

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

FORM 10-KSB

(Mark One)

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

For the fiscal year ended June 30, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 000-32673

TRANSWORLD BENEFITS INTERNATIONAL, INC.  
(Exact name of registrant as specified in its charter)

CALIFORNIA  
(State or other jurisdiction of incorporation or organization)

98-0218912  
(I.R.S. Employer Identification No.)

4675 MacArthur Court, Suite 550, Newport Beach, CA 92660  
(Address, including zip code, of principal executive offices)

949-851-7775  
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Exchange Act:

Title of each Class	Name of each exchange on which registered
100,000,000 Common Stock, Par Value - \$0.001	Over the Counter Bulletin Board

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

Note - checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Persons who are to respond to the collection of information contained in the form are not required to respond unless the form displays a currently valid OMB control number.

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for the 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

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B 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-KSB or any amendment to this Form 10-KSB.

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

State issuer's revenues for its most recent fiscal year: \$0.00

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.): \$858,219

Note: If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.  Yes  No

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date. The number of shares of the Registrant's Common Stock outstanding as of February 1, 2008: 99,130,162 shares of Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ("Securities Act"). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

Transitional Small Business Disclosure Format (Check one):  Yes  No

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## FORWARD-LOOKING INFORMATION

Throughout this report, references to the "Company," "we" and "our" refer to TransWorld Benefits International, Inc. and its consolidated subsidiary, unless the context indicates otherwise.

Statements in this Form 10-K (or otherwise made by us or on our behalf) contain various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," which represent our management's beliefs and assumptions concerning future events. When used in this document and in documents incorporated by reference, forward-looking statements include, without limitation, statements regarding financial forecasts or projections, and our expectations, beliefs, intentions or future strategies that are signified by the words "expects," "anticipates," "intends," "believes," "plans," or similar language. These forward-looking statements are subject to risks, uncertainties and assumptions that could cause our actual results and the timing of certain events to differ materially from those expressed in the forward-looking statements. It is routine for our internal projections and expectations to change as the year or each quarter in the year progresses, and therefore it should be clearly understood that the internal projections, beliefs and assumptions on which we base our expectations may change prior to the end of each quarter or year. Although these expectations may change, we may not inform you if they do.

You should understand that many important factors, in addition to those discussed or incorporated by reference in this report, could cause our results to differ materially from those expressed in the forward-looking statements. In light of these risks and uncertainties, the forward-looking events discussed in this report might not occur

## PART I

### ITEM 1. DESCRIPTION OF BUSINESS

#### BACKGROUND AND ORGANIZATION

The Company was incorporated in 1999 as Encore Ventures, Inc. in Nevada. On August 8, 2001 we filed the necessary documents with the Secretary of State of Nevada to change our name to Thinka Weight-Loss Corporation. We also changed our symbol from "ECVI" to "TWLO". The Company changed its name again on October 16, 2003 to TransWorld Benefits International, Inc. and changed its symbol from "TWLO" to "TBII".

We were originally in the business of mineral exploration. However, we made the decision to change the direction of our business. In July 2001, we purchased all of the assets of Six Forty-Nine Incorporated, a Nevada corporation ("649 Inc."), in exchange for 12,892,300 shares of our common stock. The assets included all right, title and interest in the Thinka products, a liquid, low carbohydrate, high protein weight loss product. On November 2, 2000, 649 Inc. had purchased the right, title and interest in the Thinka product from Dr. Louis Scarrone, the creator of the Thinka diet product. In the Fall of 2002, we determined that we could not be profitable with the Thinka product. Our former officers and directors believed it was in the best interest of our stockholders to discontinue the company's current business and attempt to acquire a new business which may provide more value to our stockholders. To further this objective, our former officers and directors agreed to acquire Transworld Benefits, Inc., a Nevada corporation, in a tax-free reorganization pursuant to a Share Purchase Agreement.

Our Form 8-K, filed with the Securities and Exchange Commission on October 15, 2002, is hereby incorporated by reference into this filing.

Pursuant to a Share Purchase Agreement dated October 4, 2002 by and among Thinka Weight-Loss Corporation (the "Company"), TransWorld Benefits, Inc. ("TransWorld"), and certain shareholders of TransWorld, the Company acquired 5,600,000 shares of the common stock of TransWorld, which represented 100% of the issued and outstanding capital stock of TransWorld, in exchange for 4,500,000 newly issued shares of its common stock and 5,721,435 of outstanding common stock shares (the "Reverse Acquisition"). The parties to the Reverse Acquisition originally contemplated that the shareholders of TransWorld would receive an aggregate of 10,221,435 shares of the Company's common stock at the closing of the Reverse Acquisition, which together would have represented 53.7% of the Company's total outstanding capital stock. However, due to a disputed claim made by a shareholder of the Company, the 5,721,435 shares of the Company's common stock were not transferred to the TransWorld shareholders until June 2004.

As a result of the Reverse Acquisition, TransWorld became a wholly owned subsidiary of the Company effective on January 30, 2003, and two shareholders of TransWorld were elected to two of the three seats on the Company's Board of Directors. Through their acquisition of the shares of the Company's outstanding common stock as described herein, certain shareholders of TransWorld now exercise control of the Company, which in turn controls TransWorld as a wholly owned subsidiary. As a result, the related transactions together have been accounted for as a "reverse acquisition." Under reverse acquisition accounting, TransWorld is considered the accounting acquirer and the Company is considered the accounting acquiree. The historical financial statements of TransWorld have now become those of the Company.

In connection with the merger, the Company became a development stage company formed to provide emergency travel services to the funeral, insurance, travel, Internet, and credit card industries. The Company will generate revenue through direct sales or licensing of the Company's proprietary products such as the return of remains of the deceased by private executive aircraft. The Company also intends to market and sell insurance plans for the repatriation of remains benefit, medical evacuation and necessary repatriation as well as accidental death and dismemberment benefits. The Company expects to sell its products to customers both domestically and internationally.

#### OUR PRODUCTS

We are committed to providing the most exclusive, comprehensive, dignified, convenient and private emergency travel benefits worldwide. This includes the transportation of injured individuals in a medical emergency, commonly known as "medical evacuation," and transportation of the deceased, commonly known as "repatriation." We intend to include both domestic and international travel on private jets. We have developed a proprietary, one-of-a-kind benefits package to provide these services, and we intend to underwrite our ability to provide those benefits through "A" rated insurance companies. We currently refer to our complete line of benefits as our "Emergency Travel Assistance Program", namely Above & Beyond.

The products we plan to offer are set forth below:

#### LIVING BENEFITS:

- Medical Evacuation and Repatriation - medivac or personal transportation provided on an as-needed basis.
- Worldwide Travel Assistance - for travelers needing professional or

consular help with doctors, lawyers, hospitals, or the replacement of prescriptions and eyeglasses.

- Medical Travel Advisory - \$10,000 accidental dismemberment benefit.
- Bridge Medical Coverage - up to \$2,500 to reimburse deductible or co-pay.

#### DEATH BENEFITS:

- Return of Remains - efficient and dignified return in a private executive aircraft.
- Family Travel - up to three family members or friends may accompany the remains at no extra charge.
- Complete and Paid Handling of All Funeral Details - including ground transportation at ending and receiving sites, embalming or cremation, and travel containers.
- Processing of Paperwork and Regulatory Compliance - includes adherence to international law and religious custom of deceased.
- Vehicle Return - up to \$2,000 for the return of vehicle with annual trip policies.
- Death Benefit - a \$10,000 accidental death benefit.

Our products will likely include the return of remains by contracted private executive aircraft as a standard feature. We will provide dignified and respectful service, and up to three members of the deceased's family may also accompany the remains. Of the world's airports, 90% are unable to accommodate a commercial airplane. Our solution provides privacy and convenience at a time of need.

While our main focus for its lifetime products is wholesale through groups, a number of these groups finance their resales over one, three, or five years and have asked us to either do some premium financing on lifetime products or assist them in their effort. We are considering offering this financing in the future.

#### OUR MARKETS

Generally, we refer to our niche market as the emergency travel assistance market, which includes both medical evacuation and repatriation. Americans are traveling in record numbers for business and pleasure. The markets for TransWorld's Emergency Travel Assistance Program are substantial and diverse. Each represents a major economic opportunity. The primary markets for the company are:

- - Travel - Americans take over 2 billion trips per year.
- - Cruise Lines - Over 7,000,000 passengers.
- - Insurance - Millions of insurance policies are sold annually.
- - Funeral - Approximately 2,000,000 pre-need insurance policies are sold each year.
- - Associations - The American Association of Retired People (AARP), for

example, has 35,000,000 members.

- - Corporations - 200,000,000 plus business trips are taken per year.
- - Credit Card - in excess of 1,500,000,000 bank credit cards are outstanding.
- - Timeshare - Resorts International has over 2,000,000 timeshare owners who take 4,600,000 trips per year.
- - Internet - More than 3,000,000 airline tickets purchased annually.

These are mature markets with well-established and accessible channels of distribution for an emergency travel assistance program. Companies who sell to these markets are continuously looking for unique, high quality products. Their sales force of thousands of representatives can expedite our acceptance and penetration in the target markets. We plan to use primarily these channels of distribution, with an initial focus on the first 4 listed above.

A more detailed analysis of each market is set forth below:

#### TRAVEL INDUSTRY

This is a segment experiencing exceptional growth, as baby boomers become empty nesters. It is also an industry in which travel agency profits have been under pressure as airlines have pushed direct ticket purchase programs and reduced commissions. With our 40% travel agent commission structure, our products can be a significant potential source of new revenue for travel agencies, wholesalers, and travel packagers.

#### CRUISE LINES

The cruise ship category is a fast-growing segment of the vacation travel industry. The industry reports that it will add additional ships representing a major increase in capacity. With our dignified return of remains via private executive aircraft, we can provide a solution to a passenger's death that is in keeping with the cruise ship industry's image of exceptional service and concern for their customers. Every cruise ticket can be written with the TransWorld Emergency Travel Assistance Program included. On a cruise ship ticket costing \$1,000 per person, an add-on of \$8 or \$10 is insignificant to the overall price to the traveling customer, and we believe we can successfully market our product at this price.

#### FORTUNE 500

Our products will have broad appeal to Fortune 500 companies, who will include our products in their executive compensation programs. Professional corporate insurance brokers will sell this product to their existing customer base. The top 10 such insurance brokers employ in excess of 90,000 sales people. In addition, employee benefits providers, and executive compensation firms, will be prime candidates to sell the Company's products.

