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

FORM 10-Q

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

For the quarterly period ended June 30, 2013

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 333-14229

INFORMATION SYSTEMS ASSOCIATES, INC.

(Exact name of registrant as specified in its charter)

FLORIDA	**65-0493217**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
819 SW Federal Highway, Suite 206, Stuart, Florida	**34994**
(Address of principal executive offices)	*(Zip Code)*

Registrant's telephone number, including area code: **(772) 403-2992**

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

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

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

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☑

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

Class A & B	Outstanding at August 14, 2013
Common Stock, $0.001 par value per share	75,873,250 shares

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PART I – FINANCIAL INFORMATION

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

INFORMATION SYSTEMS ASSOCIATES, INC.
CONDENSED BALANCE SHEETS

	June 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,630	$ -
Accounts receivable	184,893	35,708
Prepaid expenses	-	5,439
Total Current Assets	186,523	41,147
Property and equipment, net	15,448	18,306
Other assets	1,690	4,690
TOTAL ASSETS	$ 203,661	$ 64,143
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Checks written in excess of cash balance	$ -	$ 3,880
Accounts payable	230,798	175,265
Accounts payable - related parties	297	6,158
Accrued payroll	172,202	-
Notes payable - related parties	288,507	229,025
Notes payable - shareholder	50,000	50,000
Notes payable (Convertible OID), net of discounts - related parties	56,967	24,953
Notes payable (Convertible OID), net of discounts - shareholders	68,750	69,542
Notes payable (Third Party)	45,000	-
Loan payable to factor	53,938	24,587
Loans payable - insurance	-	4,612
Line of credit	34,291	37,028
Deferred revenue	57,644	38,445
Accrued interest	13,930	11,508
Total Current Liabilities	1,072,324	675,003
Long-term liabilities		
Notes payable (OID) - net of discounts, shareholders	141,958	143,866
Total Liabilities	1,214,282	818,869
Commitments and contingencies (Note 12)		
Stockholders' Equity (Deficit)		
Preferred stock $.001 par value, 1,000,000 shares authorized, -0- and -0- shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	-	-
Common Stock - Class A, $.001 par value, 450,000,000 shares authorized, 57,548,251 and 57,298,251 issued and outstanding at June 30, 2013 and December 31, 2012,respectively	57,548	57,298
Common Stock - Class B, $.001 par value, 50,000,000 shares authorized, 11,500,000 and 11,500,000 issued and outstanding at June 30, 2013 and December 31, 2012,respectively	11,500	11,500
Additional paid in capital	3,921,445	3,880,196
Common Stock to be Issued - Class A 825,000 shares	13,750	-
Accumulated deficit	(5,014,864)	(4,703,719)
Total Stockholders' Equity (Deficit)	(1,010,621)	(754,726)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 203,661	$ 64,143

The accompanying notes are an integral part of these unaudited condensed financial statements.

INFORMATION SYSTEM ASSOCIATES, INC.
CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended June 30		For the six months ended June 30	
	2013	**2012**	**2013**	**2012**
Revenue				
Software and hardware sales	$ -	$ 615	$ 72,085	$ 11,613
Services	223,018	157,494	357,992	222,091
Total Revenue	223,018	158,109	430,077	233,704
Cost of Revenue				
Software and hardware	1,277	-	6,792	5,900
Services	98,965	77,804	191,986	117,012
Total Cost of Revenue	100,242	77,804	198,778	122,912
Gross Profit	122,776	80,305	231,299	110,792
Operating Expenses				
Administrative and general	92,460	60,685	147,655	135,333
Salaries and employee benefits	131,659	122,036	260,222	249,808
Professional fees	20,700	22,939	46,648	42,929
Total Operating Expenses	244,819	205,660	454,525	428,070
(Loss) Before Other Income (Expense)	(122,043)	(125,355)	(223,226)	(317,278)
Other Income (Expense)				
Finance fees earned on sales	7,428	-	9,229	-
Factoring fees	(6,895)	(5,180)	(12,648)	(8,962)
Interest expense	(40,236)	(55,939)	(84,500)	(183,221)
Total Other Income (Expense)	(39,703)	(61,119)	(87,919)	(192,183)
Net (Loss)	$ (161,746)	$ (186,474)	$ (311,145)	$ (509,461)
Basic and Fully Diluted (Loss) per Share:				
Basic and fully diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average common shares outstanding	68,937,140	68,798,251	68,798,501	66,802,647

The accompanying notes are an integral part of these unaudited condensed financial statements.

INFORMATION SYSTEMS ASSOCIATES, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Cash Flows from Operating Activities		
Net (Loss)	$ (311,145)	$ (509,461)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation	2,858	22,907
Amortization of prepaid consulting	-	17,500
Amortization of original issue discount	11,108	8,461
Amortization of beneficial conversion feature value	17,852	49,621
Amortization of warrant discounts	22,772	40,654
Options issued for services	8,167	-
Investor relation expense for warrant term modifications	33,333	-
Changes in operating assets and liabilities:		
Accounts receivable	(149,185)	42,802
Prepaids	5,439	-
Other assets	3,000	-
Accounts payable	55,534	18,449
Accounts payable - related party	(5,861)	-
Accrued expenses	172,202	34,426
Accrued interest	2,422	1,784
Deferred revenue	19,199	-
Net Cash (Used in) Operating Activities	(112,305)	(272,857)
Cash Flows from Financing Activities		
Repayment for checks written in excess of cash balances	(3,880)	-
Proceeds from notes - related parties	112,335	130,265
Repayments of notes - related parties	(52,852)	-
Proceeds from shareholder	-	50,000
Proceeds from convertible notes, shareholders	-	76,250
Repayment of convertible notes, shareholders	(8,668)	-
Proceeds from factor, net of repayments	29,351	-
Repayments to factor, net of proceeds	-	60,939
Insurance premium proceeds	-	457
Insurance premium repayments	(4,612)	-
Proceeds from line of credit facility	32,400	58,466
Repayments of line of credit facility	(35,139)	(54,633)
Proceeds from third party notes	45,000	-
Net Cash Provided by Financing Activities	113,935	321,744
Net Change in Cash and Cash Equivalents	1,630	48,887
Cash and Cash Equivalents at Beginning of period	-	988
Cash and Cash Equivalents at End of Period	$ 1,630	$ 49,875
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 35,816	$ 18,859
Cash paid for taxes	$ -	$ -
Non-cash investing and financing activity		
Conversion of convertible note and accrued interest	$ 13,750	$ -

The accompanying notes are an integral part of these unaudited condensed financial statements.

INFORMATION SYSTEMS ASSOCIATES, INC.
CONDENSED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
JUNE 30, 2013
Unaudited

NOTE 1 – NATURE OF OPERATIONS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Information Systems Associates, Inc. (Company) was incorporated under the laws of the State of Florida on May 31, 1994. The Company provides Mobile Data Center Management™ systems and turnkey data center management solutions to customers. Our products and services include data center asset/inventory management, data center management software and data center data collection. Utilizing its proprietary and patented technology, OSPI® (On Site Physical Inventory®), customers are able to manage data centers on a mobile basis, bringing data center management out of the office and into the data center.

Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (all of which are of a normal recurring nature) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2013 are not indicative of the results that may be expected for the year ending December 31, 2013 or for any other future period. These unaudited condensed financial statements and the unaudited notes thereto should be read in conjunction with the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2012 filed with the Securities and Exchange Commission (the "SEC") on April 1, 2013 (our "10-K").

Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, the Company considers liquid investments with an original maturity of three months or less to be a cash equivalent.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates in the accompanying unaudited financial statements include the allowance on accounts receivable, valuation of deferred tax assets, valuation of warrants issued with debt, valuation of beneficial conversion features in convertible debt, valuation of stock-based awards, valuation of long-lived assets for impairment and the measurement and useful lives of property and equipment. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Concentrations

Cash Concentrations

Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. We have not experienced any losses related to these balances. There were no amounts on deposit in excess of federally insured limits at the date of this report.

Significant Customers and Concentration of Credit Risk

A significant portion of revenues is derived from certain customer relationships. The following is a summary of customers that each represents greater than 10% of total revenues for the three months ended June 30, 2013 and total accounts receivable at June 30, 2013:

June 30, 2013			
Revenue		**Accounts Receivable**	
Customer A	41%	Customer A	91%
Customer B	31%	Others	9%
Customer C	14%		
Customer D	10%		
Other	4%		

Fair Value of Financial Instruments and Fair Value Measurements

We measure our financial assets and liabilities in accordance with generally accepted accounting principles. For certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, the carrying amounts approximate fair value due to their short maturities. Amounts recorded for subordinated notes payable, net of discount, and loans payable also approximate fair value because current interest rates available to us for debt with similar terms and maturities are substantially the same**.**

We follow accounting guidance for financial assets and liabilities. This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures. This standard does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require or permit fair value measurements. This guidance does not apply to measurements related to share-based payments. This guidance discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

The guidance utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs, other than quoted prices that are observable, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
Level 3: Unobservable inputs in which little or no market data exists, therefore developed using estimates and assumptions developed by us, which reflect those that a market participant would use.

