagement of the independent registered public accounting firm for the following year's audit, management will submit to the Board for approval a description of services expected to be rendered during that year for each of following categories of services:

Audit services include audit work performed in the preparation and audit of the annual financial statements, review of quarterly financial statements, reading of annual, quarterly and current reports, as well as work that generally only the independent auditor can reasonably be expected to provide, such as the provision of consents and comfort letters in connection with the filing of registration statements.

Audit-related services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions and special procedures required to meet certain regulatory requirements.

Tax services consist principally of assistance with tax compliance and reporting, as well as certain tax planning consultations.

Other services are those associated with services not captured in the other categories. We generally do not request such services from our independent auditor.

Prior to the engagement, the Board pre-approves these services by category of service. The fees are budgeted, and the Board requires the independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the Board requires specific pre-approval before engaging the independent registered public accounting firm.

The Board may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the audit Board at its next scheduled meeting.

None of the services described above for 2013 or 2012 provided by Peter Messineo CPA were approved by the Board pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Item 15. Exhibits and Financial Statement Schedules

(a) FINANCIAL STATEMENTS

The following documents are filed under "ITEM 8. FINANCIAL STATEMENTS and are included as part of this Form 10-K as the financial statements of the Company for the years ended December 31, 2012 and 2013:

Reports of Independent Registered Public Accounting Firms

Balance Sheets

Statements of Operations

Statement of Stockholders' Equity

Notes to Financial Statements

(b) EXHIBITS

Exhibit No. Description

| | |
|-------|--|
| 3.1 | Certificate of Incorporation filed March 26, 1998 (1) |
| 3.2 | Amendment to Certificate of Incorporation filed June 10, 1999 (1) |
| 3.3 | Amendment to Certificate of Incorporation approved by stockholders on February 9, 2005(1) |
| 3.4 | Amendment to Certificate of Incorporation dated September 11, 2008 (11) |
| 3.5 | Amendment to Certificate of Incorporation dated October 7, 2009 (11) |
| 3.6 | Amendment to Certificate of Incorporation dated May 18, 2012 (11) |
| 3.7 | Amendment to Certificate of Incorporation dated September 10, 2013 (17) |
| 3.8 | Amended By-Laws (1) |
| 10.1 | Employment Agreement - Michael Trepeta (2) |
| 10.2 | Employment Agreement - Dean Julia (2) |
| 10.3 | Amendments to Employment Agreement - Michael Trepeta (5)(7) |
| 10.4 | Amendments to Employment Agreement - Dean L. Julia (5)(7) |
| 10.5 | Joint Venture Agreement with Atrium Enterprises Ltd. (6) |
| 10.6 | Agreement with Aon Consulting (6) |
| 10.7 | Amendment to Exhibits 10.3 and 10.4 dated April 7, 2010 (10) |
| 10.8 | Office Lease for Garden City, NY (11) |
| 10.9 | Amendment to Employment Agreement – Dean L. Julia (11) |
| 10.10 | Amendment to Employment Agreement – Michael D. Trepeta (11) |
| 10.11 | Convertible Promissory Note (12) |
| 10.12 | Registration Rights Agreement dated June 12, 2012 by and between the Company and TCA (13) |
| 10.13 | Equity Agreement dated June 12, 2012 by and between the Company and TCA (13) |
| 10.14 | Amendment to Dean L. Julia’s Employment Agreement (16) |
| 10.15 | Amendment to Michael D. Trepeta’s Employment Agreement (16) |
| 11.1 | Statement re: Computation of per share earnings. See Statement of Operations and Notes to Financial Statements |
| 14.1 | Code of Ethics/Code of Conduct (15) |
| 21.1 | Subsidiaries of the Issuer (15) |
| 23.1 | Consent of Messineo & Co., CPA’s LLC (15) |
| 23.2 | Consent of DKM, Certified Public Accountants (15) |
| 31.1 | Co-Principal Executive Officer Rule 13a-14(a)/15d-14(a) Certification (15) |
| 31.2 | Co-Principal Executive Officer Rule 13a-14(a)/15d-14(a) Certification (15) |
| 31.3 | Principal Financial Officer Rule 13a-14(a)/15d-14(a) Certification (15) |
| 32.1 | Co-Principal Executive Officer Section 1350 Certification (15) |
| 32.2 | Co-Principal Executive Officer Section 1350 Certification (15) |
| 32.3 | Principal Financial Officer Section 1350 Certification (15) |
| 99.1 | 2005 Employee Benefit and Consulting Services Compensation Plan(2) |
| 99.2 | Form of Class A Warrant (2) |
| 99.3 | Form of Class B Warrant (2) |
| 99.4 | Amendment to 2005 Plan (4) |
| 99.5 | Form of Class C Warrant (8) |
| 99.6 | 2009 Employee Benefit and Consulting Services Compensation Plan (3) |
| 99.7 | Form of Class D Warrant (3) |