#### FUNERAL INDUSTRY

US News and World Report indicated that the funeral industry has annual sales of \$25 billion. After a century of declining mortality in America, the death rate will increase in the years ahead, as baby boomers age. Industry projections call for approximately 2,000,000 pre-need funeral insurance policies to be sold annually for the next twenty years. Pre-need insurance is sold to individuals

to cover the future expenses of a funeral and burial. It has become a major profit center for the funeral industry. Service Corporation International, one of the largest funeral firms in the country, has \$3.2 billion of pre-need policies on its books.

Our goal is to sell our product to 47,000 people in the first year of distribution through the funeral industry. This represents less than a one percent market penetration of the total projected pre-need insurance policy sales of approximately 2,000,000 in 1998. Service Corporation International, Loewen Group, United Family Life, Ross Hiss (a Loewen Company), Inglewood Cemetery (a Centennial Company), Matthews, and Monumental Life all have the capacity to individually equal or surpass our projected first-year sales.

#### ASSOCIATIONS

Increasingly, special interest associations are offering travel services to their members. An association has paid dues because they deliver value-added services and products. Therefore, to a dues-driven organization such as an association, a product like our TransWorld Emergency Travel Assistance Program is very attractive.

For example, the American Association of Retired Persons (AARP) has 35,000,000 members, and offers a full range of travel programs. Other examples of potential markets include the American Automobile Association, with its millions of members, and the Nevada State Teachers Association, whose 9,000 members almost all travel outside the state during the summer months.

#### CORPORATIONS

Corporate travel will be a major source of revenue for us with billions of dollars spent. Corporate meeting and incentive planners get together often and share ideas. Our representatives can act as guest speakers at such meetings, as they have done in the past.

#### CREDIT CARD

This market is a major opportunity for us. We have held discussions with one major credit card company about adding our product as a standard feature for each cardholder.

#### TIMESHARE INDUSTRY

The timeshare industry is a prime candidate for our products. Worldwide, there are more than 6,000 timeshare resorts. More than 4,000,000 people in 174 countries are vacation time owners. Resorts International, the industry leader, has 2,000,000 members around the world. Its member benefits include travel agency services (including airline tickets), tour packages, and car rentals.

#### INTERNET

America Online (AOL) has over 2,000,000 customers who regularly purchase airline tickets via the Internet. Microsoft accepts airline tickets over its Internet travel site. The Internet is an area of explosive travel services growth. We have been in contact with award winning web-site designers, working to create a state-of-the-art web site.

Our insurance sales and management group has identified corporate, association, and insurance groups, particularly HMOs, for presales or sales during the first 90 days after start-up. We require a modest level of market penetration to

achieve or exceed our projected sales and profit objectives. We expect target market penetrations of less than 1% in year one, 5% in year two, and 10% in year three, excluding all Internet sales. To achieve these goals, we must receive at least \$5,000,000 of additional funding.

#### OUR SUPPLIERS

The supply of our services from third parties are either committed or being negotiated with our vendors. The repatriation of remains benefit, medical evacuation and necessary repatriation, as well as accidental death and dismemberment benefits, are being negotiated on a reinsurance basis for trip, annual, and lifetime products on a rollover basis. Approximately 60% - 80% of the FAA certified aircraft in the United States capable of medivac or return of human remains flights have been contracted to, or are available to, us on an exclusive basis. Additionally, the pre-need insurance companies operating in the funeral industry will, in some cases, underwrite those products using a reinsurance carrier. U.S. Assist, and other assistance companies have offered us contracts for our worldwide assistance product. To complete all of our vendor agreements, we believe we need to receive at least about \$5,000,000 of financing over the next twelve months.

#### OUR DISTRIBUTION METHODS

We are offering easy-to-understand, and simple to purchase, emergency travel assistance products. Consumers can purchase short term, annual, or lifetime products through our wholesale network of insurance companies, brokers, travel agencies, and funeral homes, as well as directly through the Internet, and other mass marketing venues. We will be developing strategic alliances with funeral companies, insurance companies and travel companies to be our primary source of distribution.

We intend to become the "brand name" in the emergency travel assistance market through substantial expenditures in advertising, a cooperative advertising program, and media discount opportunities.

We plan to continue to supply our immense target markets with product enhancements, and with new products, while taking our current product line to Asia and Europe by the end of year two.

#### OUR BUSINESS STRATEGY

We intend to build a number of strategic alliances with leaders in each of our primary markets. Our goal is to motivate selected sales organizations to aggressively sell our products. We will offer our strategic alliance partners a number of advantages, which may include advertising or endorsements, co-op advertising funds, and/or product discounts for volume purchases.

Where appropriate, we will underwrite our product purchases on a direct basis from wholesale pre-need insurance companies. These buybacks from pre-need insurance company customers will serve as additional incentive to make our products a standard part of these wholesalers' product lines. Companies such as Allianz, York Agencies, Liberty Insurance, United Family Life, SCI and Loewen, and Stewart Enterprises are all candidates for underwritten product purchases.

#### OUR RESEARCH AND DEVELOPMENT

We have developed our own proprietary actuarial analysis, qualifying the economic risk to offer return of remains by private executive aircraft.

TransWorld Benefits, Inc. purchased the results of over five years of research on the emergency travel assistance market. In addition, we have conducted additional research. This research sought to establish exclusive aircraft networking and target markets with existing distribution channel. This research also provided data about adequately underwriting the products, other insurance issues and state laws and regulations. The research also produced a proprietary actuarial study for our products.

#### REPORTS TO SECURITY HOLDERS

Our common stock is registered pursuant to Section 12(g) of the Securities and Exchange Act of 1934, and as a result, we are required to file periodic reports with the Securities and Exchange Commission, including Forms 10-KSB, 10-QSB, and 8-K. In addition, we are required to deliver an annual report to our stockholders and to file all proxy solicitations with the Securities and Exchange Commission.

You may read and copy materials we file with the Securities and Exchange Commission (SEC) at the SEC's Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at the following address: <http://www.sec.gov>.

#### ITEM 2. DESCRIPTION OF PROPERTY

Facilities. The Company's principal executive and administrative offices are located at 4675 MacArthur Court, Suite 550, Newport Beach California 92660. The facility has approximately 1,000 square feet.

#### ITEM 3. LEGAL PROCEEDINGS

The Company may become involved in various legal proceedings and claims which arise in the ordinary course of its business. Management does not believe that these matters will have a material adverse effect on the Company's financial position or results of operations.

On December 23, 2002, an individual filed a lawsuit in Superior Court for the County of Orange, State of California, against TransWorld Benefits, Inc. (the "Company") and others. The only cause of action alleged against the Company in the Lawsuit is for breach of contract. In that cause of action, plaintiff alleged that he lent \$35,000 to the Company and was not repaid. Plaintiff alleged that he was entitled to judgment for \$45,000, plus prejudgment interest and court costs. On October 6, 2003, the Company filed a cross-complaint against the plaintiff for breach of contract and fraud alleging that plaintiff had breached an obligation to pay the Company \$500,000 pursuant to a Stock Purchase Agreement between plaintiff and the Company. On or about November 17, 2003 the company entered into a settlement agreement with plaintiff which included a full release and was reduced to a judgment for \$58,000 against TWBI in July. The judgment was vacated and the suit was dismissed with prejudice on January 4, 2006.

On or about February 25, 2004, a firm who leased office space to the Company filed an unlawful detainer lawsuit in the Superior Court of California, County of Orange, against TWBI. On or about July 14, 2004, the lessor obtained a judgment against the TWBI for \$102,580 for lease damages.

ITEM 3. LEGAL PROCEEDINGS, CONTINUED

On or about July 23, 2007, an individual hired to perform accounting and other services for the Company on a contract basis filed a claim for unpaid wages in front of the labor board. Said individual obtained an award against TWBI from the Labor Commissioner for the State of California in the amount of \$233,486 the ("Award"). On August 7, 2007, TWBI timely filed an appeal of the award with the Superior Court of California, County of Orange, entitling TWBI to a trial de novo of the issues adjudicated in the award. On December 10, the Court issued a ruling determining that the individual was not an employee during the period in question and is not entitled to any wages from the Company and granted judgment in favor of the Company.

On June 4, 2007 in the Superior Court of California, TWBI filed a lawsuit against the individual referenced above who made an unsuccessful claim for wages against the company, seeking damages in excess of \$1 million from the individual. The lawsuit alleges claims for Breach of Fiduciary Duty, Negligence, Fraud, Conversion and Declaratory Relief. Defendant has defaulted in the lawsuit, and the Court has entered judgment on behalf of TWBI for \$5,000,000. The Company does not expect to receive these funds.

On May 26, 2007, a former executive of the Company filed suit against the Company, alleging that he is owed compensation, benefits, common stock in the Company, plus indemnification for amounts he paid to a third party financier pursuant to execution of a judgment. The plaintiff's operative complaint asserts alleged causes of action for fraud, breach of contract, breach of fiduciary duty, indemnity, accounting, and unfair competition. The case is still in the pleading stage, and the Company has filed a Demurrer and Motion to Strike regarding the First Amended Complaint. There has been only limited discovery to date. Trial is set for June 9, 2008. The Company intends to vigorously defend this lawsuit and is evaluating possible cross claims it may have. The outcome at this time is unknown.

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

None

PART II. OTHER INFORMATION

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

- (a) Our stock has been quoted on the Over the Counter Bulletin Board since January 15, 2002 and is currently traded under the symbol TBII.

The table below sets forth the quarterly low and high OTC market quotations.

Quarter	2004-2005		2005-2006		2006-2007	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
First	\$0.02	\$0.03	\$0.01	\$0.02	\$0.002	\$0.006
Second	\$0.01	\$0.02	\$0.01	\$0.02	\$0.001	\$0.001
Third	\$0.01	\$0.02	\$0.007	\$0.01	\$0.002	\$0.004
Fourth	\$0.01	\$0.02	\$0.006	\$0.008	\$0.004	\$0.02

Shares of our common stock are subject to rules adopted by the Securities and Exchange Commission that regulate broker-dealer practices in connection with

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES, CONTINUED

transactions in "penny stocks". Penny stocks are generally equity securities with a price of less than \$5.00, except for securities registered on certain national securities exchanges or quoted on the Nasdaq system, provided that current price and volume information with respect to transactions in those securities is provided by the exchange or system. The penny stock rules require a broker-dealer to deliver a standardized risk disclosure document prepared by the Securities and Exchange Commission, which contains the following:

- o a description of the nature and level of risk in the market for penny stocks in both public offerings and secondary trading;
- o a description of the broker's or dealer's duties to the customer and of the rights and remedies available to the customer with respect to violation to such duties or other requirements of securities' laws;
- o a brief, clear, narrative description of a dealer market, including "bid" and "ask" prices for penny stocks and the significance of the spread between the "bid" and "ask" price;
- o a toll-free telephone number for inquiries on disciplinary actions; definitions of significant terms in the disclosure document or in the conduct of trading in penny stocks; and
- o such other information and is in such form, including language, type, size and format, as the Securities and Exchange Commission shall require by rule or regulation.