Earnings (Loss) Per Share

Basic earnings per share (EPS) are computed by dividing net (loss) by the weighted average number of common shares outstanding. The dilutive EPS adds the dilutive effect of stock options, warrants and other stock equivalents. As of the date of this report, outstanding warrants to purchase an aggregate of 19,860,000 shares of Class A stock and outstanding options to purchase 1,000,000 shares of Class B stock were excluded from the computation of dilutive earnings per share because the inclusion would have been anti-dilutive. These warrants and options may dilute future earnings per share.

Reclassification

Certain reclassifications have been made to the 2012 Financial Statements to conform to current 2013 presentation. The reclassifications include labor costs for services and amortization of capitalized software costs which were formerly recorded in general and administrative expenses and are now recorded in cost of sales.

Recent Issued Accounting Standards

We have implemented all new accounting standards that are in effect and that may impact our financial statements and do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our financial position or results of operations.

NOTE 2 – GOING CONCERN

As reflected in the accompanying unaudited financial statements, the Company had a net operating loss and cash used in operations for the six months ended June 30, 2013 of $311,145 and $112,305 and the working capital deficit, stockholders' deficit and accumulated deficit as of June 30, 2013 was $885,801, $1,010,621 and $5,014,864 respectively. These matters raise substantial doubt about the Company's ability to continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the Company's ability to further implement its business plan and raise capital. During 2013 management has arranged with a related party for working capital up to $200,000 to finance on-going projects. Our management is also currently engaged in discussions with the capital markets to raise additional funds for expansion including software development and marketing. These financial statements do not include any adjustments related to the recoverability and classification of recorded assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 3 – ACCOUNTS RECEIVABLE AND FACTORING

In December 2011 the Company entered into an agreement with a Factoring company whereby the Company will assign, in the Factor's sole discretion, selected accounts receivable to the Factor in exchange for initial cash funding ("factor advances") for up to 80% of the factored receivable. The minimum 20% reserve held back by the Factor is released after collection of the account receivable by the Factor. The company pays a 3% factor fee for each factored receivable. Since the factoring agreement provides for full recourse against the Company for factored accounts receivable that are not collected by the Factor for any reason, and the collection of such accounts receivable are fully secured by substantially all assets of the Company, the factoring advances have been treated as secured loans on the accompanying balance sheets. The total accounts receivable factored during the period ending June 30, 2013 was $200,092. The factor fees paid during the three and six months ending June 30, 2013 was $6,895 and $12,648 respectively. Total outstanding accounts receivable factored as of June 30, 2013, which is included in Accounts Receivable on the accompanying balance sheet, was $76,312.

The Company has total Accounts Receivable as follows:

	June 30, 2013	December 31, 2012
Accounts Receivable	$ 108,581	$ 4,974
Factored Receivables	76,312	30,734
Allowance for Doubtful Accounts	-	-
Total Accounts Receivable	$ 184,893	$ 35,708

NOTE 4 – PROPERTY AND EQUIPMENT

The Company has total Property and Equipment as follows:

	June 30, 2013	December 31, 2012
Computer software (purchased)	$ 590	$ 590
Website development costs	10,072	10,072
Furniture, fixtures, and equipment	40,712	40,712
Leasehold improvements	1,664	1,664
	53,038	53,038
Less accumulated depreciation and amortization	(37,590)	(34,732)
	$ 15,448	$ 18,306

Depreciation expense of $1,429 and $2,858 was recorded for the three and six months ended June 30, 2013, respectively.

NOTE 5 – NOTES PAYABLE – Related Parties

The Company's notes payable to related parties classified as current liabilities consist of the following:

	June 30, 2013		December 31, 2012	
Notes Payable	**Principal**	**Interest***	**Principal**	**Interest***
Related party	$ 178,090	2.5%	$ 85,755	2.5%
Related party	45,000	1.5%	25,000	1.5%
President & COO	-	-	32,602	-
CEO	65,417	-	85,668	
Total	$ 288,507		$ 229,025	

On August 30, 2012 a company that is majority owned by a foreign investor and personal friend of the Company's President and COO, entered into an arrangement with the Company to loan up to $200,000 on a revolving basis at an interest rate of 2.5% per month based on purchase orders or invoices that have not been previously factored. The initial deposit for this loan came from the Company's President and COO pursuant to the investor, who is a foreign national, setting up an appropriate entity to handle further transactions. Further, the Company's President and COO personally guaranteed the loan. At June 30, 2013 and December 31, 2012 there was outstanding principal balance of $178,090 and $85,755, respectively. Accrued interest at June 30, 2013 and December 31, 2012 was $12,749 and $8,669, respectively.

On June 27, 2012 an individual whom the Company's President and COO has significant influence over, loaned the Company $10,000 at an interest rate of 1.5% interest per month payable monthly. Between July 13, 2012 and July 24, 2012 the related party advanced an additional $15,000. On January 1, 2013, the Company received $19,400 from this related party in exchange for forty-five day original issue discount note with a face value of $20,000 and a maturity date of February 15, 2013. The original discount interest rate was 2% per month. On February 15, 2013, the related party agreed to extend the note for an additional thirteen days, through March 1, 2013 on the same terms and conditions. The original discount interest of $200 was paid to the lender on February 15, 2013. On March 1, 2013, the related party agreed to extend the note for an additional month, through March 31, 2013 on the same terms and conditions. On April 1, 2013, the related party agreed to extend the note for an additional month, through April 30, 2013 on the same terms and conditions. On May 1, 2013, the related party agreed to extend the note for an additional month, through May 31, 2013 on the same terms and conditions. On June 1, 2013, the related party agreed to extend the note for an additional month, through June 30, 2013 on the same terms and conditions. At June 30, 2013 and December 31, 2012 there was outstanding principal balance of $45,000 and $25,000, respectively. Accrued interest at June 30, 2013 and December 31, 2012 was $0 and $407.

On May 31, 2012 the Company's President and COO made a $30,000 short-term advance to the Company. During the second and third quarter, additional advances totaling $50,975 were made. No interest was due on these short-term advances. At December 31, 2012 the advances had been paid in full. During the third quarter the Company deferred $71,012 of payroll for this officer and recorded the amount as a non-interest bearing loan payable. The Company paid down the loan by $39,788 leaving a balance at year-end of $31,224. During the third quarter the officer used his personal credit card to purchase a Company computer in the amount of $1,378 which is recorded as a loan payable. The Company paid these loans as sufficient funds became available. At June 30, 2013 and December 31, 2012 this officer had an outstanding loan balance of $0 and $32,602, respectively.

On May 28, 2011, the Company's Chairman and CEO advanced the Company $25,000 in exchange for a promissory note, bearing an annual interest of 6% and a repayment term of seven months. On January 1, 2012, the note was extended for a further 12 months. As of December 31, 2012 the note and accrued interest was paid in full. During the second quarter of 2012, the Company reclassified $30,265 of accounts payable balances due to the CEO, to loan payable - officer. These balances were a result of Company expenses charged to the CEO's personal credit cards. The Company was previously paying the credit card companies directly for these expenses incurred. During the third quarter 2012 the company recorded accrued payroll for this officer. The resultant net pay was converted to a non-interest bearing loan payable in the amount of $54,682. The Company pays these loans as sufficient funds become available. At June 30, 2013 and December 31, 2012 this officer had an outstanding loan balance of $65,417 and $85,668, respectively.

NOTE 6 – NOTE PAYABLE – Shareholder

The Company's notes payable to shareholder classified as current liability at June 30, 2013 and December 31, 2012 consists of the following:

	June 30, 2013		December 31, 2012	
Note Payable	**Principal**	**Interest***	**Principal**	**Interest***
Shareholder	$ 50,000	3.0%	$ 50,000	3.0%

On January 11, 2012 a shareholder loaned the Company $35,000 at 3% interest per month for one year. On April 13 2012, the shareholder loaned additional principal to the Company in the aggregate amount $25,000. On June 28, 2012, the Company made a $10,000 principal payment on the note. On January 1, 2013, the Company entered into a new agreement with the shareholder to rollover an existing line of credit in the amount of $50,000. The original line of credit was for a total of $60,000 and ISA repaid $10,000 of that obligation during 2012. The new note maintains similar terms and conditions but with a reduction in the monthly fee from 3% to 2.5%. At June 30, 2013 and December 31, 2012 the principal balance on the note was $50,000 and $50,000, respectively. At June 30, 2013 and December 31, 2012 the accrued interest on the note balance was $1,181 and $2,432, respectively.