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|---------|---|
| 99.8 | Form or Class E Warrant(9) |
| 99.9 | Form of Class F Warrant (9) |
| 99.10 | Form of Class G Warrant (9) |
| 99.11 | Form of Class H Warrant (9) |
| 99.12 | Form of Class AA Warrant (11) |
| 99.13 | Form of Class BB Warrant (11) |
| 101.SCH | Document, XBRL Taxonomy Extension (15) |
| 101.CAL | Calculation Linkbase, XBRL Taxonomy Extension Definition (15) |
| 101.DEF | Linkbase, XBRL Taxonomy Extension Labels (15) |
| 101.LAB | Linkbase, XBRL Taxonomy Extension (15) |
| 101.PRE | Presentation Linkbase (15) |

- (1) Incorporated by reference to Registrant's Registration Statement on Form 10-SB as filed with the Commission on February 10, 2005.
- (2) Incorporated by reference to Registrant's Registration Statement on Form 10-SB/A filed with the Commission March 18, 2005.
- (3) Incorporated by reference to Form 10-K filed for the fiscal year ended December 31, 2009.
- (4) Incorporated by reference to the Registrant's Form 10-QSB/A filed with the Commission on August 18, 2005.
- (5) Incorporated by reference to the Registrant's Form 10-KSB for its fiscal year ended December 31, 2005.
- (6) Incorporated by reference to the Registrant's Form 10-KSB for its fiscal year ended December 31, 2006.
- (7) Incorporated by reference to the Registrant's Form 8-K dated September 21, 2007.
- (8) Incorporated by reference to the Registrant's Form 10-QSB for its quarter ended September 30, 2006.
- (9) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2010.
- (10) Incorporated by reference to the Registrant's Form 10-Q for the quarter ended June 30, 2011.
- (11) Incorporated by reference to the Registrant's Form 10-K for its fiscal year ended December 31, 2012.
- (12) Incorporated by reference to the Registrant's Form 8-K dated June 14, 2012.
- (13) Incorporated by reference to the Registrant's Form 8-K dated June 15, 2012.
- (14) Incorporated by reference to the Registrant's Form 8-K dated June 6, 2013.
- (15) Filed herewith.
- (16) Incorporated by reference to Form 8-K filed June 6, 2013.
- (17) Incorporated by reference to Form 8-K filed September 11, 2013.

(c) FINANCIAL STATEMENT SCHEDULES

We are not filing any financial statement schedules as part of this Form 10-K because such schedules are either not applicable or the required information is included in the financial statements or notes thereto.

SIGNATURES

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

MOBIQUITY TECHNOLOGIES,
INC.

By: /s/ Dean L. Julia
Dean L. Julia,
Co-Principal Executive Officer

Dated: Garden City, New York

March 21, 2014

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

| Signatures | Title | Date |
|--|---|----------------|
| /s/ Dean L. Julia Dean L. Julia | Principal Executive Officer and Director | March 21, 2014 |
| /s/ Sean McDonnell Sean McDonnell | Principal Financial Officer | March 21, 2014 |
| /s/ Michael D. Trepeta Michael D. Trepeta | Co-Principal Executive Officer, President, Director | March 21, 2014 |
| /s/ Sean Trepeta Sean Trepeta | Director | March 21, 2014 |
| /s/ Thomas Arnost Thomas Arnost | Chairman of the Board | March 21, 2014 |

Dean L. Julia, Michael D. Trepeta, Sean Trepeta and Thomas Arnost represent all the current members of the Board of Directors.