Prior to effecting any transaction in penny stock, the broker-dealer also must provide the customer the following:

- o the bid and offer quotations for the penny stock;
- o the compensation of the broker-dealer and its salesperson in the transaction;
- o the number of shares to which such bid and ask prices apply, or other comparable information relating to the depth and liquidity of the market for such stock; and
- o monthly account statements showing the market value of each penny stock held in the customer's account.

In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from those rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written acknowledgment of the receipt of a risk disclosure statement, a written agreement to transactions involving penny stocks, and a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for a stock that becomes subject to the penny stock rules. Holders of shares of our common stock may have difficulty selling those shares because our common stock will probably be subject to the penny stock rules.

(b) There are approximately 53 holders of record of our common stock. That does not account for the number of beneficial holders whose stock is held in the name of broker-dealers or banks.

(c) We have not paid and, in the foreseeable future, we do not intend to pay any dividends. There are no restrictions that limit the ability to pay dividends on common equity and none that are likely to do so in the future.

## ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS of FINANCIAL CONDITION

Management's discussion and analysis ("MD&A") provides supplemental information which sets forth the major factors that have affected the Company's financial condition and results of operations and should be read in conjunction with the Consolidated Financial Statements and related notes. The MD&A is divided into subsections entitled "Forward Looking Information", "Going Concern", "Development Stage Business Plans", "Results of Operations", and "Liquidity and Capital Resources".

### FORWARD LOOKING INFORMATION

This annual report on Form 10-KSB contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, the Company may make other written and oral communications from time to time that contain such statements. Forward-looking statements include statements as to company and industry trends, future expectations of the Company and other matters that do not relate strictly to historical facts and are based on certain assumptions by management. These statements are often identified by the use of words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "estimate," or "continue," and similar expressions or variations. These statements are based on the beliefs and assumptions of the management of the Company based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from future results expressed or implied by such forward looking statements. We caution the reader to carefully consider such factors. Furthermore, such forward-looking statements speak only as of the date of this report. We undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

### GOING CONCERN

We recognize that we must generate additional resources in order for us to eventually reach a level of sustained profitable operations. We are dependent on the development of effective marketing strategies for our products to customers in a competitive market coupled with the timeliness of the delivery of our services. We anticipate bringing our services to market as described below, which will generate revenue to the Company. Our plans also include obtaining additional working capital through equity or debt financing. However, no assurances can be made that we will attain profitability and that the additional working capital will be available when needed or on terms acceptable to us.

The Company has never earned revenues and has incurred losses totaling approximately \$4,915,000 since our inception. We are still in the development stage and have a working capital deficit of approximately \$2,590,000 as of June 30, 2007. These factors, among others, raise substantial doubt regarding our ability to continue as a going concern. The accompanying financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might result from the outcome of these uncertainties. As a result, our auditors have included a going concern modification in our June 30, 2007 audited financial statements report.

DEVELOPMENT STAGE BUSINESS PLANS

Product Development. We have developed our unique product line utilizing the experience of our staff and officers in aircraft management, death care and insurance resulting in the development of a product with unique, state-of-the-art features and benefits. Our actuarial analysis and aircraft network constitute a significant barrier to entry for competitors. We believe we have completed our product research and development for the foreseeable future and do not intend to spend significant resources on research and development over the next twelve (12) months.

The Opportunity. A business opportunity, the sales of emergency travel assistance, with both living and death benefit, including medical evacuation and repatriation, and more, exists. We have developed a proprietary, one-of-a-kind benefits package to capture this opportunity. The benefits are guaranteed by "A" rated insurance companies.

Business Strategy. We will employ the following business strategies and goals:

- Bundle living benefits and repatriation services to customer driven time frames.
- Leverage sales effort through strategic alliances with established sales organizations serving primary markets.
- Offer exceptional value, being the low cost provider whenever possible.
- Become the "brand name" for Emergency Travel Assistance Programs worldwide.
- Offer cooperative advertising funds to expedite market penetration.
- Develop Emergency Travel Assistance products for emerging markets, and distribution channels, such as the internet.
- Hire, motivate, and retain top quality sales and marketing personnel influence" sales and marketing personnel.
- Provide product enhancement on a regular basis.
- Use technology to lower product costs - becoming a virtual organization.
- Excel in customer service and support.

We will be implementing our strategies and goals the following ways:

We are planning to offer easy-to-understand, and simple to purchase, Emergency Travel Insurance products, which provide valuable living and death benefits. Consumers will be able to purchase short term, annual, or lifetime policies through our wholesale network of insurance companies, brokers, travel agencies, or funeral homes, as well as the Internet, and other mass marketing venues.

## ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, CONTINUED

We will continue detailed research on current and future products, thereby offering exceptional value, and in most cases, being the lowest cost provider of these services.

When funded, we are projecting a substantial advertising budget, cooperative advertising program, and media discount opportunities, and we believe this will position us as the "brand name" in the Emergency Travel Insurance business. Our advertising programs will target the consumer from this position of strength, generating leads for our wholesale partners, with whom we will be developing strategic alliances for quick product rollout.

We have a strong focus on experienced and talented management and are conveying that focus into the sales department, where very strong "center of influence" personnel are being hired as funding allows, with an outstanding incentive program, and the best product line available in the industry. The diversity of the product, purchase periods, and diverse markets, can only be managed using state of the art technology, and substantial customer service and support all of our strong assets.

### RESULTS OF OPERATIONS

For the years ended June 30, 2007 and 2006, the Company has incurred general and administrative expenses of approximately \$502,000 and \$237,000, respectively, in its development stage. The majority of expenses have been for consultants, professional fees, travel, interest expense and office leases. The increase in our expenses since June 2006 was a direct result of loans to our Company by our majority shareholder. We expect to incur substantial expenses to further develop our business plan before any revenues are earned. We need additional loans and investments in the near future for our business plan to succeed in a timely manner.

### LIQUIDITY AND CAPITAL RESOURCES.

We had \$8,508 in cash and a working capital deficit of approximately \$2,590,000 at June 30, 2007. We are a development stage Company and have earned no revenues since inception.

We do not currently have any material commitments for capital expenditures in the short term other than those expenditures incurred in the ordinary course of business.

Since inception, our operating and investing activities have used all cash from financing activities. We need to raise additional capital to develop and conduct our operations. Such additional capital may be raised through public or private financing as well as borrowings and other sources. We are currently negotiating potential investments with several separate groups or individuals to raise money through a private sale of stock or convertible debentures, but there can be no assurance that additional funding will be available on favorable terms, if at all. If adequate funds are not available, we believe that our majority shareholder will contribute funds to pay for our basic expenses, but this will not meet our cash requirements to fund our business plan. Therefore, we have not contemplated any plan of liquidation in the event that we do not generate additional capital in the near term.

ITEM 7. FINANCIAL STATEMENTS

TransWorld Benefits International, Inc. and Subsidiary  
(A Development Stage Company)  
Consolidated Balance Sheets  
As of June 30, 2007 and 2006

	June 30,	
	2007	2006
Assets:		
Current assets:		
Cash	\$ 8,508	\$ -
Prepaid expenses	9,960	-
	18,468	-
Furniture and equipment, net of accumulated depreciation of \$727	2,836	-
Total assets	\$ 21,304	\$ 0
Liabilities and stockholders' deficiency		
Current liabilities:		
Accounts payable and accrued expenses	\$ 267,582	\$ 247,226
Accrued consulting and related	273,838	358,973
Accounts payable to related parties	1,654,021	1,418,986
Advances from related parties	109,500	109,500
Notes payable to related party	154,067	154,067
Accrued interest on notes payable related party	131,976	111,470
Advances payable	19,500	27,000
Accrued interest on convertible debenture	-	47,638
	2,610,484	2,474,860
Convertible debenture payable	-	148,750
Total liabilities	2,610,484	2,623,610
Stockholders' deficiency:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized; 99,130,162 and 35,069,898 shares issued and outstanding at June 30, 2007 and 2006, respectively	99,130	35,070
Additional paid-in capital	2,226,447	1,765,908
Accumulated deficit	(4,914,757)	(4,424,588)
Total stockholders' deficiency	(2,589,180)	(2,623,610)
Total liabilities and stockholders' deficiency	\$ 21,304	\$ 0

See independent auditors' report and notes to the financial statements

TransWorld Benefits International, Inc. and Subsidiary  
(A Development Stage Company)  
Consolidated Statements of Operations  
For the Years Ended June 30, 2007 and 2006 and Cumulative  
Amounts from Inception September 16, 1996 through June 30, 2007

	For the Years Ended June 30,		(Unaudited) Cumulative from Inception
	2007	2006	
Revenues	\$ -	\$ -	\$ -
General and administrative expenses	<u>502,308</u>	<u>236,594</u>	<u>(5,204,640)</u>
(Loss) before other income (expense)	(502,308)	(236,594)	(5,204,640)
Other income (expense):			
Other income	-	-	8,902
Gain on settlement of debt	35,467	-	224,491
Gain on decrease in fair value of warrants and stock purchase rights liabilities	-	-	475,510
Interest expense, net	<u>(23,328)</u>	<u>(50,932)</u>	<u>(419,020)</u>
Net (loss)	(490,169)	(287,526)	(4,914,757)
Beginning of period accumulated deficit	<u>(4,424,588)</u>	<u>(4,137,062)</u>	<u>-</u>
End of year accumulated deficit	<u>\$ (4,914,757)</u>	<u>\$ (4,424,588)</u>	<u>\$ (4,914,757)</u>
Loss per share:			
Basic and diluted	<u>\$ (0.011)</u>	<u>\$ (0.008)</u>	
Weighted average number of shares outstanding:			
Basic and diluted	<u>44,020,784</u>	<u>35,069,898</u>	

See independent auditors' report and notes to the financial statements

TransWorld Benefits International, Inc. and Subsidiary  
(A Development Stage Company)  
Consolidated Statements of Cash Flow  
For the Years Ended June 30, 2007 and 2006 and Cumulative  
Amounts from Inception September 16, 1996 through June 30, 2007