NOTE 7 – NOTE PAYABLE, CONVERTIBLE OID – Related Party

	June 30, 2013			December 31, 2012		
Notes Payable - Convertible	**Principal**	**Unamort Discount**	**Principal, Net of Discount**	**Principal**	**Unamort Discount**	**Principal, Net of Discount**
Related Party Affiliate	$ 66,000	(9,033)	$ 56,967	$ 66,000	(41,047)	$ 24,953

On June 20 and 28, 2012, a related party who is an affiliate of the President and COO, made a non interest bearing short-term loan to the Company in the amount of $60,000. On August 15, 2012, this loan was exchanged for a one year original issue discount convertible note with detachable warrants. The face value of the note is $66,000. The $6,000 original issue discount is expensed as interest over the term of the note. The convertible note payable is convertible into 1,320,000 shares of the Company's Class B common stock at a conversion rate of $0.05 per share. The Company has valued the beneficial conversion feature attached to the note using the intrinsic value method at a relative fair value of $28,571. The five-year warrants to purchase 1,320,000 shares of the Company's Class B common stock at an exercise price of $0.10 were valued at a relative fair value of $31,429 based on using the Black-Scholes pricing model assuming a dividend yield of 0%, an expected volatility of 462.61%, and a risk free interest rate of .102%. The beneficial conversion feature and the relative fair value of the warrants are recorded as an increase to additional paid in capital and a discount to the note to be amortized to interest expense over the term of the note. The net value of the note at June 30, 2013 and December 31, 2012 was $56,967 and $24,953, respectively.

NOTE 8 – NOTES PAYABLE, CONVERTIBLE OID – Shareholders

	June 30, 2013				December 31, 2012		
Notes Payable - Convertible	**Principal**	**Conversion to Common Stock**	**Unamort Discount**	**Principal, Net of Discount**	**Principal**	**Unamort Discount**	**Principal, Net of Discount**
Shareholder	$ 68,750		-	$ 68,750	$ 68,750	$ (10,171)	$ 58,579
Shareholder	13,750	(13,750)		-	13,750	(2,787)	10,963
	$ 82,500		-	$ 68,750	$ 82,500	$ (12,958)	$ 69,542

On February 24, 2012, the Company received $62,500 from a shareholder in exchange for a one year original issue discount convertible note with detachable warrants. The face value of the note is $68,750. The $6,250 original issue discount is recorded as debt discount and expensed as interest over the term of the note. The convertible note payable is convertible into 4,125,000 shares of the Company's Class A common stock at a conversion rate of $0.017 per share. The Company has valued the beneficial conversion feature attached to the note using the intrinsic value method at $24,606. The five-year warrants to purchase 3,750,000 shares of the Company's Class A common stock at an exercise price of $0.033 were valued at a relative fair value of $37,894 based on using the Black-Scholes pricing model assuming a dividend yield of 0%, an expected volatility of 462.61%, and a risk free interest rate of .89%. The beneficial conversion feature and the relative fair value of the warrants are recorded as an increase to additional paid in capital and a discount to the note. On February 24, 2013, this note became due and payable. ISA is technically in default though no written notice has been received from the shareholder. The Company is in discussions with the shareholder regarding either converting the note or extending it for further periods. As of the date of this report discussions continue. The net value of the note at June 30, 2013 and December 31, 2012 was $68,750 and $58,579 respectively.

On May 11, 2012, the Company received an additional investment of $12,500 from a shareholder in exchange for a one year original issue discount convertible note with detachable warrants. The face value of the note is $13,750. The $1,250 original issue discount is expensed as interest over the term of the note. The convertible note payable is convertible into 825,000 shares of the Company's Class A common stock at a conversion rate of $0.017 per share. The Company has valued the beneficial conversion feature attached to the note using the intrinsic value method at $1,545. The five-year warrants to purchase 825,000 shares of the Company's Class A common stock at an exercise price of $0.033 were valued at the relative fair value of $4,970 based on using the Black-Scholes pricing model assuming a dividend yield of 0%, an expected volatility of 462.61%, and a risk free interest rate of .096%. The beneficial conversion feature and the relative fair value of the warrants are recorded as an increase to additional paid in capital and a discount to the note. On May 11, 2013, the shareholder verbally requested to convert the note into 825,000 shares common stock. At the date of this report, the Company had not received the executed conversion documents and therefore has recorded the 825,000 shares in 'Common Stock to be Issued' (see Note 16). On May, 10th the Board of Directors adopted the resolution to issue this shareholder 250,000 shares as a condition of this additional investment. The Company originally issued the shareholder 750,000 shares, at $0.033 per share, for a $25,000 investment on July 14th, 2011. This investment was recalculated at $.016 per share resulting in the additional 250,000 shares. These shares were issued on May 23rd, 2013 (see Note 14). The Company recorded an additional expense of $1,833 related to the share issuance based on the quoted share price on the grant date of $0.022.

NOTE 9 – NOTE PAYABLE – OID – LONG TERM LIABILITY – Shareholder

	June 30, 2013			December 31, 2012		
Notes Payable - OID	**Current Principal**	**Unamort Discount**	**Principal, Net of Discount**	**Principal**	**Unamort Discount**	**Principal, Net of Discount**
Shareholder	$ 156,332	$ (14,374)	$ 141,958	$ 165,000	$ (21,134)	$ 143,866

On July 15th, 2011 the Company received $125,000 from a shareholder in exchange for a one year original issue discount convertible note with detachable warrants. The face value of the note is $137,500. The $12,500 original issue discount is recorded as debt discount and expensed as interest over the term of the note. The convertible note payable is convertible into 4,125,000 shares of the Company's Class A common stock at a conversion rate of $0.033 per share. The Company has valued the beneficial conversion feature attached to the note using the intrinsic value method at $62,500. The five-year warrants to purchase 3,750,000 shares of the Company's Class A common stock at an exercise price of $0.033 were valued at the relative fair value of $62,500 based on using the Black-Scholes pricing model assuming a dividend yield of 0%, an expected volatility of 347.62%, and a risk free interest rate of 1.46%.

The beneficial conversion feature and the relative fair value of the warrants are recorded as an increase to additional paid in capital and a discount to the note. The net liability of $63,664 was included as a current liability at December 31, 2011. On July 15, 2012, the maturity date, the $137,500 note was exchanged for a new two year original issue discount secured note. The note is secured by the Company's intellectual property, notably the patent for OSPI. In exchange for the security the investor agreed to waive the conversion rights and cancel the warrants issued with the original note. On February 8, 2013, the Company entered into an Inter-creditor Agreement with Liquid Capital Exchange, Inc. (the Company's factor) and a shareholder who has a $165,000 original issue discount note dated July 15, 2012, secured by the intellectual property. The Inter-creditor Agreement resolves a definition dispute concerning UCC's filed by both parties to protect their collateral. A part of this agreement calls for the shareholder to receive 5% of all factor advances to the company until such time the shareholder loan is paid in full. Additionally, until the loan is paid, if there is a trigger notice (loan is due or is called), the factor will pay to the shareholder all factor holdback amounts after collection of the related accounts receivable, less any factor fees. The face value of the note is $165,000. The $27,500 original issue discount is expensed as interest over the term of the note. The net value of the note at June 30, 2013 and December 31, 2012 was $141,958 and $143,866, respectively.

NOTE 10 – NOTE PAYABLE – THIRD PARTY

On May 7, 2013 a third party loaned the Company $45,000 at 1.5% interest per month for six months. As of June 30, 2013 and December 31, 2012 the balance on the note was $45,000 and $0, respectively. There was -0- accrued interest due as of June 30, 2013 and December 31, 2012.

NOTE 11 – NOTE PAYABLE – LINE OF CREDIT

The Company has a line of credit with Wells Fargo Bank. The line of credit provides for borrowings up to $40,000. The balance as of June 30, 2013 and December 31, 2012 was $34,291 and $37,028, respectively. The interest rate is the Prime Rate plus 3%. The CEO of the Company is the personal guarantor. The line of credit is due on demand with an expiration date of April 30, 2014.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Operating lease

On April 25, 2011, the Company entered into a 3 year escalating lease agreement for 1,352 square feet commencing July, 2011. The monthly rental rate is $1,800, $1,920 and $2,040 for the lease years ending July 31, 2012, 2013 and 2014, respectively. The Company incurred $1,664 in leasehold improvements prior to occupancy and paid a security deposit of $1,690.

On September 19, 2011, the Company entered into a 1 year sublease for 2,000 square feet in Las Vegas, Nevada. The sublease commenced on October 15, 2011 and requires monthly payments of $3,000. The security deposit of $3,000 was expensed during the period ending June 30, 2013.

Rent expense for the six months ending June 30, 2013 and 2012 were $14,465 and $15,214, respectively.