	For the Years Ended June 30,		(Unaudited) Cumulative from Inception
	2007	2006	
<b>Cash Flows from Operating Activities:</b>			
Net (loss)	\$(490,169)	\$(287,526)	\$(4,914,757)
Adjustments to reconcile net (loss) to net cash from (used in) operating activities:			
Depreciation	727	-	727
Amortization of deferred financing costs	-	16,485	193,750
Common stock issued for services and debt	325,342	-	2,088,651
Gain of settlement of debt	-	-	(202,024)
Subscription receivable exchanged for services	-	-	20,000
(Gain) on decrease in fair value of warrants and stock purchase rights liabilities	-	-	(475,510)
Changes in operating assets and liabilities, net of effects of merger:			
Prepaid expenses	(9,960)	-	(9,960)
Accounts payable and accrued expenses	20,356	(13,668)	547,991
Accrued consulting and related	(85,135)	88,207	(155,518)
Accounts payable to related parties	235,034	163,175	1,654,021
Accrued interest on notes payable to related party	20,506	18,642	131,976
Accrued interest convertible debenture	<u>(47,637)</u>	<u>14,685</u>	<u>-</u>
Net cash from (used in) Operating Activities	<u>(30,936)</u>	<u>0</u>	<u>(1,120,653)</u>
<b>Cash Flows from Investing Activities:</b>			
Purchase of furniture and equipment	(3,563)	-	(3,563)
Payments received on related party notes receivable	<u>-</u>	<u>-</u>	<u>205,400</u>
Net cash flows from (used in) Investing Activities:	<u>(3,563)</u>	<u>0</u>	<u>201,837</u>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from advances payable	-	-	89,500
Repayments to advances payable	(7,500)	-	(70,000)
Proceeds from convertible debenture	-	-	193,750
Repayments to convertible debenture	(148,750)	(45,000)	(193,750)
Payment of debt by related party	199,257	45,000	244,257
Proceeds from common stock issuance	-	-	400,000
Advances from related parties	-	-	159,500
Repayments to related parties	-	-	(50,000)
Proceeds from related party notes payable	<u>-</u>	<u>-</u>	<u>154,067</u>
Net cash from (used in) Financing Activities	<u>43,007</u>	<u>0</u>	<u>927,324</u>
Net change in cash	8,508	-	8,508
Cash, beginning of period	<u>-</u>	<u>-</u>	<u>-</u>
Cash, end of year	<u>\$ 8,508</u>	<u>\$ -</u>	<u>\$ 8,508</u>

See independent auditors' report and notes to the financial statements

TransWorld Benefits International, Inc. and Subsidiary  
(A Development Stage Company)  
Consolidated Statements of Cash Flow, Continued

Supplemental disclosure of cash flow information:

	<u>For the Years Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
Cash paid for:		
Interest	\$ <u>      -</u>	\$ <u>      -</u>
Income taxes	\$ <u>      -</u>	\$ <u>      -</u>

Supplemental schedule of non-cash, investing and financing activities:

During the quarter ended June 30, 2007, the Company issued 1,850,000 common shares at \$0.005 for \$9,250 of services.

During the quarter ended June 30, 2007, the Company exchanged 62,210,264 common shares at prices between \$0.005 and \$0.05 per share for \$316,091 of debt. Of this, two related parties of the Company accounted for 62,098,264 shares at \$0.005 per share for \$310,491 of debt.

See independent auditors' report and notes to the financial statements

TransWorld Benefits International, Inc. and Subsidiary  
Consolidated Statements of Stockholders' Deficit  
For the Period From the Date of Inception September 16, 1996,  
Through June 30, 2007

	<u>Common Stock</u>		<u>Additional</u>	<u>Sub-</u>	<u>Deficit</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>scription</u>	<u>Accumulated</u>	
			<u>Capital</u>	<u>Receivable</u>	<u>During the</u>	<u>Total</u>
					<u>Development</u>	
					<u>Stage</u>	
Balance Sept 16, 1996	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Issuance of common stock to founders on December 18, 1996 at \$0.00124 per share	4,339,286	4,339	1,061			5,400
Net loss					(35,069)	(35,069)
Balance Dec 31, 1996	4,339,286	4,339	1,061	-	(35,069)	(29,669)
Net loss					(227,166)	(227,166)
Balance Dec 31, 1997	4,339,286	4,339	1,061	-	(262,235)	(256,835)
Net loss					(186,467)	(186,467)
Balance Dec 31, 1998	4,339,286	4,339	1,061	-	(448,702)	(443,302)
Net loss					(131,265)	(131,265)
Balance Dec 31, 1999	4,339,286	4,339	1,061	-	(579,967)	(574,567)
Net loss					(179,578)	(179,578)
Balance Dec 31, 2000	4,339,286	4,339	1,061	-	(759,545)	(754,145)
Issuance of common stock on July 31, 2001 at \$3.11 per share for note receivable	64,286	64	199,936			200,000
Issuance of common stock on October 10, 2001 at \$3.11 per share	96,428	97	299,903			300,000
Net loss					(846,831)	(846,831)
Balance Dec 31, 2001	4,500,000	4,500	500,900	-	(1,606,376)	(1,100,976)
Net loss					(675,312)	(675,312)
Balance Dec 31, 2002	4,500,000	4,500	500,900	-	(2,281,688)	(1,776,288)
Issuance of shares to TWLC in recapitalization of Company	14,534,600	14,535	(163,482)			(148,947)
Issuance of common stock for services on June 28, 2003 at \$0.132 per share	340,909	341	44,659			45,000
Cash payment in quarter ended June 2003 for shares committed to be issued at \$0.05 per share	1,320,000	1,320	64,680			66,000
Issuance of common stock for subscription receivable in June 2003 at \$0.10 per share	197,000	197	19,803	(20000)		0

See independent auditors' report and notes to the financial statements

TransWorld Benefits International, Inc. and Subsidiary  
Consolidated Statements of Stockholders' Deficit, Continued

	<u>Common Stock</u>		<u>Additional</u>	<u>Sub-</u>	<u>Deficit</u>	
	<u>Shares</u>	<u>Amount</u>	<u>Paid-In</u>	<u>scription</u>	<u>Accumulated</u>	
			<u>Capital</u>	<u>Receivable</u>	<u>During the</u>	<u>Total</u>
					<u>Development</u>	
					<u>Stage</u>	
Relative fair value of detachable warrant on convertible debenture			85,150			85,150
Estimated value of beneficial conversion feature on convertible warrants			78,600			78,600
Reclassification of warrants and stock purchase rights liabilities			(165,000)			(165,000)
Net loss					(1,220,082)	(1,220,082)
Balance June 30, 2003	20,892,509	20,893	465,310	(20000)	(3,501,770)	(3,035,567)
Subscription receivable exchanged for services				20,000		20,000
Issuance of common stock for services during the year ended June 30, 2004 at prices between \$0.045 and \$0.175 per share	4,629,076	4,629	352,209			356,838
Issuance of common stock for debt during the year ended June 30, 2004 at prices between \$0.05 and \$0.25 per share	8,868,313	8,868	840,069			848,937
Issuance of common stock Dec 2003 at \$.05 per share	680,000	680	33,320			34,000
Estimated value on beneficial conversion feature on warrants			30,000			30,000
Net loss					(225,124)	(225,124)
Balance June 30, 2004	35,069,898	35,070	1,720,908	0	(3,726,894)	(1,970,916)
Net loss					(410,168)	(410,168)
Balance June 30, 2005	35,069,898	35,070	1,720,908	0	(4,137,062)	(2,381,083)
Payment of debt by related party			45,000			45,000
Net loss					(287,526)	(287,526)
Balance June 30, 2006	35,069,898	35,070	1,765,908	0	(4,424,588)	(2,623,610)
Payment of debt by related party			199,258			199,258
Issuance of common stock for services in May 2007 at \$.005 per share	1,850,000	1,850	7,400			9,250
Issuance of common stock for debt in May 2007 at prices between \$0.005 and \$0.05 per share	62,210,264	62,210	253,881			316,091
Net loss					(490,169)	(490,169)
Balance June 30, 2007	99,130,162	\$99,130	\$2,226,447	\$0	\$(4,914,757)	\$(2,589,180)

See independent auditors' report and notes to the financial statements

## NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization and Background

Pursuant to a Share Purchase Agreement dated October 4, 2002 by and among Thinka Weight-Loss Corporation (the "Company"), TransWorld Benefits, Inc. ("TransWorld"), and certain shareholders of TransWorld, the Company acquired 5,600,000 shares of the common stock of TransWorld, which represented 100% of the issued and outstanding capital stock of TransWorld, in exchange for 4,500,000 newly issued shares of its common stock and 5,721,435 of outstanding common stock shares (the "Reverse Acquisition"). The parties to the Reverse Acquisition originally contemplated that the shareholders of TransWorld would receive an aggregate of 10,221,435 shares of the Company's common stock at the closing of the Reverse Acquisition, which together would have represented 53.7% of the Company's total outstanding capital stock. However, due to a disputed claim made by a shareholder of the Company, the 5,721,435 shares of the Company's common stock were not transferred to the TransWorld shareholder until June 2004.

As a result of the Reverse Acquisition, TransWorld became a wholly owned subsidiary of the Company effective on January 30, 2003, and two shareholders of TransWorld were elected to two of the three seats on the Company's Board of Directors. Through their acquisition of the shares of the Company's outstanding common stock as described herein, certain shareholders of TransWorld now exercise control of the Company, which in turn controls TransWorld as a wholly owned subsidiary. As a result, the related transactions together have been accounted for as a "reverse acquisition." Under reverse acquisition accounting, TransWorld is considered the accounting acquirer and the Company is considered the accounting acquiree. The historical financial statements of TransWorld have now become those of the Company.

The Company was incorporated in 1996 in Nevada. The Company is a development stage company formed to provide emergency travel services to the funeral, insurance, travel, Internet, and credit card industries. The Company will generate revenue through direct sales or licensing of the Company's proprietary products such as the return of remains of the deceased by private executive aircraft. The Company also intends to market and sell insured plans for the repatriation of remains benefit, medical evacuation and necessary repatriation as well as accidental death and dismemberment benefits. The Company expects to sell its products to customers both domestically and internationally.

### Development Stage Enterprise

The Company is a development stage company as defined in Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises." The Company is devoting substantially all of its present efforts to establish a new business, and its planned principal operations have not yet commenced. The Company has not generated any revenues from operations and has no assurance of any future revenues. All losses accumulated since inception have been considered as part of the Company's development stage activities. The Company will require substantial additional funding for continuing research and development, obtaining regulatory approval and for the commercialization of its products. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds will be obtainable on terms satisfactory to the Company.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Thinka Weight-Loss Corporation and its wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation.

Going Concern

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. The Company has never earned revenue and has incurred cumulative losses of approximately \$4,915,000 since inception thru June 30, 2007. In addition, the Company has a cash balance of \$ 0 and has a working capital deficit of approximately \$2,592,000 at June 30, 2007. Management recognizes that the Company must generate additional resources for the eventual achievement of sustained profitable operations. The Company's success is dependent upon numerous items, including the successful development of effective marketing strategies to customers in a competitive market, obtaining debt or equity financing, and advances from stockholders.