Five Year Minimum Lease Payment Schedule

Year	
2013	$ 11,520
2014	24,480
2015	-
2016	-
2017	-
Total	$ 36,000

NOTE 13 – RELATED PARTIES

As of June 30, 2013 and December 13, 2012 there were various notes and loans payable to related parties (see Notes 5 and 7).

NOTE 14 – STOCKHOLDERS' EQUITY

Common stock issued for 3:1 forward split of Class A Common Stock

On August 1, 2013, the Company issued 42,915,502 shares, of which 38,365,501 relates to June 30, 2013 shares of Common Stock – Class A to non-affiliate shareholders. (see Note 17)

Common stock issued for the conversion of notes

On May10th, 2013 the Board of Directors adopted the resolution to issue a shareholder 250,000 Class A shares as a condition of an additional investment. The Company originally issued the shareholder 750,000 Class A shares, at $0.033 per share, for a $25,000 investment on July 14th, 2011. This investment was recalculated at $0.017 per share resulting in the additional 250,000 shares. These shares were issued on May 23rd , 2013. The Company recorded an additional expense of $1,833 related to the share issuance based on the quoted share price on the grant date of $0.022.

NOTE 15 – STOCK PURCHASE WARRANTS AND OPTIONS

Warrants

Following is a summary of warrants for Class A common shares outstanding:

	June 30, 2013			December 31, 2012		
	Shares		Weighted Avg Exercise Price	Shares		Weighted Avg Exercise Price
Outstanding at beginning of period	19,860,000	$	.031	14,700,000	$	.033
Granted	-		-	13,410,000	$	.02
Exercised	-		-	-		-
Forfeited	-		-	8,250,000	$	.031
Expired	-		-	-		-
Outstanding at end of period	19,860,000	$	.031	19,860,000	$	.031
Exercisable at end of period	19,860,000	$	.031	19,860,000	$	.031
Weighted average grant date fair value		$	.016		$	.016
Weighted average remaining contractual term			3.27			3.77

Options

Following is a summary of options for Class B common stock outstanding:

	June 30, 2013			December 31, 2012		
	Shares		Weighted Avg Exercise Price	Shares		Weighted Avg Exercise Price
Outstanding at beginning of period	350,000	$	0.035	-		-
Granted	650,000	$	0.020	350,000	$	0.035
Exercised	-		-	-		-
Forfeited	-		-	-		-
Expired	-		-	-		-
Outstanding at end of period	1,000,000	$	0.030	350,000	$	0.035
Exercisable at end of period	100,000	$	0.035	100,000	$	0.035
Weighted average grant date fair value		$	0.03		$	0.04
Weighted average remaining contractual term			4.36			4.59

On January 1, 2013 the Company granted options to purchase 650,000 shares of Class B common stock to its independent directors. The options have an exercise price of $0.02 per share, a five-year term, vest on January 1, 2014¸ and are subject to continuing service as a director. The options were valued using the Black-Scholes model using a volatility of 508.21%, an expected term of 5 years and an interest rate of 0.76%. The options are valued at $14,500 and will be recognized as expense over the requisite service period. Total stock option expense for the six months ended June 30, 2013 was $8167.

NOTE 16 – COMMON STOCK TO BE ISSUED

On May 11, 2012, the Company received an additional investment of $12,500 from a shareholder in exchange for a one year original issue discount convertible note with detachable warrants. The face value of the note is $13,750. The $1,250 original issue discount is expensed as interest over the term of the note. The convertible note payable is convertible into 825,000 shares of the Company's Class A common stock at a conversion rate of $0.017 per share. The Company has valued the beneficial conversion feature attached to the note using the intrinsic value method at $1,545. The five-year warrants to purchase 825,000 shares of the Company's Class A common stock at an exercise price of $0.033 were valued at the relative fair value of $4,970 based on using the Black-Scholes pricing model assuming a dividend yield of 0%, an expected volatility of 462.61%, and a risk free interest rate of .096%. The beneficial conversion feature and the relative fair value of the warrants are recorded as an increase to additional paid in capital and a discount to the note. On May 11, 2013, the shareholder verbally requested to convert the note into 825,000 shares Class A common stock. At the date of this report, the Company had not received the executed conversion documents and therefore has recorded the 825,000 shares in 'Common Stock to be Issued'.

NOTE 17 – RECAPITALIZATION

The Company has affected a recapitalization by splitting the common stock into two classes – Class A common stock to be held by all shareholders except for those parties who may be deemed to be affiliates, namely all officers, directors and holders of more than 10% of the outstanding shares and Class B shareholders who are the presumed affiliates. The only difference between Class A and Class B is that Class A shareholders will no longer have voting rights while Class B shareholders retain voting rights. Each share of Class B Stock shall be convertible into one share of Class A Stock at the option of the holder beginning 90 days after the date this Second Amendment has been filed with the Florida Secretary of State.

On August 1st, 2013 the Company filed the Second Articles of Amendment (the "Second Amendment") creating the two classes, and also declared a two-for-one stock dividend to holders of Class A common stock of record on August 1, 2013 (the "Record Date"). Shareholders that held one share of common stock on the Record Date, now own three shares. No dividend was declared for holders of what is now Class B common stock. The stock dividend was approved by the Board of Directors, and not the shareholders, as way of thanking the Company's shareholders for their patience and rewarding them for giving management additional time to establish a path to profitability.

All future dividends and distributions will be shared without regard to the creation of classes. The recapitalization occurred by the written consent of holders of more than the majority of our outstanding shares, based upon the recommendation of the Board of Directors. Following obtaining that consent, on August 1, 2013, the Company filed the Second Amendment with the Florida Secretary of State, creating the two classes and also increasing the number of authorized shares to 450,000,000 shares of Class A common stock, 50,000,000 of Class B common stock and reducing the number of shares of preferred stock to 1,000,000 shares. The Company increased the number of authorized shares of capital stock in order to accommodate the dividend described in the above paragraph and also permit the Company to have the ability to raise additional funds in order to support our future growth and fund our operations.

During the afternoon of August 7, 2013, the Financial Industry Regulatory Authority ("FINRA"), which regulates broker-dealers but not the Company, raised an issue as to the reclassification. The Company is staying implementation of the reclassification and dividend (discussed below) pending resolution of this matter with FINRA.

This change in capital structure was recorded retroactive in the accompanying Financial Statements for all periods presented. The following table summarizes the recapitalization:

	Recapitalization August 1, 2013			
	Before		After	
	Par Value	Authorized Shares	Par Value	Authorized Shares
Authorized Shares				
Preferred stock	.001	2,000,000	.001	1,000,000
Common Stock	.001	50,000,000	.001	-
Common Stock - Class A	.001	-	.001	450,000,000
Common Stock - Class B	.001	-	.001	50,000,000
Total Authorized Shares		52,000,000		501,000,000
Issued and Outstanding				
Preferred stock	.001	-	.001	-
Common Stock	.001	32,957,751	.001	-
Common Stock - Class A	.001	-	.001	64,373,253
Common Stock - Class B	.001	-	.001	11,500,000
Total Authorized Shares		32,957,751		75,873,253

NOTE 18 – SUBSEQUENT EVENT

On July 17th, 2013 the Company entered into a one-year Consulting Agreement with Abacus Securities, an International Business Consulting Corporation in exchange for 6,000,000 shares Common Stock – Class A giving the effect of the two-for-one stock dividend to holders of record as of August 1, 2013.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OUR COMPANY

We were incorporated in Florida in 1994 to engage in the business of developing software for the financial and asset management industries. We are currently engaged and plan to continue in the sale of asset management software for corporate information technology data centers and networks. ISA is a "solution provider" positioned to develop and deliver comprehensive asset management systems large data center assets.

We deliver turnkey software and service solutions that give large corporations control of their IT assets. Our mobile asset solution addresses data center equipment inventory, space utilization, power and connectivity management. In conjunction with our data center asset management solutions, ISA also offers state of the art asset data collection and audit services focusing on the enterprise IT infrastructure. The data collection and audit services are based on our solution OSPI® which provides mobile data center asset management on a handheld device. It dramatically reduces the time and effort spent managing changes to the data center or performing asset inventories while greatly improving the accuracy of asset management data. It is the only mobile asset management system purposely built for use in the data center. It puts a full mobile solution within the data center manager's control, allowing data to be managed while in the data center at the time and place changes occur.

RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the unaudited financial statements included in this report.

For the Three months ended June 30, 2013 compared to June 30, 2012

Revenues

Revenues were $223,018 and $158,109 for the three months ended June 30, 2013 and 2012, respectively. The revenues increase for 2013 is primarily due to an increase in professional services revenue and customer service revenue $51,395 and $14,131 respectively.

Cost of Revenues

Costs of revenues were $100,242 and $77,804 for the three months ended June 30, 2013 and 2012, respectively. The increase in 2013 cost of sales is due to an increase in professional services cost, software licensing costs, and customer services cost of $20,366, $1,278, and $795 respectfully.

Operating Expenses

Operating expenses for the three months ended June 30, 2013 and 2012 were $244,819 and $205,660, respectfully. The increase in operating expenses primarily resulted from an increase in marketing and investor relations expense.

Loss before other Income (Expense)

The loss from operations for the three months ended, June 30, 2013 and 2012 was $122,043 and $125,355, respectfully.   The variances reported above in Revenue, Cost of Sales and Operating Expenses explain the difference.

Other Income (Expense)

Interest Expense

Interest expense for the three months ended June 30, 2013 and 2012 was $40,236 and $55,939 respectfully. The decrease in interest expense primarily resulted from decrease of amortization of interest expense associated with original issue discount notes, the beneficial conversion feature and warrants issued associated with our convertible notes.

Factor Fees

Factoring fees for the three months ending June 30, 2013 and 2012 were $6,895 and $5,180, respectfully. The $1,715 increase was due to an increase in the number of invoices factored.

Net Loss

Net loss for the three month period ended June 30, 2013 and 2012 was $161,746 and $186,474, respectfully. The approximate $25,000 reduction in net loss was primarily due to the decrease in the amount of debt discount amortized on convertible note payable borrowing. Net loss per common share was $0.01 and $0.01 for the period ended June 30, 2013 and 2012, respectively. Weighted average common shares outstanding for the three month period ended June 30, 2013 and 2012 were 68,937,140 shares and 68,798,251 shares, respectively.

For the six months ended June 30, 2013 **compared to** June 30, 2012

Revenues

Revenues were $430,077 and $233,704 for the six months ended June 30, 2013 and 2012, respectively. The revenues increase for 2013 due to an increase in professional services revenue, software licensing revenue and customer service revenue by $111,915, $60,472, and $23,985 respectively.

Cost of Revenues

Costs of revenues were $198,778 and $122,912 for the six months ended June 30, 2013 and 2012, respectively. The increase in 2013 cost of sales is primarily due to an increase in professional services cost, software licensing cost, and customer services cost of $73,737, $893, and $1,237, respectively.

Operating Expenses

Operating expenses for the six months ended June 30, 2013 and 2012 were $454,525 and $428,070 respectfully. The increase in operating expenses resulted primarily from an increase in general and administrative expenses, salary and benefits and professional fees of $12,322, $10,414 and $3,719, respectfully.

Loss before other Income (Expense)

We had a loss from operations for the six months ended June 30, 2013 and 2012 of $223,226 and $317,278, respectfully. The decrease in the loss resulted primarily from a $196,373 increase in gross profit.

Other Income (Expense)

Interest Expense

Interest expense for the six months ended June 30, 2013 and 2012 was $84,500 and $183,221 respectfully. The decrease in interest expense resulted from decrease of amortization of interest expense associated with original issue discount notes, the beneficial conversion feature and warrants issued associated with our convertible notes.

Factor Fees

Factoring fees for the six months ending June 30, 2013 and 2012 were $12,648 and $8,962, respectfully. The $3,686 increase was due to an increase in the number of invoices factored.

Net Loss

Net loss for the six month period ended June 30, 2013 and 2012 were $311,145 and $509,461 respectively. The approximate $200,000 reduction in net loss was primarily due to the decrease in the amount of debt discount amortized on convertible note payable borrowing and increased revenues. Net loss per common share for the period ended June 30, 2013 and 2012 was $(.00) and $(.01), respectively. Weighted average common shares outstanding for the six month period ended June 30, 2013 and 2012 were 68,798,501 shares and 66,802,647 shares, respectively.

Liquidity and Capital Resources

Cash flows used in operations were $112,305 for the six month period ending June 30, 2013 and cash flow used in operations was $272,856 for the six month period ending June 30, 2012.

Cash flows used in operations during the period ended June 30, 2013 were attributable to a net loss of $311,145 and an increase in accounts receivable of $149,185, offset by depreciation and amortization expense of $2,858, amortization of original issue discount, beneficial conversion value and warrant discounts of $51,732, options issued for services of $8,167, increase in accounts payable and accrued expenses $ 227,736, and an increase in deferred revenue of $19,199.

During the period ended June 30, 2013 and 2012, we experienced no effect from investing activities.

Cash flows provided by financing activities was $113,935 for the period ended June 30, 2013. These cash flows were provided by net proceeds from related party and shareholder notes of $59,483, net proceeds from line of credit of $2,739, and net proceeds from factors, net of repayments of $29,351, and a repayment of checks written in excess of cash balances of $3,880.

As of August 14th, we had cash on hand of $6,453. During 2013 the management has arranged with a related party for working capital up to $200,000 to finance on-going projects. If we are unable to generate revenues sufficient to support our operations we will require additional debt or equity financing to meet the working capital needs of the Company. Our management is in the process of raising capital but this has been delayed due to inability to correctly price an offering pending the dividend/split and insufficient authorized shares. Management is developing a new investor slide deck with Hayden IR and plans to present this in a series of conference calls over the next several weeks. Also, debt will be repaid from a combination of future cash flows and investment raises via conversions.

OFF BALANCE SHEET ARRANGEMENTS

We have no-off balance sheet contractual arrangements, as that term is defined in Item 303(a)(4) of Regulation S-K.

CRITICAL ACCOUNTING POLICIES

Our unaudited financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires management to make estimates and judgments. We believe that the determination of the carrying value of our long-lived assets, the valuation allowance of deferred tax assets and valuation of share-based payment compensation are the most critical areas where management's judgments and estimates most affect our reported results. While we believe our estimates are reasonable, misinterpretation of the conditions that affect the valuation of these assets could result in actual results varying from reported results, which are based on our estimates, assumptions and judgments as of the balance sheet date.

Revenue Recognition

The Company recognizes revenue in accordance with the Securities and Exchange Commission (the "SEC") Staff Accounting Bulletin No. 104, "Revenue Recognition" and Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 985-605-25 which addresses Revenue Recognition for the software industry. The general criteria for revenue recognition under ASC 985-605 for our Company which sells software licenses which do not require any significant modification or customization is that revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectability is probable.

The Company generates revenue from three sources: (1) professional Services (consulting & auditing); (2) software licensing with optional hardware sales; and (3) customer service (training & maintenance/support).

For sales arrangements that do not involve multiple elements:

(1) Revenues for professional services, which are of short term duration, are recognized when services are completed.

(2) Through the date of this report, software license sales have been one time sales of a perpetual license to use our software product and the customer also has the option to purchase third party manufactured handheld devices from us if they purchase our software license. Accordingly the revenue is recognized upon delivery of the software and delivery of the hardware, as applicable, to the customer.
(3) Training sales are one time upfront short term training sessions and are recognized after the service has been performed.
(4) Maintenance/support is an optional product sold to our software license customers under one year contracts. Accordingly, maintenance payments received upfront are deferred and recognized over the contract term.

Arrangements with customers may involve multiple elements of the above sources. Training and maintenance on software products will generally occur after the software product sale while other services may occur before or after the software product sale and may not relate to the software product.

Each element is accounted for separately when each element has value to the customer on a stand-alone basis and there is Company specific objective evidence of selling price of each deliverable. For revenue arrangements with multiple deliverables, the Company allocates the total customer arrangement to the separate units of accounting based on their relative selling prices as determined by the price for the items when sold separately. Once the selling price is allocated, the revenue for each element is recognized using the general and specific criteria under GAAP as discussed above for elements sold in non-multiple element arrangements. A delivered item or items that do not qualify as a separate unit of accounting within the arrangement are combined with the other applicable undelivered items within the arrangement. The allocation of arrangement consideration and the recognition of revenue is then determined for those combined deliverables as a single unit of accounting. The Company sells it various services and software and hardware products at established prices on a standalone basis which provides Company specific objective evidence of selling price for purposes of multiple element relative selling price allocation. All elements in multiple element arrangements with Company customers qualify as separate units of account for revenue recognition purposes.

Accounts Receivable and Factoring

Accounts receivable are stated at estimated net realizable value. Accounts receivable are comprised of balances due from customers net of estimated allowances for uncollectible accounts. In determining the collections on the account, historical trends are evaluated and specific customer issues are reviewed to arrive at appropriate allowances.

The Company accounts for the sale of our accounts receivable to a third party in accordance with ASC 860-10-40-5 “Transfers and Servicing”. ASC 860-10 requires that several conditions be met in order to present the sale of accounts receivable net of related debt in the asset section of our balance sheet. Even though we have isolated the transferred (sold) assets and we have the legal right to transfer our assets (accounts receivable) we do not meet the third test of effective control since our accounts receivable sales agreement requires us to be liable in the event of default by one of our customers. Because we do not meet all three conditions, we do not qualify for sale treatment and our debt incurred with respect to the sale of our accounts receivable is presented as a liability on our balance sheet.