Management's plans include obtaining additional capital through equity or debt financing. However, no assurance can be given that additional capital will be available when required or upon terms acceptable to the Company.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of the amount and classification of liabilities that might result from the outcome of these uncertainties.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 respective reporting period. Actual results could differ from those estimates. Significant estimates made by management include, among others, the valuation allowance on deferred tax assets.

Fair Value of Financial Instruments

The carrying values of the Company's financial instruments as of June 30, 2007, including accounts payable and accrued expenses, and notes payable approximate their respective fair values due to their short-term nature. The fair value of accounts payable to related parties, advances from related parties and notes payable to a related party are not determinable as the transactions are with related parties.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to five years. Repairs and maintenance are charged to

## NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

expense as incurred while significant improvements are capitalized. Upon retirement or other disposition of property and equipment, the accounts are relieved of the cost and the related accumulated depreciation, with any resulting gain or loss included in the consolidated statements of operations.

### Accrued Liability Related to Warrants and Purchase Rights

The Company accounts for freestanding derivative financial instruments potentially settled in its own common stock under Emerging Issues Task Force "EITF") Issue No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock." As the Company potentially does not have sufficient authorized shares available to settle its open stock-based contracts, the initial fair value of the applicable contracts consisting primarily of nonemployee stock warrants and rights to purchase common stock (see Notes 4 and 5) have been classified as "accrued liability related to warrants and stock purchase rights" on the accompanying consolidated balance sheets. They are measured subsequently at fair value based on a Black-Scholes computation with gains and losses included in the statement of operations. The exercise periods for the warrants and stock purchase rights have ended as of June 30, 2006 and there is no further liability.

### Revenue Recognition

The Company anticipates generating future sales revenue from sales of its products. The Company will recognize revenue at the time the products are sold or services are performed for customers.

### Research and Development

Research and development costs are charged to operations as they are incurred. The Company did not incur any research and development costs in the year ended June 30, 2007.

### Stock-Based Compensation

The Company accounts for equity instruments issued to non-employees in accordance with the provisions of Statement of Financial Accounting Standards ("SFAS") No. 123R, "Accounting for Stock-Based Compensation" and EITF Issue No. 96-18, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling Goods or Services." All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the third-party performance is complete or the date on which it is probable that performance will occur.

The Company has elected to account for purchase rights granted to employees under Accounting Principles Board Opinion 123R (SFAS No.123R).

### Income Taxes

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. Under this method, deferred

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities at

each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is provided for significant deferred tax assets when it is more likely than not those assets will not be recovered.

Loss Per Share

Basic loss per share is computed by dividing loss available to common stockholders by the weighted-average number of common shares assumed to be outstanding during the period of computation. Diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. For the year ended June 30, 2007, there were no potentially dilutive securities that affected loss per share.

Comprehensive Income

Comprehensive income is not presented in the Company's consolidated financial statements since the Company did not have any items of comprehensive income.

Segments of an Enterprise and Related Information

As the Company operates in one segment, the Company has not made segment disclosures in the accompanying consolidated financial statements.

NOTE 2 - ADVANCES PAYABLE

The Company has received non-interest bearing, due on demand unsecured advances. The following table presents the year end balances:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Advances Payable	\$19,500	\$27,000

NOTE 3 - RELATED PARTY TRANSACTIONS

Accounts Payable to Related Parties

In 1999 the Company entered into a due on demand convertible promissory note at 8% per annum with the Company's majority stockholder. The initial amount was for \$1,500 with additional amounts advanced thereafter in accordance with the terms of the note. The principal and accrued interest were convertible at any time into shares of the Company's common stock at a conversion price equal to the lesser of \$1.00 per share or such lower price as determined by the Board of Directors of the Company. In October 2001, the stockholder agreed to relinquish its conversion right and any accrued and unpaid interest (which was approximately \$42,000), and reclassify the outstanding principal balance to accounts payable to related parties. The balance is approximately \$455,000 at June 30, 2003 and \$560,000 from June 30, 2004 thru April 2007. In May 2007, the Company exchanged 56,052,764 common shares at \$0.005 per share for \$280,264 of debt and the balance is approximately \$280,000 at June 30, 2007.

NOTE 3 - RELATED PARTY TRANSACTIONS, CONTINUED

Payments for additional Company expenses and loans to the Company were made by our majority stockholder from 2003 forward. Payments for Company expenses amounted to general and administrative expenses of approximately \$86,000 and \$210,000 for the years ended June 30, 2007 and 2006, respectively.

The following table presents the total year end balances:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Accounts payable		
to related parties	\$1,654,021	\$1,418,986

Notes Payable and Accrued Interest on Notes Payable to a Related Party

In 1996 and 1997, the Company entered into due on demand unsecured promissory notes at 10% per annum simple interest with its majority shareholder. The Company amended the interest calculation to annual compounding commencing July 1, 2003. The Company paid no interest in the years ended June 30, 2006 thru June 30, 2007.

The following table presents the year end balances:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Notes payable to		
related party	\$154,067	\$154,067
Accrued interest		
payable	\$131,976	\$111,470

Advances from Related Parties

From 2001 through 2003, the Company received non-interest bearing, due on demand advances of \$15,000, \$124,000 and \$33,000, respectively, from related parties to fund its operating expenses. The Company made payments on these advances of 12,500 and \$50,000 during 2003 and 2005, respectively.

The following table presents the year end balances:

	<u>June 30, 2007</u>	<u>June 30, 2006</u>
Advances from		
related parties	\$109,500	\$109,500

NOTE 4 - CONVERTIBLE DEBENTURE

On January 29, 2003 (as amended on August 14, 2003) the Company entered into a Securities Purchase Agreement (the "Agreement") with La Jolla Cove investors, Inc. ("La Jolla"), pursuant to which the Company issued an 8% convertible debenture in the amount of \$300,000 (the "Convertible Debenture"). The Convertible Debenture was due on January 29, 2005. The Company received \$163,750 and \$30,000 of the principal amount of the Convertible Debenture in January 2003 and January 2004, respectively. In connection with the Agreement, the Company issued La Jolla a warrant for the purchase of 1,500,000 shares of common stock at \$1.00 per share, which expired unexercised on January 29, 2006. Provided the Company was to obtain additional financing from a third party of at least \$1,000,000 by July 29, 2003, the Company had the right to reject La Jolla's request to exercise all or any portion of the warrant. This did not occur; thus, the warrant terms were in full force and effect. Pursuant to the terms of the Agreement, La Jolla shall simultaneously with the conversion of the

NOTE 4 - CONVERTIBLE DEBENTURE, CONTINUED

Convertible Debenture at any time, exercise the warrant at the rate of at least 5 times the dollar amount of the debenture being converted.

The terms of the Agreement permit La Jolla to convert the Convertible Debenture into common shares of the Company at any time during the term of the Agreement. The number of shares issued upon conversion of the debenture is equal to the following: the dollar amount of the debenture being converted (a maximum of \$300,000), multiplied by 6, minus the product of the Conversion Price (which is the lesser of \$0.20 or 80% of the lowest market rate over the previous 20 trading days, less 3% for every month or partial month following June 8, 2003, until the registration statement is declared effective) multiplied by 5 times the amount of the debenture being converted, and the entire result shall be divided by the Conversion Price. In connection with the Agreement, the Company is required to register the sale of the underlying common stock to be issued upon conversion of the Convertible Debenture. Upon the effective date of the registration statement, the Company will receive the balance of the Convertible Debenture. Thirty days following the effective date of the registration statement, the Company has the right to cause La Jolla to convert up to 10% of the Convertible Debenture and exercise up to \$150,000 of the warrant per month. As of September 11, 2003, the registration statement was cancelled.

As the Convertible Debenture allows La Jolla to convert the outstanding principal amount into shares of the Company's common stock at a price below fair value at the time of conversion, the Company has recorded a beneficial conversion feature in the amount of \$108,600. This amount computed pursuant to the Black Scholes pricing model under Statement of Financial Accounting Standard ("SFAS") No. 123R, has been recorded as a debt discount and is being amortized as interest expense over the life of the Convertible Debenture. The debt discount related to the warrants issued to La Jolla of \$85,150 was recorded based on the relative fair value of the debt and warrants computed pursuant to the Black Scholes pricing model under Statement of Financial Accounting Standard ("SFAS") No. 123R, as a debt discount and will be amortized as interest expense over the remaining life of the Convertible Debenture. The debt discounts are fully amortized as of March 2006.

A Put and Call Agreement related to the Convertible Debenture was entered into between three related parties of the Company and La Jolla. The agreement obligated La Jolla to sell shares of stock during a 'call period' and obligated the related parties to purchase shares of stock during a 'put period'. The shares of Stock could be either the shares that would be obtained by La Jolla through the conversion or could be the shares obtained through the actual exercise of the warrant if the conversion occurred. Pursuant to La Jolla's rights in the Put & Call agreement, La Jolla elected to exercise its Put right and obligated the related parties to purchase the number of shares of stock that would have been obtained thru conversion. The related parties did not fulfill their obligations and La Jolla filed suit in March 2005. La Jolla received a judgment for approximately \$268,000 in October, 2005. One related party paid \$68,000 in 2006 and 2007. This related party has relinquished any rights he may have for recourse to the Company. Another related party paid approximately \$200,000 in September 2006. This related party has filed a law suit to recover this payment but the ultimate outcome is not determinable at this time. (See Note 10 - Litigation)

## NOTE 5 - STOCKHOLDERS' EQUITY

### Preferred Stock

On September 30, 2003, the Company's stockholders authorized the amending of the Articles of Incorporation to allow for the issuance of up to 5,000,000 shares of \$0.001 par value preferred stock. Shares of preferred stock may be issued in one or more classes or series at such time the Board of Directors determine. As of

June 30, 2007, there were no shares of preferred stock issued and outstanding and no classes or series have been designated by the Board of Directors.

### Common Stock

The Company has one class of common stock, par value \$0.001 per share. Each share is entitled to one vote on all matters submitted to stockholders. As of June 30, 2007, 100,000,000 common shares are authorized and 35,069,898 shares are issued and outstanding.

The following is a description of the issuances of common stock and other common stock information since inception.

During the year ended December 31, 2001, the Company issued 64,286 shares of restricted common stock to a related party at \$3.11 per share (which represents management's estimated fair market value of its common stock on the date of issuance, as approved by the Board of Directors), for which the Company received a promissory note in the principal amount of \$200,000 (see Note 3).