Long-Lived Assets

The Company evaluated the recoverability of its property, equipment, and other assets in accordance with FASB ASC 360 “Property, Plant and Equipment”, which requires recognition of impairment of long-lived assets in the event the net book value of such assets exceed the estimated future undiscounted cash flows attributable to such assets or the business to which such intangible assets relate.

Software Development Costs

Internal Use Software

The Company accounts for costs incurred to develop or purchase computer software for internal use in accordance with FASB ASC 350-40 “Internal-Use Software” or ASC 350-50 "Website Costs". As required by ASC 350-40, the Company capitalizes the costs incurred during the application development stage, which include costs to design the software configuration and interfaces, coding, installation, and testing.

Costs incurred during the preliminary project stage along with post-implementation stages of internal use computer software are expensed as incurred. Capitalized development costs are amortized over a period of one to three years. Costs incurred to maintain existing product offerings are expensed as incurred. The capitalization and ongoing assessment of recoverability of development costs requires considerable judgment by management with respect to certain external factors, including, but not limited to, technological and economic feasibility, and estimated economic life.

Software to be sold or leased

Costs incurred in connection with the development of software products are accounted for in accordance with the Financial Accounting Standards Board Accounting Standards Codification ("ASC") 985-20 *Costs of Software to Be Sold, Leased or Marketed."* Costs incurred prior to the establishment of technological feasibility are charged to research and development expense. Software development costs are capitalized after a product is determined to be technologically feasible and is in the process of being developed for market and capitalization ceases after the general release of the software. Amortization of capitalized software development costs begins upon initial product shipment. Capitalized software development costs are amortized over the estimated life of the related product using the straight-line method. The Company evaluates its software assets for impairment whenever events or change in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of software assets to be held and used is measured by a comparison of the carrying amount of the asset to the future net undiscounted cash flows expected to be generated by the asset. If such software assets are considered to be impaired, the impairment to be recognized is the excess of the carrying amount over the fair value of the software asset.

Software maintenance costs are charged to expense as incurred. The cost of the software and the related accumulated amortization are removed from the accounts upon retirement of the software with any resulting loss being recorded in operations.

Share-Based Compensation

We follow the fair value recognition provisions of ASC 718, "*Compensation – Stock Compensation*". The fair values of share-based payments are estimated on the date of grant using the Black-Scholes option pricing model, based on weighted average assumptions. Expected volatility is based on historical volatility of our common stock. We have elected to use the simplified method described in the Securities and Exchange Commission Staff Accounting Bulletin Topic 14C to estimate the expected term of employee stock options. The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant. Compensation expense is recognized on a straight-line basis over the requisite service period of the award.

The assumptions used in calculating the fair value of stock-based awards represent our best estimates, but these estimates involve inherent uncertainties and the application of management judgment. As a result, if factors change and we use different assumptions, our stock-based compensation expense could be materially different in the future.

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates in the accompanying financial statements include the allowance on accounts receivable, valuation of deferred tax assets, valuation of warrants issued with debt, valuation of beneficial conversion features in convertible debt, valuation of stock-based awards, valuation of long-lived assets for impairment and the measurement and useful lives of property and equipment. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Recent Issued Accounting Standards

We have implemented all new accounting standards that are in effect and that may impact our financial statements and do not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on our financial position or results of operations.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The information to be reported under this item is not required of smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management carried out an evaluation with the participation of our Principal Executive Officer and Principal Financial Officer, required by Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act") of the effectiveness of our disclosure controls and procedures as defined in Rule 13a-15(e) under the Exchange Act.

Based on their evaluation, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by us in our reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Controls Over Financial Reporting

There were no changes in our internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to, or otherwise involved in, legal proceedings arising in the normal and ordinary course of business. As of the date of this report, we are not aware of any proceeding, threatened or pending, against us which, if determined adversely, would have a material effect on our business, results of operations, cash flows or financial position. There were no material changes during the period of this report to any pending legal proceedings previously reported.

ITEM 1A. RISK FACTORS

Not applicable to smaller reporting companies.

Cautionary Note Regarding Forward-Looking Statements

This report on Form 10-Q contains forward-looking statements involving our liquidity and capital raising efforts. The words “believe,” “may,” “estimate,” “continue,” “anticipate,” “intend,” “should,” “plan,” “could,” “target,” “potential,” “is likely,” “will,” “expect” and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs.

The results anticipated by any or all of these forward-looking statements might not occur. Important factors, uncertainties and risks that may cause actual results to differ materially from these forward-looking statements are contained in the above Risk Factors. We undertake no obligation to publicly update or revise any forward-looking statements, whether as the result of new information, future events or otherwise. For more information regarding some of the ongoing risks and uncertainties of our business, see the Risk Factors and our other filings with the SEC.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On May10, 2013 the Board of Directors adopted the resolution to issue a shareholder 250,000 Class A shares as a condition of an additional investment. The Company originally issued the shareholder 750,000 Class A shares, at $0.033 per share, for a $25,000 investment on July 14th, 2011. This investment was recalculated at $0.017 per share resulting in the additional 250,000 shares. These shares were issued on May 23, 2013.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Exhibit Description	Incorporated by Reference			Filed or Furnished Herewith
		Form	Date	Number	
3.1	Articles of Incorporation	SB-2	4/7/07	3.1	
3.2	Articles of Amendment to the Articles of Incorporation	SB-2	4/7/07	3.2	
3.3	Bylaws	SB-2	4/7/07	3.3	
3.4	Second Amendment to Articles of Incorporation				Filed
10.1	WSR Consulting Agreement dated September 11, 2009	8-K	10/16/09	10.1	
10.2	Form of Revolving Line of Credit	10Q	05/15/13	10.2	
10.3	Form of Note Payable OID	10Q	05/15/13	10.3	
10.4	Form of Option Agreement	10Q	05/15/13	10.4	
10.5	Abacus Securities Agreement, dated July 17, 2013				Filed
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer (302)				
32.1	Certification of Principal Executive and Principal Financial Officer (906)				Furnished*
101.INS	XBRL Instance Document				**
101.SCH	XBRL Taxonomy Extension Schema Document				**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				**
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				**
101.LAB	XBRL Taxonomy Extension Label Linkbase Document				**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				**

* This exhibit is being furnished rather than filed and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

** Attached as Exhibit 101 to this report are the Company's financial statements for the quarter ended June 30, 2013 formatted in XBRL (eXtensible Business Reporting Language). The XBRL-related information in Exhibit 101 to this report shall not be deemed "filed" or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act, and is not filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of those sections.

Signatures

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

INFORMATION SYSTEMS ASSOCIATES, INC.

Date: August 14, 2013

By: /s/ Joseph P. Coschera
Joseph P. Coschera
Chief Executive Officer

Date: August 14, 2013

By: /s/ Jacquelyn B. Bolles
Jacquelyn B. Bolles
Chief Financial Officer

EXHIBIT 3.4

SECOND AMENDMENT
TO
ARTICLES OF INCORPORATION
OF
INFORMATION SYSTEMS ASSOCIATES, INC.

Pursuant to the provisions of Sections 607.1003 and 607.1006 of the Florida Business Corporation Act (the "Act"), Information Systems Associates, Inc. (the "Company") adopts this Second Amendment to the Articles of Incorporation (the "Second Amendment") set forth below:

1. Name of the Company: Information Systems Associates, Inc.

2. Principal Address of Company: 819 S.W. Federal Highway, Suite 206
Stuart, Florida 34994

The following Amendments to the Company's Articles of Incorporation were adopted by the Board of Directors of the Company on the 10th day of July 2013, and by a majority of the outstanding shares of each class of capital stock entitled to vote on the 22nd day of July 2013 in accordance with and in the manner prescribed by the Act:

3. Article III is hereby amended in its entirety to read:

Capital Stock:

(a) Classes and Number of Shares. The total number of shares of all classes of capital stock that the Company shall have authority to issue is 501,000,000 million shares, consisting of: (i) 450,000,000 shares of Class A Common Stock, par value $0.001 per share (the "Class A Stock"); (ii) 50,000,000 shares of Class B Common Stock, par value $0.001 per share (the "Class B Stock"); and, (iii) 1,000,000 shares of Preferred Stock, par value $0.001 per share (the "Preferred Stock"), each having the rights set forth in this Article III. The authorized number of shares of any class of capital stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority of the shares of capital stock of the Company entitled to vote on the matter and, except as may otherwise be provided in these Articles of Incorporation as they may be amended from time-to-time. Except as may be required by a series of Preferred Stock or by applicable law, no separate vote of such class of capital stock, the authorized number of which is to be increased or decreased, shall be necessary to effect such change.

(b) Preferred Stock. The Board of Directors of the Company (the "Board") is hereby authorized, by resolution or resolutions thereof, to provide, out of the unissued shares of Preferred Stock, a series of Preferred Stock and, with respect to each such series, to fix the number of shares constituting such series, and the designation of such series, the voting and other powers (if any) of the shares of such series, and the preferences and any relative, participating, optional or other special rights and any qualifications, limitations or restrictions thereof, of the shares of such series. The powers, preferences and relative, participating, optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, may differ from those of any and all other series of Preferred Stock at any time outstanding.

(c) Voting.

(1) The Class A Stock shall not be entitled to vote, except as may be otherwise required by the Act.

(2) Each holder of Class B Stock shall be entitled to one vote for each share of Class B Stock held of record by such holder on all matters in which shareholders generally are entitled to vote, except as may be otherwise be provided in these Articles of Incorporation (including any Certificate filed with the Secretary of State of the State of Florida establishing the terms of a series of Preferred Stock) or by the Act.

(3) The holder of any series of Preferred Stock shall be entitled to any voting powers as provided in the Certificate creating such series.

(d) Dividends. Subject to the Act and the rights (if any) of the holders of any outstanding series of Preferred Stock, dividends may be declared and paid on the Class A and Class B Stock at such times and in such amounts as the Board, in its discretion, shall determine. Any dividends payable to the holders of Class A Stock or Class B Stock must also be payable to the holders of the other respective class of common stock on a *pro rata* basis without regard to the fact that these Articles of Incorporation have created separate classes of common stock. In determining the dividend per share, the numerator shall be the amount of cash, other property or capital stock payable to holders of common stock and the denominator shall be the total outstanding shares of Class A Stock and Class B Stock. The foregoing requirement that the holders of Class A Stock and Class B Stock be treated together in the payment of dividends, shall not apply to a two-for-one stock dividend payable to shareholders of record on the date that this Second Amendment is filed with the Florida Secretary of State.

(e) Certain Rights of Common Stock. Upon the dissolution, liquidation or winding up of the Company subject to the rights (if any) of the holders of any outstanding series of Preferred Stock, the holders of common stock shall be entitled to receive the assets of the Company available for distribution to shareholders ratably in proportion to the number of shares held by them in the same manner as payment of dividends under Article III(d).

(f) Conversion. Each share of Class B Stock shall be convertible into one share of Class A Stock at the option of the holder beginning 90 days after the date this Second Amendment has been filed with the Florida Secretary of State. In order to convert the Class B Stock into Class A Stock on a share-for-share basis, the holder shall give written notice to the Company at its principal offices as provided on the website maintained by or for the Florida Secretary of State, which notice shall be effective upon receipt by the Company.

(1) Reservation of Stock Issuable Upon Conversion. The Company shall at all times following the filing date of this Second Amendment reserve and keep available out of its authorized but unissued shares of Class A Stock, for the purpose of effecting the

conversion of the shares of Class B Stock, such number of its shares of Class A Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Stock which are convertible into Class A Stock; and if at any time the number of authorized but unissued shares of Class A Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Class B Stock, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Class A Stock to such number of shares as shall be sufficient for such purpose, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to this Certificate.

(2) Fractional Shares. No fractional shares of Class A Stock shall be issued upon any conversion of Class B Stock. In lieu of any fractional share to which the holder would otherwise be entitled, the Company shall pay the holder cash equal to the product of such fraction multiplied by the Class A Stock's Fair Market Value. The Company shall, as soon as practicable after the Conversion Time, deliver to the holders of Series B Stock electing his conversion rights, cash in lieu of any fraction of a share. For the purposes of this Certificate "Fair Market Value" of a share of Class A Stock as of a particular date (the "Determination Date") shall have the meaning provided in Article III (f)(6).

(3) Mechanics of Conversion. Before any registered holder of Class B Stock shall be entitled to convert shares of Class B Stock into shares of Class A Stock in connection with a conversion pursuant to Article III (f), the holder shall surrender the certificate for such shares of the Class B Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company (and a bond at the option of the Company) to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate), at the principal office of the Company (or its transfer agent, if applicable), together with written notice that such holder elects to convert all or any number of the shares of the Class B Stock represented by such certificate and, if applicable, any event on which such conversion is contingent. The notice shall state the holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Class A Stock to be issued. If required by the Company, certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form reasonably satisfactory to the Company (which may include a medallion guarantee), duly executed by the holder or his, her or its attorney duly authorized in writing. In the event less than all the shares represented by a certificate are converted, the Company shall promptly issue to the holder thereof a new certificate representing the unconverted shares.

(4) Taxes Upon Conversion. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Class A Stock on conversion of shares of Class B Stock. The Company shall not, however, be required to pay any tax that might be payable in respect of any transfer involved in the issuance and delivery of shares of Class A Stock in a name other than that in which the shares of converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that the tax has been paid.

(5) Delivery of Class A Stock Certificates. As soon as practicable after the conversion of the any Class B Stock in full or in part by a holder, the Company at its expense (including the payment by it of any applicable issue taxes) will cause to be issued in the name of and delivered to the holder of such Class B Stock, or as such holder (upon payment by such holder of any applicable transfer taxes) may direct in compliance with applicable securities laws, a certificate or certificates for the number of duly and validly issued, fully paid and non-assessable shares of Class A Stock to which such holder shall be entitled on such conversion.

(6) Fair Market Value. Fair Market Value shall mean:

(A) For Securities.

(i) If the principal trading market for Class A Stock is a national securities exchange or the Over-the-Counter Bulletin Board or a similar system then in use including the OTC Markets), the last reported sales price on the principal market on the Determination Date or if the Determination Date is not a trading day, the trading day immediately prior to such a Determination Date ; or

(ii) If a reported last sales price is not applicable, and if bid and ask prices for shares of Class A Stock are reported by the principal trading market (or a similar system then in use), the average of the high bid and low ask prices so reported on the Determination Date or if the Determination Date is not a trading day on the trading day immediately prior to such Determination Date.

(iii) Notwithstanding the foregoing, if there is no last reported sales price or bid and ask prices, as the case may be, for the day in question, then Fair Market Value shall be determined as of the latest day prior to such day for which such last reported sales price or bid and ask prices, as the case may be, are available, unless such securities have not been traded on an exchange or in the over-the-counter market for 30 or more days immediately prior to the day in question, in which case the Fair Market Value shall be determined (1) by the last sales price of Class A Stock or exercise or conversion price of Class A Stock equivalents sold or issued within the last six months of the Determination Date, or (2) in good faith by the board of directors of the Company.

(B) For Other Property. As determined in good faith by the board of directors of the Company.

(7) Adjustments Upon Common Stock Event. Except for a two-for-one stock dividend payable only to holders of Class A Stock as of a record date not more than 30 days after the filing of this Second Amendment, at any time or from time-to-time after the date on which this Second Amendment is filed, upon the happening of a Common Stock Event (as defined), the outstanding Class B Stock shall, simultaneously with the happening of such Common Stock Event, be adjusted in the same manner as the Class A Stock. As used herein, the term “Common Stock Event” shall mean (i) the issue by the Company of additional shares of Class A Stock as a dividend or other distribution on outstanding Class A Stock, (ii) a subdivision

of the outstanding shares of Class A Stock into a greater number of shares of Class A Stock, or (iii) a combination of the outstanding shares of Class A Stock into a smaller number of shares of Class A Stock. If a Common Stock Event occurs with respect to Class B Stock, the Class A Stock shall be equitably adjusted.

4. Article XIII is hereby added to the Articles of Incorporation as follows:

Article XIII Exclusive Jurisdiction Of Disputes

These Articles of Incorporation and the internal affairs of the Company shall be governed by and interpreted under the laws of the State of Florida, excluding its conflict of laws principles. Unless the Company consents in writing to the selection of an alternative forum, the Circuit Court of Martin County (or the appropriate Florida federal court) shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer (or affiliate of any of the foregoing) of the Company to the Company or the Company's shareholders, (iii) any action asserting a claim arising pursuant to any provision of the Florida Statutes or the Company's Articles of Incorporation or bylaws, or (iv) any other action asserting a claim arising under, in connection with, and governed by the internal affairs doctrine.

IN WITNESS WHEREOF, the undersigned, President of the Company has executed the foregoing Second Amendment to the Company's Articles of Incorporation this 1st day of August 2013.

INFORMATION SYSTEMS ASSOCIATES, INC.

By: /s/ Adrian Goldfarb, President
Adrian Goldfarb, President

EXHIBIT 10.5

CONSULTING AGREEMENT

This Consulting Agreement is entered into as of July 17, 2013, by and between Information System Associates, Inc., a Florida Public company (the "Company"), and **Abacus Securities, Inc.,** an International Business Corporation, (the "Consultant").