During the year ended December 31, 2001, the Company sold 96,428 shares of common stock at \$3.11 per share to related parties for \$300,000 in cash.

On January 30, 2003, pursuant to the terms of the Purchase Agreement, all of the outstanding common stock of Transworld of 5,600,000 shares was sold to TWLO in exchange for 10,221,435 shares of TWLO common stock. As Transworld is considered the surviving entity in this transaction (see Note 1), the reduction in outstanding shares from 5,600,000 to 4,500,000 has been considered a reverse stock split and all historic references to shares and price per share prior to January 30, 2003 have been retroactively adjusted for this split ratio.

On January 30, 2003, the Company's stockholders approved an increase in the number of authorized common shares to 100,000,000.

On January 30, 2003, pursuant to the terms of the Purchase Agreement, the 14,534,600 shares of previously outstanding common stock of TWLC were accounted for as an issuance of shares in a recapitalization of the Company as part of the transaction (see Note 1). In connection with the transaction, the Company also assumed \$148,947 of TWLC liabilities.

On April 29, 2003, the Company entered into a Subscription Agreement with a third party investor, pursuant to which the investor agreed to purchase 1,000,000 shares of the Company's common stock at \$0.10 per share for \$100,000. If during the 90 days following the closing date, the price of the Company's common stock falls below the purchase price of \$0.10, the purchase price should be adjusted to equal the lowest trading price, but not less than \$0.01 per share, and the Company should issue to the investor the additional shares. During the six months ended June 30, 2003, the Company received cash of \$66,000 for 1,320,000 shares (\$0.05 per share) committed to be issued by the Company to this investor. The Company received the balance of \$34,000 and the Company issued a total of

NOTE 5 - STOCKHOLDERS' EQUITY, CONTINUED

2,000,000 shares (as adjusted) of its common stock under this Subscription Agreement.

On June 28, 2003, the Company entered into an Engagement Agreement with a third party for consulting services to be provided over a period of six months with the following compensation terms to the third party for the services provided:

- i) an initial non-refundable retainer fee in an amount equal to \$10,000 payable in cash or in registered common stock upon acceptance of the Engagement Agreement;
- ii) a monthly retainer thereafter in an amount equal to \$10,000 payable in cash or in registered common stock for the term of the Engagement Agreement;
- iii) 250,000 unrestricted shares of the Company's common stock upon acceptance of the Engagement Agreement;
- iv) a warrant to purchase 250,000 shares of the Company's common stock upon acceptance of the Engagement Agreement, exercisable for five years at an exercise price equal to 110% of the Company's closing price on the date of the Engagement Agreement; and
- v) a right to purchase up to \$300,000 of the Company's unrestricted common stock at a price equal to a 30% discount to the closing bid price of the Company's common stock as of the date of exercise.

Pursuant to the terms of the Engagement Agreement, the Company issued a total of 340,909 shares of its common stock, valued at \$45,000 (\$0.13 per share, which was the fair market value of the common stock on the date the shares were earned), related to the initial non-refundable retainer fee and the 250,000 shares upon finalization of the Engagement Agreement. The Company issued 197,000 registered common shares in June 2003 at \$.10 per share to the third party for a \$20,000 subscription receivable pursuant to the right to purchase up to \$300,000 of the Company's common stock at a 30% discount. During the three months ended September 30, 2003, the Company issued an additional 194,094 registered common shares for \$8,000 at an average price of \$0.07 per share pursuant to the same 30% discount provision. The monthly retainers in August and September 2003 totaling \$20,000 were paid with 288,115 registered common shares at an average price of \$0.08 per share.

On July 17, 2003, the Company adopted a stock incentive plan ("the 2003 Plan") that authorized the issuance of 6,000,000 shares of the Company's registered common stock. Options will vest at the discretion of the Board of Directors as determined at the grant date and the 2003 Plan terminates on July 1, 2013.

During the year ended June 30, 2004, the Company issued 4,629,076 common shares at prices between \$0.045 and \$0.175 for services valued at \$356,838.

During the year ended June 30, 2004 the Company exchanged 8,868,313 common shares at prices between \$0.05 and \$0.25 per share for debt valued at \$848,937. Of this, the Company's majority shareholder accounted for 4,835,177 shares at \$0.055 per share valued at \$265,935.

During the quarter ended June 30, 2007, the Company issued 1,850,000 common shares at \$0.005 for services valued at \$9,250.

During the quarter ended June 30, 2007, the Company exchanged 62,210,264 common shares at prices between \$0.005 and \$0.05 per share for \$316,091 of debt. Of this, two related parties of the Company accounted for 62,098,264 shares at \$0.005 per share for \$310,491 of debt.

NOTE 6 - OFFICE LEASES

In year ended June 2006, the Company leased an office facility from a related party on a month to month basis. In April 2007 the Company signed an operating sublease for six months at \$4,700 per month in Newport Beach CA which was extended for six more months thru March 2008. The Company leases part of this facility to a related party. The total rent expense to the Company for the years ended June 2006 and 2007 was \$15,671 and \$7,000, respectively.

NOTE 7 - INCOME TAXES

As the Company incurred net operating losses through June 30, 2007, the Company has not recorded any provision for income taxes for the periods presented. At June 30, 2007, the Company had approximately \$4,915,000 and \$2,533,000, respectively, of Federal and State of California net operating loss carry forwards for tax reporting purposes available to offset future taxable income which expire through 2027 and 2017, respectively. Under the Tax Reform Act of 1986, the amounts of and benefits from net operating losses carried forward may be impaired or limited in certain circumstances. At June 30, 2007, the effect of such limitation, if applicable, has not been determined.

Deferred tax assets derive from the tax effect of net operating loss carry forwards. The Company has provided a full valuation allowance on the deferred tax assets because of the uncertainty of future taxable income. For the years ended June 2007 and 2006, the valuation allowance increased approximately \$210,000 and \$123,000, respectively.

The following table presents the cumulative deferred tax assets at June 30, 2007:

Net operating loss carry forwards deferred tax benefit	\$ 1,966,000
Less valuation allowance	<u>(1,966,000)</u>
Provision for income taxes, deferred tax assets	\$ 0

The following table is a reconciliation of income tax benefits calculated at the federal statutory rate (34%) and the State of California rate (9%) to the provision for income taxes:

	Years Ended June 30,	
	2007	2006
Federal tax benefit	<u>\$ (167,000)</u>	<u>\$ (98,000)</u>
State tax benefit	(43,000)	(25,000)
Increase in valuation allowance	<u>210,000</u>	<u>123,000</u>
Provision for income taxes	\$ 0	\$ 0

NOTE 8 - BASIC AND DILUTED LOSS PER COMMON SHARE

The following table provides the components of the calculation of the basic and diluted loss per common share at each year end:

	Years Ended June 30	
	2007	2006
Numerator - net (loss)	<u>\$ (490,169)</u>	<u>\$ (287,526)</u>
Denominator - weighted average shares basic and diluted	44,020,784	35,069,898
(Loss) per common share	\$ (0.011)	\$ (0.008)

## NOTE 9 - LITIGATION

The Company may become involved in various legal proceedings and claims which arise in the ordinary course of its business. Management does not believe that these matters will have a material adverse effect on the Company's financial position or results of operations.

On December 23, 2002, an individual filed a lawsuit in Superior Court for the County of Orange, State of California, against TransWorld Benefits, Inc. ("TWBI") and others. Plaintiff alleged that he lent \$35,000 to the Company and was not repaid. On October 6, 2003, the Company filed a cross-complaint against the plaintiff for breach of contract and fraud alleging that plaintiff had breached an obligation to pay the Company \$500,000 pursuant to a Stock Purchase Agreement between plaintiff and the Company. In November 2003 the company entered into a settlement agreement with plaintiff which included a full release and a judgment for \$58,000 against TWBI. The judgment was vacated and the suit was dismissed with prejudice on January 4, 2006.

On or about February 25, 2004, a firm who leased office space to the Company filed an unlawful detainer lawsuit in the Superior Court of California, County of Orange, against TWBI. On or about July 14, 2004, the lessor obtained a judgment against the TWBI for \$102,580 for lease damages.

On or about July 23, 2007, an individual hired to perform accounting and other services for the Company on a contract basis filed a claim for unpaid wages in front of the labor board. Said individual obtained an award against TWBI from the Labor Commissioner for the State of California in the amount of \$233,486 the ("Award"). On August 7, 2007, TWBI timely filed an appeal of the award with the Superior Court of California, County of Orange, entitling TWBI to a trial de novo of the issues adjudicated in the award (the "Appeal"). On December 10, 2007 the Court issued a ruling determining that the individual was not an employee during the period in question and is not entitled to any wages from the Company and granted judgment in favor of the Company.

On June 4, 2007, TWBI filed a lawsuit against the individual referenced above, who made an unsuccessful claim for wages against the company, in the Superior Court of California, County of Orange, seeking damages in excess of \$1 million from the individual. The lawsuit alleges claims for Breach of Fiduciary Duty, Negligence, Fraud, Conversion and Declaratory Relief. Defendant has defaulted in the lawsuit, and the Court has entered judgment on behalf of TWBI for \$5,000,000. The collection of this judgment is unlikely.

On May 26, 2007, a former executive of the Company filed suit against the Company, alleging that he is owed compensation, benefits, common stock in the Company, plus indemnification for amounts he paid to a third party financier pursuant to execution of a judgment. The plaintiff's operative complaint asserts alleged causes of action for fraud, breach of contract, breach of fiduciary duty, indemnity, accounting, and unfair competition. The case is still in the pleading stage, and the Company has filed a Demurrer and Motion to Strike regarding the First Amended Complaint. There has been only limited discovery to date. Trial is set for June 9, 2008. The Company intends to vigorously defend this lawsuit and is evaluating possible cross claims it may have. The outcome at this time is unknown.

## NOTE 10 - SUBSEQUENT EVENTS

### Sale of Subsidiary TransWorld Benefits, Inc.

The majority stockholder of the Company acquired the Company's subsidiary TransWorld Benefits, Inc. (TWBI) on July 1, 2007. (See Exhibit 10.33) This divestiture was required by potential investors and partners because of excessive debt and litigation in TWBI. TWBI had approximately \$21,000 in assets and \$2,610,000 in liabilities on July 1, 2007. As consideration for the purchase, the Company received \$10,000 cash and assumed \$490,000 worth of liabilities of TWBI. Immediately prior to the sale, the Company contributed \$1,812,617 of inter-company debt to the capital of TWBI which originated from Company issuances of stock for debt or services of TWBI.

A Form 14C was filed on July 17, 2007. The Securities and Exchange Commission commented that the 14C would not be approved until the company became current with its filings.

### Company Name Change

On July 10, 2007, the Company held an Advisory Committee meeting. At that meeting, the Company announced a name change to 7G Inc. We have the domain name registration of 7Ginc.com.

### Graham Companies Assets Acquisition

On March 1, 2008, the Company acquired certain assets and liabilities of Stuart Graham. (See Exhibit 10.34) Graham will receive 67,000,000 shares of the Company's common stock and \$400,000. As a further condition, the major stockholder of the Company, was required to buy the subsidiary of the Company, TransWorld Benefits, Inc. which is burdened with debt and litigation.

As with all of our pending or completed acquisitions, proprietary aspects of the Company's business methods and related proprietary technologies are covered by pending patents and trademarks in appropriate jurisdictions. The following are programs acquired by the Company from the Graham Group including proprietary patents:

1. THANKS Gift Certificates
2. Local Loyalty Programs and Coalition Loyalty Card Powered by Source, Inc.
3. CheckMate Rewards
4. Consulting Services
5. Anchor Store Program
6. Payroll Debit Card
7. Restaurant Search Engine

The following is a summary of each program

**THANKS Gift Certificates** are used as both a reward and an incentive by major media partners, employers and associations. THANKS Gift Certificates are a discounted online gift certificates that promote local merchants, primarily restaurants. The sponsoring organization initiates the program promoting it to their members or customers through a variety of methods. THANKS Gift Certificates are the vehicle used to quickly acquire merchants in a city and prepare the way for all the Company's loyalty programs.

**The Local Loyalty Program** is a new program that will follow once a geographic market is opened by the Company with our THANKS Gift Certificates program. Most

#### NOTE 10 - SUBSEQUENT EVENTS, CONTINUED

local merchants cannot afford an electronic loyalty program because of the prohibitive cost of entry.

The Local Loyalty program offers a merchant the opportunity to capture their loyal customers' data, create a data base, and reward them with a variety of offers (that are predetermined) while tracking the effectiveness of each offer. The merchant can go online at anytime and see what offers have been redeemed by which customers, how much was spent by customers and when it was spent.

The Local Loyalty program will be presented in a checkbook format, using barcodes so each check can be recorded and tracked. This offers the merchant a loyalty-reward program at a very inexpensive price, while still being profitable to the Company. At the same time, the program develops an extremely valuable database of loyal customers for the Company with excellent personal and spending data.

**CheckMate Rewards.** Unlike coupon books, people tend to hold on to checkbooks and view them as a form of payment and not a discount vehicle. CheckMate Rewards is a unique concept that allows merchants to market their product or service in a unique format to large corporations both locally and nationally. With the local merchant base that the Company will secure, it is a natural fit for CheckMate to create a local checkbook that can be sold as a premium to auto dealers, banks, credit unions, etc. that will use CheckMate to reward loyal customers or incentives for specific buying behavior. CheckMate can also be used by nonprofit groups to sell as a fundraiser or as a premium for donating a specified amount.

**Anchor Store Program.** The company's unique gift certificate program will revolutionize current grocery loyalty programs. We call this model our Anchor Store model because we always have an anchor store or company involved like a grocery store. We will roll out this program in a test market in 2008.

**Payroll Debit Card.** Retail merchants, multi-level companies, and many other organizations that have large numbers of employees can benefit by this payroll card. It is especially useful for companies whose employees do not have a traditional direct demand checking account. The prepaid debit card; used as a payroll card, can help "unbanked" workers save money, add convenience and security. It also allows employees to add health benefits offered through the card even if not otherwise offered by their employers. As the Company builds relationships with merchants and restaurants, opportunities will emerge to market prepaid debit cards. The Company has existing connections with large organizations and associations that are perfect candidates for our payroll card.

**Restaurant Search Engine** has a filed a patent and is a very unique site. Unlike other restaurant sites that will only allow you to search by cuisine or area, Restaurant Search Engine will also allow you to utilize over 100 other search filtering criteria. For example, you might say I feel like shrimp. The site will present all the restaurants in your area that offer shrimp, detailing prices and including reviews inputed by diners of the restaurants. You can narrow your search by requesting an ocean view, piano bar, or dozens of other criteria and you will be presented with restaurants meeting your criteria . We currently have over 470,000 restaurants on the site and we are in the process of fully populating those restaurant profiles.

#### The Flowers Group Letter of Intent

In July 2007, the Company signed a letter of intent to purchase the assets and liabilities of The Flowers Group including Jeff Flowers Advertising, Inc., Wild

#### NOTE 10 - SUBSEQUENT EVENTS, CONTINUED

At Work, At Work Advantage and any assets covered by his Employment Agreement. The purchase price is \$2,000,000 plus 15,000,000 shares of the Company's common stock.

The following is a summary of the acquisition.

**Jeff Flowers Advertising, Inc.**, formed in 1986, is a full-service marketing communications firm that specializes in hospitality, travel, employee incentives and entertainment promotion. The agency has developed innovative marketing programs for such clients as Anheuser-Busch, Kodak, Hyatt, The San Diego Chargers, Sea World, The San Diego Zoo, and many other leading organizations.

**Wild at Work** is one of the largest networks of employee groups and one of the most powerful employee marketing programs available. Employee group marketing is growing at an extraordinary rate and is now being utilized by a wide variety of industries including travel, entertainment, shopping and dining. Wild at Work utilizes cutting edge marketing technology and over 21 years of experience in marketing to consumers through their employers.

With Wild at Work, the Company will be able to reach millions of gainfully employed consumers and through their companies, credit unions, and associations.

#### ChatStat Letter of Intent

On October 10, 2007, we completed a letter of intent to purchase all of the assets of ChatStat Technologies, Inc. ("ChatStat").

ChatStat specializes in customer engagement software coupled with instant message aggregation, web analytics and patented graph display software. Unlike their competitors who offer a choice of several bundled packages only, ChatStat offers an a la carte approach where the customer can choose the features that they want. ChatStat also offers a language translator that only they currently offer as well as the ability to analyze personnel performance as well as web analytics which is another unique feature.

#### Loans and Marketing Agreement

On December 19, 2007, the Company borrowed \$250,000 and executed a Subordinated Secured Convertible Promissory Note with the company. (See exhibit 10.31) As part of the transaction, the Company entered into a marketing agreement with a firm related to the lender, Card Flex, a virtual bank pay card. The Company will receive \$1,250,000 of additional borrowings at \$4.50 per card, by selling the Card Flex program to individuals. The company will also receive income of approximately \$2 per month per card. All borrowings are guaranteed by the Company's majority shareholder. The note bears interest at 8% per annum, due quarterly, and matures December 22, 2010. However, the note becomes due April 20, 2008 if the Company fails to sell 100,000 Flex Cards by that date. The note balance is convertible into the Company's common stock at \$0.25 per share at any time prior to the maturity date. The company also received warrants for 500,000 shares of common stock at \$0.25 per share exercisable thru April 20, 2010.

On February 15, 2008, the Company borrowed and executed a Subordinated Secured Promissory Note for \$200,000 from an individual. (See exhibit 10.32) The note bears interest at 10% per annum, payable quarterly, and matures August 1, 2008. As inducement to make the loan, the individual received 500,000 shares of the Company's common stock.

Item 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None

ITEM 8A. CONTROLS AND PROCEDURES

We have no formal controls and procedures. Our principal executive and financial officers are involved in all day to day management and operation of our business, and our Chief Executive Officer is responsible for making all public disclosures of material, non-public information. Each of the principal executive officer and principal financial officer reviews all information in the periodic reports filed with the Securities and Exchange Commission and works with company's corporate counsel regarding the content of public disclosure of material, non-public information through press releases and the filing of Form 8-Ks with the Securities and Exchange Commission. We obtain the advice of our outside legal counsel when discussing potential, material transactions such as potential sales and capital investment. On the first Tuesday of each quarter, our Principal Financial Officer and our Senior Vice President review our controls and procedures to evaluate their effectiveness. Because we do not have revenue from operations and our company is relatively small, we believe that our informal controls and procedures are effective as of the end of the fiscal period ended June 30, 2006.

ITEM 8B: OTHER INFORMATION

NONE

PART III

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

The following table sets forth the full name, present principal occupation or employment, employment history and certain other information concerning our officers and directors:

NAME	AGE	DATES	POSITIONS
Charles C. Seven	64	10/02 - present	Chairman, Director, Chief Executive Officer, Chief Financial Officer

Mr. Charles Seven will serve as a Director and the Chairman of the Board until the next annual meeting of stockholders. He will also serve as the Chief Executive Officer, President, Chief Financial Officer and Secretary and thereafter for successive one-year renewal terms unless terminated by either Mr. Seven or our Board of Directors.

Mr. Seven has been the Chief Executive Officer of TransWorld Benefits, Inc. since October 2002. Prior to that, he was a consultant to Skyway Homes, Inc. . from 1996 through October 2002.

Mr. Seven was the founder of Sevcor International, Inc., and served as its Vice President of Marketing and Sales from 1994-1996. Sevcor provided emergency travel insurance products for repatriation and worldwide assistance.

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

Mr. Seven served as the VP Marketing for Uco Air, Inc., from 1993 through 1994. Uco Air was a domestic and international air charter operations specializing in medical evacuation airfreight.

Mr. Seven served as the President and Chief Executive Officer of Venture Pacific Corp. from 1990 through 1992. Venture Pacific provided air charter operations between U.S. and Vietnam, and purchase and disposal of Pan-American liquor and catering inventories.

Mr. Seven served as the president and Chief Executive Officer of Tallmantz Aviation, Inc. from 1985 through 1990. Tallmantz Aviation provided fixed base operations with established air charter, fuel, helicopter maintenance and parts, fixed wing maintenance and real estate operations.

Mr. Seven attended the University of Oregon in 1962-1966.

We do not have an audit committee or an audit committee financial expert serving on our Board of Directors. We have not been able to locate a person qualified to act as a financial expert who is willing to serve on our Board of Directors. Our Board of Directors is serving in that capacity.

The following table sets for the persons who failed to timely file reports required by Section 16(a) of the Securities and Exchange Act of 1934 and includes a description of the number and types of forms that such person failed to timely file.

Name	Form Type	Number of times failed to file
Charles Seven	Schedule 13D	1
	Form 4	4

We have not adopted a code of ethics. We have not adopted a code of ethics because we have not had the time and money needed to develop a formal code of ethics, and given the size of our company's workforce, we did not believe this was an immediate priority. Our Chief Executive Officer supervises all employees closely and is responsible for making sure all employees act ethically.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth in summary form the compensation earned by our Chief Executive Officer (CEO) during the fiscal years ended June 30, 2004 thru 2006. The Company has no executive employees other than the CEO.