WITNESSETH:

WHEREAS, the Company desires to retain the services of the Consultant, and the Consultant desires to provide services to the Company, upon the term s and conditions set forth in this Consulting Agreement (the "Agreement");

NOW, THEREFORE, in consideration of the premise and the respective covenants and agreements of the parties set forth herein, each of the parties agrees as follows:

1. Consulting Services. The Consultant agrees to provide consulting services to the Company during the term of this Agreement to be used with any current client of the company, upon such terms and to the extent that the parties shall from time to time agree. The nature of services to be provided by the Consultant to the Company may include the following:

(a) advice and introductions concerning purchase order financing of the Company's products;

(b) business development assistance including terms of possible transactions and suggestions during negotiations;

(c) sales assistance through the development of business models and sales strategy;

(d) advice regarding financing, review of proposed term sheets, capitalization planning and, where appropriate, participation in negotiations ;

(e) strategic consulting regarding product planning, market development, marketing and public relations;

(f) consulting on corporate structure, employee stock option structure, warrant arrangements and intellectual property planning;

(g) introductions to potential strategic partners and other alliance candidates;

(h) introductions to prospective customers for the Company 's products or services;

(i) introductions to sources of financing and capital.

2. Term. The term of this Agreement shall commence as of the date hereof and shall continue through July 16th, 2014.

3. Extent of Services. 1be Consultant agrees to provide such services described in Section I above either directly or through such persons as may be reasonably agreeable to the Company. The Company understands that the nature of the services to be provided are part time and that the Consultant will be engaged in other business and consulting activities during the term of this Agreement.

4. Compensation. The Company shall issue to Abacus Securities, Inc. two million shares of the company's common stock (2,000,000 shares of common stock). The shares shall carry piggy back registration rights with regards to any registration of equity shares the company may file with the SEC or United States Securities and Exchange Commission. The shares shall be considered fully paid, non-assessable and unencumbered.

5. Expenses. The Consultant is responsible for any incurred expenses unless coverage of said expenses is agreed to by the Company prior to incurrence.

6. Confidential Information .

(a) Confidentiality. Except as required in the performance of its duties to the Company, the Consultant shall treat as confidential and shall not, directly or indirectly, use, disseminate, disclose, publish or otherwise make available any Confidential Information (as such term is herein after defined) or any portion thereof. In furtherance of the foregoing, the Consultant shall be permitted to disclose Confidential Information to those of its employees, managers, members, agents, accountants, attorneys, consultants, potential financing sources and strategic partners who reasonably need to know such Confidential Information in order for the Consultant to reasonably perform its duties hereunder.

(b) Return of Confidential Information. Upon termination of this Agreement, and upon the written request of the Company, all documents, records, notebooks, computer files, tapes and diskettes and similar repositories containing Confidential Information , including copies thereof, then in the Consultant's possession, whether prepared by it or others, shall be promptly destroyed by the Consultant or returned to the Company. If at any time after the termination of this Agreement, the Consultant determines that it has any Confidential Information in its possession or control, it shall immediately destroy or return the same to the Company, including all copies and portions thereof.

(c) Definition. For purposes of this Agreement, the term "Confidential Information" means any and all information relating to the Company's products, customers, pricing or financing and is labeled or marked "confidential" when disclosed or made available to the Consultant and which is or becomes known by Consultant as a direct or indirect consequence of or through its relationship with the Company and not generally known in the industry in which the Company is or may become engaged. Confidential Information shall not include any information which (i) was known by the Consultant prior to receipt of such information by it from the Company, (ii) is independently discovered by the Consultant after the date hereof, (iii) comes or has come within the public domain through no act or failure on the part of the Consultant or (iv) is rightfully obtained by the Consultant after the date hereof from a third party which, to the knowledge of the Consultant, is lawfully in possession of such Confidential Information.

7. Remedies. The parties acknowledge that the remedies at law for the breach of the agreements and covenants set forth in Section 6 hereof are inadequate and that the Company shall be entitled to preliminary and permanent injunctive relief to the fullest extent available under applicable law enjoining the Consultant from engaging in any conduct constituting a breach of the agreements and covenants contained in Section 6 hereof. Such remedies shall be in addition to, and not in substitution of, any other remedies which the Company may have at law or in equity in the event of a breach or threatened breach of any of the foregoing agreements or covenants by the Consultant.

8. Status. The Consultant shall at all times be an independent contractor, rather than a co-venturer, agent, employee or representative of the Company.

9. Notices. Any notice required or desired to be given under this Agreement shall be in writing and shall. be deemed to have been given when personally delivered or sent by certified or registered mail or overnight courier to the respective addresses set forth in the first paragraph of this Agreement or such other address as to which one party may have notified the other in such manner.

10. **Applicable Law.** The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of Pennsylvania without regard to its conflict of law provisions.

11. **Severability.** In the event of the invalidity or unenforceability of any provision of this Agreement under applicable law, the parties agree that such invalidity or unenforceability shall in no way affect the validity or enforceability of any other provisions of this Agreement. The contract may be terminated at any time by either party for any reason with a 30 day written notice of termination.

12. **Waiver of Breach.** The waiver by either party of a breach of any provision of this Agreement by the other shall not operate or be construed as a waiver of any subsequent breach by such party. No waiver shall be valid unless in writing and signed by an authorized officer of the Company or the Consultant, as appropriate.

13. **Binding Effect.** This Agreement shall be binding upon the parties and their respective successors and assigns.

14. **Indemnification.** The Company warrants and represents that all oral communications, written documents or materials furnished to Consultant or the public by the Company with respect to financial affairs, operations, profitability and strategic planning of the Company are accurate in all material respects and Consultant may rely upon the accuracy thereof without independent investigation . The Company will protect, indemnify and hold harmless Consultant against any claims or litigation including any damages, liability, cost and reasonable attorney's fees as incurred with respect thereto resulting from Consultant's communication or dissemination of any said information, documents or materials excluding any such claims or litigation resulting from Consultant's communication or dissemination of information not provided or authorized by the Company. Consultant warrants and represents that all oral communications, written documents, or materials furnished to third parties by Consultant, originating with Consultant and to the extent not mirroring material furnished by Company, shall be accurate in all material respects. Consultant will protect, indemnify and hold harmless Company against any claims or litigation including any damages, liability, cost and reasonable attorney's fees as incurred with respect thereto resulting from any claims or litigation resulting from Consultant's communication or dissemination of information not provided or authorized by the Company, or from Consultant's negligence or misconduct.

15. **Representations.** Consultant represents that it is not required to maintain any licenses and registrations under federal or any state regulations necessary to perform the services set forth herein. Consultant acknowledges that, to the best of its knowledge , the performance of the services set forth under this Agreement will not violate any rule or provision of any regulatory agency having jurisdiction over Consultant. **Consultant further acknowledges that it is not a Securities Broker Dealer or a Registered Investment Advisor.** Company acknowledges that, to the best of its knowledge, that it has not violated any rule or provision of any regulatory agency having jurisdiction over the Company. Company acknowledges that, to the best of its knowledge, Company is not the subject of any investigation, claim, decree or judgment involving any violation of the SEC or securities laws.

16. **Entire Agreement.** This Agreement contains the entire understanding of the parties with respect to its subject matter hereof, and supercedes all prior discussions, negotiations and understandings between the parties with respect to such subject matter. This Agreement may not be changed orally but only by a written instrument signed by the party against which enforcement of any waiver, change, modification, extension or discharge is sought.

IN WITNESS WHEREOF, each of the parties has executed and delivered this Agreement as of the date first written above.

Abacus Securities, Inc.
The Matalon ,
Coney Drive Suite 404,
PO Box 2079
Belize Ci

By: /s/ Aaliyah Wittaker
Aaliyah Wittaker, President

Information Systems Associates, Inc.
819 SW Federal Hwy. Suite 206
Stuart, FL 34994

By: /s/ Adrian Goldfarb
Adrian Goldfarb, President & COO

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

I, Joseph Coschera, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

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 report;

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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 registrant'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 registrant's internal control over financial reporting.

Date: August 14, 2013

/s/ Joseph Coschera
Joseph Coschera
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

I, Jacquelyn B. Bolles, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Information Systems Associates, Inc.;

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 report;

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

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 registrant'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 registrant's internal control over financial reporting.

Date: August 14, 2013

/s/ Jacquelyn B. Bolles
Jacquelyn B. Bolles
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof, I, Joseph Coschera, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph Coschera

Joseph Coschera
Chief Executive Officer
(Principal Executive Officer)
Dated: August 14, 2013

In connection with the quarterly report of Information Systems Associates, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2013, as filed with the Securities and Exchange Commission on the date hereof, I, Jacquelyn B. Bolles, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The quarterly report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and

2. The information contained in the quarterly report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jacquelyn B. Bolles

Jacquelyn B. Bolles
Chief Financial Officer
(Principal Financial Officer)
Dated: August 14, 2013