	<u>Years Ended</u>	<u>Salary</u>	<u>Bonus</u>	<u>Other Compensation</u>
Charles Seven, CEO & President	June 2006	\$ 150,000	-	-
	June 2007	\$ 212,500	-	-

The board of directors approved Mr. Seven's annual salary of \$212,500 as of January 1, 2007. He also receives a car allowance of \$700 per month.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT  
AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding the beneficial ownership of our common stock as of January 28, 2008 by each person or entity known by us to be the beneficial owner of more than 5% of the outstanding shares of common stock, each of our directors and named executive officers, and all of our directors and executive officers as a group.

<u>NAME AND ADDRESS OF BENEFICIAL OWNER</u>	<u>AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP</u>	<u>PERCENT OF CLASS</u>
Charles C. Seven (1) 4675 MacArthur Court, Suite 550 Newport Beach, CA 92660	68,934,332	69.5%
Ryan Seven 4675 MacArthur Court, Suite 550 Newport Beach, CA 92660	8,740,343	8.8%
All Officers and Directors as a Group	68,934,332	69.5%

Footnotes to Table

1 Charles C. Seven controls the voting of 4,467,000 shares of Common Stock currently held by Flax-Flex Fabricators, Ltd. and 56,052,764 shares of the Common Stock currently held by The Senna Corporation.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In accordance with Securities and Exchange Commission rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the table are deemed beneficially owned by the optionees. Subject to community property laws, where applicable, the persons or entities named in the table above have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them, unless otherwise noted.

Our directors, officers and principals, greater than 5% security holders, taken as a group, together with their affiliates, beneficially own, in the aggregate, approximately 78.4 of our outstanding shares of common stock. Certain principal security holders are our directors or executive officers. Such concentrated control of the company may adversely affect the price of our common stock. These security holders may also be able to exert significant influence, or even control, matters requiring approval by our security holders, including the election of directors. In addition, certain provisions of California law could have the effect of making it more difficult or more expensive for a third party to acquire, or of discouraging a third party from attempting to acquire, or take control of us.

Changes in Control.

Our management is not aware of any arrangements which may result in "changes in control" as that term is defined by the provisions of Item 403(c) of Regulation S-B.

## ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

### Conflicts Related to Other Business Activities.

The persons serving as our officers and directors have existing responsibilities and, in the future, may have additional responsibilities, to provide management and services to other entities in addition to us. As a result, conflicts of interest between us and the other entities may occur from time to time.

We will attempt to resolve any such conflicts of interest in our favor. Our officers and directors are accountable to us and our shareholders as fiduciaries, which requires that such officers and directors exercise good faith and integrity in handling our affairs. A shareholder may be able to institute legal action on our behalf or on behalf of that shareholder and all other similarly situated shareholders to recover damages or for other relief in cases of the resolution of conflicts in any manner prejudicial to us.

**Related Party Transactions.** As part of the consideration of our acquisition of TransWorld Benefits, Inc., Flax-Flex Fabricators, Ltd. acquired 4,467,000 shares of our common stock. Charles C. Seven controls the voting of the stock held by Flax-Flex Fabricators, Ltd., and as a result, Mr. Seven was a related party to the transaction.

The Company owes Senna Corporation \$560,318 and \$280,054 for cash advanced to TransWorld Benefits, Inc. to pay operating expenses. In 2007, Senna exchanged part of their debt for Company stock. Advances were made over the last nine years and are non-interest bearing. Charles C. Seven, together with his immediate family, own a majority of the beneficial interest of Senna Corporation.

We owed Charles Seven accrued salary and other expenses in the amount of \$746,066 and \$908,625 as of June 30, 2006 and 2007, respectively. We also owe Charles Seven notes payable in the amount of \$154,067 as of June 30, 2006 through June 2007. Accrued interest on the note payable is \$111,470 and \$131,976 as of June 30, 2006 and 2007, respectively.

We owed Ryan Seven accrued salary and other expenses in the amount of \$187,979 and \$221,251 as of June 30, 2006 and 2007, respectively.

## ITEM 13. EXHIBITS

- 3.1 Articles of Incorporation (Charter Document) (1)
- 3.2 Bylaws (2)
- 4.1 8% Convertible Debenture, dated January 29, 2003, issued to La Jolla Cove Investors, Inc. (3)
- 4.2 Warrant to Purchase Common Stock, dated January 29, 2003, issued to La Jolla Cove Investors, Inc. (3)
- 4.3 Side Letter Agreement between Thinka Weight-Loss Corporation and La Jolla Cove Investors, Inc. regarding Warrant to Purchase Common Stock, dated January 29, 2003. (3)

ITEM 13. EXHIBITS, CONTINUED

- 4.4 Registration Rights Agreement, dated January 29, 2003, regarding underlying common stock to be issued upon conversion of 8% Convertible Debenture and exercise of Warrant to Purchase Common Stock. (3)
- 4.5 Letter Agreement amending 8% Convertible Debenture and Warrant to Purchase Common Stock, dated August 14, 2003. (4)
- 10.1 Share Purchase Agreement (5)
- 10.8 Note Payable to Charles Seven on September 9, 1997. (4)
- 10.9 Note Payable to Charles Seven on October 17, 1996. (4)
- 10.10 Note Payable to Charles Seven on October 17, 1996. (4)
- 10.11 Note Payable to Charles Seven on November 1, 1996. (4)
- 10.12 Note Payable to Charles Seven on November 8, 1996. (4)
- 10.13 Note Payable to Charles Seven on December 19, 1997. (4)
- 10.14 Note Payable to Charles Seven on November 8, 1996. (4)
- 10.15 Note Payable to Charles Seven on December 27, 1997. (4)
- 10.16 Note Payable to Charles Seven on December 29, 1997. (4)
- 10.17 Note Payable to Charles Seven on January 8, 1997. (4)
- 10.18 Note Payable to Charles Seven on February 18, 1997. (4)
- 10.19 Note Payable to Charles Seven on February 24, 1997. (4)
- 10.20 Note Payable to Charles Seven on March 17, 1997. (4)
- 10.21 Note Payable to Charles Seven on March 7, 1997. (4)
- 10.22 Note Payable to Charles Seven on March 7, 1997. (4)
- 10.23 Note Payable to Charles Seven on April 22, 1997. (4)
- 10.24 Note Payable to Charles Seven on April 24, 1997. (4)
- 10.25 Note Payable to Charles Seven on May 14, 1997. (4)
- 10.26 Note Payable to Charles Seven on May 2, 1997. (4)
- 10.27 Note Payable to Charles Seven on August 12, 1997. (4)
- 10.28 Note Payable to Charles Seven on August 23, 1997. (4)
- 10.29 Note Payable to Charles Seven on August 28, 1997. (4)
- 10.30 Note Payable to Charles Seven on October 17, 1996. (4)

ITEM 13. EXHIBITS, CONTINUED

- 10.31 Subordinated Secured Convertible Promissory Note, Pledge Agreement, Continuing Guaranty, and Common Stock Purchase Warrant, dated December 20, 2007 (7)
- 10.32 Subordinated Secured Promissory Note, Pledge Agreement, and Continuing Guaranty, dated February 15, 2008 (7)
- 10.33 Subsidiary Stock Purchase Agreement Transworld Benefits Inc, dated July 1, 2007 (7)
- 10.34 Asset Purchase Agreement with Graham, dated March 1, 2008 (7)
- 23 Auditor's Consent
- 31.1 Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act
- 31.2 Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act
- 32 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act.

Footnotes to Exhibit Table:

- (1) Incorporated by reference to our registration statement on Form SB-2 filed with the Securities and Exchange Commission on July 17, 2000.
- (2) Original incorporated by reference to our registration statement on SB-2 filed with the Securities and Exchange Commission on July 17, 2000. Amendment to Section 13 of the Bylaws included with this report.
- (3) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on February 14, 2003.
- (4) Incorporated by reference to our registration statement on Form SB-2 filed with the Securities and Exchange Commission on August 26, 2003.
- (5) Incorporated by reference to our Form 8-K filed with the Securities and Exchange Commission on October 15, 2002.
- (6) Incorporated by reference to our Form 10-QSB/A filed with the Securities and Exchange Commission on February 27, 2003.
- (7) Incorporated by reference to our Form 10-KSB filed with the Securities and Exchange Commission on April 28, 2008.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

(a) We were billed \$27,500 for the fiscal year ended June 30, 2007 for professional services rendered by the principal accountant for the audit of the our annual financial statements, the review of our quarterly financial statements, and other services performed in connection with our statutory and regulatory filings. These services also included audits of significant acquisition of the company and review of the quarterly financial statements of the Company's acquiree.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES, CONTINUED

(b) We were billed \$0 for the fiscal years ended June 30, 2007 for assurance and related services rendered by the principal accountant related to the audit or review of the our financial statements, not included in paragraph (a) above.

(c) We were billed \$0 for the fiscal years ended June 30, 2007 for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning.

(d) We were billed \$0 for the fiscal years ended June 30, 2007 for professional services rendered by the principal accountant for consents issued in connection with registration statements. There were no other professional services rendered by our principal accountant during the last two fiscal years that were not included in paragraphs (a), (b) or (c) above.

(e) We have no audit committee pre-approval policies and procedures related to the engagement of our independent auditor.

(f) None of the services provided by our principal accountant were approved by our audit committee.

(g) No more than 50% of the hours expended on our audit for the last fiscal year were attributed to work performed by persons other than full-time employees of our principal accountant.

Exhibit 31.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Charles Seven, Chairman, President, Chief Executive Officer of TransWorld Benefits International, Inc., certify that:

1. I have reviewed this report on Form 10-KSB for the years ended June 30, 2006 and 2007;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this annual report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions absent the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date:

Exhibit 31.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard Diya, Chief Financial Officer of TransWorld Benefits International, Inc., certify that:

1. I have reviewed this report on Form 10-KSB for the years ended June 30, 2006 and 2007;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this annual report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions absent the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting.

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

Date:

Exhibit 32

Certification Required by 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the report of TransWorld Benefits International, Inc. (the "Company") on Form 10-KSB for the years ended June 30, 2006 and 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Charles Seven, as Chairman, President, Chief Executive Officer, TransWorld Benefits International Inc., certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2.the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date:

Certification Required by 18 U.S.C. Section 1350  
(as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the report of TransWorld Benefits International, Inc. (the "Company") on Form 10-KSB for the years ended June 30, 2006 and 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard Diya, Chief Financial Officer of TransWorld Benefits International Inc., certify, pursuant to 18 U.S.C. Section 1350 (as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002), that to my knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- 2.the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: