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 September 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 November 12, 2013
Common Stock, $0.001 par value per share	84,085,763 shares

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

INFORMATION SYSTEMS ASSOCIATES, INC.
CONDENSED BALANCE SHEETS

	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	$ 773	$ —
Accounts receivable	100,972	35,708
Prepaid expenses	44,667	5,439
Total Current Assets	146,412	41,147
Property and equipment, net	14,020	18,306
Other assets	1,690	4,690
TOTAL ASSETS	$ 162,122	$ 64,143
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current Liabilities		
Checks written in excess of cash balance	$ —	$ 3,880
Accounts payable	250,648	175,264
Accounts payable - related parties	130	6,158
Accrued payroll	222,076	—
Notes payable - related parties	288,595	229,025
Notes payable - shareholder	50,000	50,000
Notes payable (Convertible OID), net of discounts - related parties	66,000	24,953
Notes payable (Convertible OID), net of discounts - shareholders	—	69,542
Notes payable (OID) - net of discounts, shareholder	138,952	—
Notes payable (Third Party)	45,000	—
Loan payable to factor	79,071	24,587
Loans payable - insurance	—	4,612
Line of credit	39,949	37,028
Deferred revenue	5,666	38,445
Accrued interest	15,133	11,508
Total Current Liabilities	1,201,220	675,002
Long-term liabilities		
Notes payable (OID) - net of discounts, shareholders	—	143,866
Total Liabilities	1,201,220	818,868
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 September 30, 2013 and December 31, 2012, respectively	—	—
Common Stock - Class A, $.001 par value, 450,000,000 shares authorized, 72,585,763 and 57,298,251 issued and outstanding at September 30, 2013 and December 31, 2012, respectively	72,585	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 September 30, 2013 and December 31, 2012, respectively	11,500	11,500
Additional paid in capital	4,044,783	3,880,196
Common Stock to be Issued- Class A Stock, 1,856,256 shares	30,938	—
Accumulated deficit	(5,198,904)	(4,703,719)
Total Stockholders' Equity (Deficit)	(1,039,098)	(754,725)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 162,122	$ 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 September 30,		For the nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Revenue				
Software and hardware sales	$ —	$ 83,660	$ 72,085	$ 95,273
Services	157,441	187,785	515,433	409,876
Total Revenue	157,441	271,445	587,518	505,149
Cost of Revenue				
Software and hardware	649	22,415	7,441	28,314
Services	56,205	114,091	248,191	231,103
Total Cost of Revenue	56,854	136,506	255,632	259,417
Gross Profit	100,587	134,939	331,886	245,732
Operating Expenses				
Administrative and general	47,459	61,059	195,114	196,392
Salaries and employee benefits	142,458	146,124	402,680	395,932
Professional fees	25,681	11,025	72,329	53,954
Total Operating Expenses	215,598	218,208	670,123	646,278
(Loss) Before Other Income (Expense)	(115,011)	(83,269)	(338,237)	(400,546)
Other Income (Expense)				
Finance fees earned on sales	—	—	9,230	—
Factoring fees	(11,542)	(1,994)	(24,190)	(10,956)
Interest expense	(57,488)	(39,038)	(141,988)	(222,259)
Total Other Income (Expense)	(69,030)	(41,032)	(156,948)	(233,215)
Net (Loss)	$ (184,041)	$ (124,301)	$ (495,185)	$ (633,761)
Basic and Fully Diluted (Loss) per Share:				
Basic and fully diluted	$ —	$ —	$ (0.01)	$ (0.01)
Weighted average common shares outstanding	83,048,825	68,798,251	72,316,560	67,472,704

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 nine months ended September 30, 2013	For the nine months ended September 30, 2012
Cash Flows from Operating Activities		
Net (Loss)	$ (495,185)	$ (633,761)
Adjustments to reconcile net (loss) to net cash used in operating activities:		
Depreciation	4,287	33,053
Amortization of prepaid consulting	14,833	20,000
Amortization of discounts	63,108	36,463
Options issued for services	11,417	—
Investor relation expense for warrant term modifications	33,333	—
Interest and default penalty on convertible note	24,063	—
Changes in operating assets and liabilities:		
Accounts receivable	(65,264)	97,711
Prepaids	5,439	—
Other assets	3,000	—
Accounts payable	75,510	9,540
Accounts payable - related party	(6,158)	—
Accrued expenses	222,076	12,119
Accrued interest	3,625	3,714
Deferred revenue	(32,779)	—
Net Cash (Used in) Operating Activities	(138,695)	(421,161)
Cash Flows from Financing Activities		
Repayment for checks written in excess of cash balances	(3,880)	—
Proceeds from notes - related parties	98,959	205,176
Repayments of notes - related parties	(39,388)	—
Proceeds from shareholder	—	50,000
Proceeds from convertible notes, shareholders	—	135,000
Repayment of convertible notes, shareholders	(14,017)	—
Proceeds from original issue discount note, shareholder	—	137,500
Proceeds from factor, net of repayments	54,484	—
Repayments to factor, net of proceeds	—	(58,335)
Insurance premium proceeds	—	457
Insurance premium repayments	(4,612)	—
Proceeds from line of credit facility	32,302	104,276
Repayments of line of credit facility	(29,380)	(139,271)
Proceeds from third party note	45,000	—
Net Cash Provided by Financing Activities	139,468	434,803
Net Change in Cash and Cash Equivalents	773	13,642
Cash and Cash Equivalents at Beginning of period	—	988
Cash and Cash Equivalents at End of Period	$ 773	$ 14,630
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 49,798	$ 12,631
Cash paid for taxes	$ —	$ —
Non-cash investing and financing activity:		
Conversion of convertible notes and accrued interest	$ 106,563	$ —
Common stock issued for prepaid services	$ 59,500	$ —

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

INFORMATION SYSTEMS ASSOCIATES, INC.
CONDENSED NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
SEPTEMBER 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 nine months ended September 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 nine months ended September 30, 2013 and total accounts receivable at September 30, 2013:

September 30, 2013			
Revenue		Accounts Receivable	
Customer A	74%	Customer A	68%
Customer B	17%	Customer B	22%
Other	9%	Other	10%
	100%		100%

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 nine months ended September 30, 2013 of $495,185 and $138,695 and the working capital deficit, stockholders' deficit and accumulated deficit as of September 30, 2013 was $1,054,808, $1,039,098 and $5,198,904, 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 nine months period ending September 30, 2013 was $479,248. The factor fees paid during the three and nine months ending September 30, 2013 was $11,542 and $24,190, respectively. Total outstanding accounts receivable factored as of September 30, 2013, which is included in Accounts Receivable on the accompanying balance sheet, was $98,839.

The Company has total Accounts Receivable as follows:

	September 30, 2013	December 31, 2012
Accounts Receivable	$ 2,133	$ 4,974
Factored Receivables	98,839	30,734
Allowance for Doubtful Accounts	—	—
Total Accounts Receivable	$ 100,972	$ 35,708

NOTE 4 – PROPERTY AND EQUIPMENT

The Company has total Property and Equipment as follows:

	September 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	(39,018)	(34,732)
	$ 14,020	$ 18,306

Depreciation expense of $1,429 and $4,287 was recorded for the three and nine months ended September 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:

	September 30, 2013		December 31, 2012	
Notes Payable	**Principal**	**Interest***	**Principal**	**Interest***
Related party	$ 212,565	2.5%	$ 85,755	2.5%
Related party	25,000	1.5%	25,000	1.5%
President & COO	—	—	32,602	—
CEO	51,030	—	85,668	—
Total	$ 288,595		$ 229,025	

* interest rate per month

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 $300,000 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 September 30, 2013 and December 31, 2012 there was outstanding principal balance of $212,565 and $85,755, respectively. Accrued interest at September 30, 2013 and December 31, 2012 was $13,926 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 September 30, 2013 and December 31, 2012 there was outstanding principal balance of $25,000 and $25,000, respectively. Accrued interest at September 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 September 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 September 30, 2013 and December 31, 2012 this officer had an outstanding loan balance of $51,030 and $85,668, respectively.

NOTE 6 – NOTE PAYABLE – Shareholder

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

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

* interest rate per month

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 September 30, 2013 and December 31, 2012 the principal balance on the note was $50,000 and $50,000, respectively. At September 30, 2013 and December 31, 2012 the accrued interest on the note balance was $1,208 and $2,432, respectively.

NOTE 7 – NOTE PAYABLE, CONVERTIBLE OID – Related Party

	September 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	—	$ 66,000	$ 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. On August 15, 2013, this note became due and payable. ISA is technically in default though no written notice has been received from the related party. The company is in discussions with the related party 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 September 30, 2013 and December 31, 2012 was $66,000 and $24,953, respectively.

NOTE 8 – NOTES PAYABLE, CONVERTIBLE OID – Shareholders

	September 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	(82,500)	—	$ —	$ 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. On August 1, 2013 a settlement agreement was reached with the shareholder. The note was extended for six months in exchange for interest plus a 30% default penalty totaling $24,063. The note, including interest and penalty, valued at $92,813 was converted into 5,568,750 shares of Class A common stock. The conversion was based on the anti-dilution provision triggered by the recent 3:1 forward split and a $0.05 conversion rate. The net value of the note at September 30, 2013 and December 31, 2012 was $0 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. This note was converted in July of 2013 (See Note 14). The net value of the note at September 30, 2013 and December 31, 2012 was $0 and $10,963, respectively.

NOTE 9 – NOTE PAYABLE – OID– Shareholder

	September 30, 2013			December 31, 2012		
Notes Payable - OID	**Current Principal**	**Unamort Discount**	**Principal, Net of Discount**	**Principal**	**Unamort Discount**	**Principal, Net of Discount**
Shareholder	$ 150,983	$ (12,031)	$ 138,952	$ 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 September 30, 2013 and December 31, 2012 was $138,952 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 September 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 September 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 September 30, 2013 and December 31, 2012 was $39,949 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 ongoing with no expiration date.

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 $2,030 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 lease commenced on October 15, 2011 and requires monthly payments of $3,280. The lease was abandoned May of 2012 with six months remaining. The present value expense of the remaining lease payments in the amount of $19,680 has been accrued by the Company. The security deposit of $3,000 was expensed during the period ending June 30, 2013.

Rent expense for the nine months ending September 30, 2013 and 2012 were $20,436 and $46,021, respectively.

Five Year Minimum Lease Payment Schedule

Year		
2013	$	6,091
2014		16,242
2015		—
2016		—
2017		—
Total	$	22,333

NOTE 13 – RELATED PARTIES

As of September 30, 2013 and December 31, 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 Common Stock – Class A to non-affiliate shareholders, pursuant to a recapitalization. (See Note 17)

Common stock issued for the conversion of notes

On May 10th, 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 July 14, 2011, investment was repriced at $0.025 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 $0.007.

On May 11, 2013, the shareholder verbally requested to convert a $13,750 note into 825,000 shares Class A common stock at the contractual conversion rate. The shares were issued during the third quarter when the Company received the appropriate conversion notice.

Common stock based payments for services

On July 17, 2013, the Company granted a consulting firm 6,000,000 shares of Class A common stock for a one year agreement. 2,000,000 of the shares were issued on August 23, 2013 and 4,000,000 of the shares were issued on August 30, 2013. The shares were valued at $0.006667 or $40,000 based on the quoted trading price on the grant date and the company recorded a prepaid expense to be amortized over the one-year term of the agreement.

On June 1, 2013, the Company granted a consulting firm 4,500,000 shares for a one year investor relations agreement. The shares were issued September 26, 2013. The shares were valued at $0.004333 or $19,500 based on the quoted trading price on the grant date and the company recorded a prepaid expense to be amortized over the one-year term of the agreement.

On August 1st, 2013, a settlement agreement was reached to convert a convertible note in the amount of $68,750 plus default penalty and interest of $24,063, which was expensed, into 5,568,768 shares of common stock. The conversion occurred at the contractual conversion rate of $0.01667. Of the total shares, 1,856,256 were Class A common stock with no restrictions. These shares are currently awaiting the attorney opinion letter and are recorded in "Common Stock to Be Issued' at the date of this report (see Note 17). The remaining 3,712,500 Class A shares with a 144 restriction and a one year restriction were issued on September 26, 2013.

NOTE 15 – STOCK PURCHASE WARRANTS AND OPTIONS

Warrants

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

	September 30, 2013			December 31, 2012		
	Shares		Weighted Avg Exercise Price	Shares		Weighted Avg Exercise Price
Outstanding at beginning of period	19,860,000	$	0.031	14,700,000	$	0.033
Granted	—		—	13,410,000	$	0.020
Exercised	—		—	—		—
Forfeited	—		—	8,250,000	$	0.031
Expired	—		—	—		—
Outstanding at end of period	19,860,000		0.031	19,860,000	$	0.031
Exercisable at end of period	19,860,000		0.031	19,860,000	$	0.031
Weighted average grant date fair value		$	0.016		$	0.016
Weighted average remaining contractual term			3.02			3.77

Options

Following is a summary of options outstanding:

	September 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			4.11			4.59

On January 1, 2013 the Company granted options to purchase 650,000 shares of 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 are being recognized as expense over the requisite service period.

NOTE 16 – COMMON STOCK TO BE ISSUED

On August 1st, 2013, a settlement agreement was reached to convert a note in the amount of $68,750 plus default penalty and interest of $24,063 into 5,568,768 shares of common stock. Of the total shares, 1,856,256 were Class A common stock with no restrictions. These shares are currently awaiting the attorney opinion letter and are recorded in "Common Stock to Be Issued' at the date of this report. The remaining 3,712,500 Class A shares with a 144 restriction and a one year restriction were issued on September 26, 2013. (See Note 14)

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 as a 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.

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

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, and 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 September 30, 2013 compared to September 30, 2012

Revenues

Revenues were $157,441 and $271,445 for the three months ended September 30, 2013 and 2012, respectively. The decrease in revenue for 2013 is due to a decrease in professional services revenue, software licensing revenue and customer service revenue of $10,538, $83,660 and $19,806, respectively.

Cost of Revenues

Costs of revenues were $56,854 and $136,506 for the three months ended September 30, 2013 and 2012, respectively. The decrease in 2013 cost of revenues is due to a decrease in professional services costs and software licensing costs of $69,491 and $21,766, respectively, offset by an increase in customer support costs of $11,605.

The decrease in professional services costs were attributed to a more efficient use of our contractors in regards to job scheduling and related travel expenses. The decrease in software licensing costs was due to software licenses being sold without the corresponding hardware costs. The increase in customer support costs were attributed to a slight salary increase for the customer support staff.

Operating Expenses

Operating expenses for the three months ended September 30, 2013 and 2012 were $215,598 and $218,208, respectfully. The decrease in operating expenses primarily resulted from a decrease in depreciation expense, insurance expense, general and administrative expenses and salaries and benefits expense of $8,718, $7,577, $12,809 and $3,665, respectively. These were offset by an increase in marketing and investor relations expense and professional fees of $14,492 and $14,656, respectively. The decrease in depreciation and amortization was due to no software amortization in 2013. Software was fully amortized in 2012. The Company's decrease in insurance expense of $7,577 was due to improved negotiations of our insurance premiums. The Company's decrease in general and administrative expense was attributed largely to a decrease in rent expense of $9,482 because the Company no longer carries the Las Vegas office lease. The Company's increase in professional fees was due to legal fees of $12,787 attributed to the preparation of private memorandum documents.

Loss before other Income (Expense)

The loss from operations for the three months ended, September 30, 2013 and 2012 was $115,011 and $83,270, respectfully. The loss from operations can be attributed to the decrease in overall revenue of approximately $114,000. The increase in loss can also be attributed to an increase in both marketing and investor relations expense of $14,491 and professional services expenses of $14,656. This was slightly offset by a decrease in general and administrative expense, insurance expense, and depreciation expense of $12,809, $7,577, and $8,718, respectively.

Other Income (Expense)

Interest Expense

Interest expense for the three months ended September 30, 2013 and 2012 was $57,488 and $39,038 respectfully. The increase in interest expense primarily resulted from an increase in note payable interest expense and note payable default expense of $21,649 and $24,063, respectively. This was offset by a decrease in note payable discount interest of $19,451.

Factor Fees

Factoring fees for the three months ending September 30, 2013 and 2012 were $11,542 and $1,994, respectfully. The $9,548 increase was due to an increase in the number of invoices factored.

Net Loss

Net loss for the three month period ended September 30, 2013 and 2012 was $184,041 and $124,301, respectfully. The approximate $60,000 increase in net loss was primarily due to the decrease in gross profit by approximately $34,000 and an increase in interest expense and factoring fees of approximately $20,000 and $10,000, respectively. Net loss per common share was nil and nil for the period ended September 30, 2013 and 2012, respectively. Weighted average common shares outstanding for the three month period ended September 30, 2013 and 2012 were 83,048,825 shares and 68,798,251 shares, respectively.

For the nine months ended September 30, 2013 compared to September 30, 2012

Revenues

Revenues were $587,518 and $505,149 for the nine months ended September 30, 2013 and 2012, respectively. The revenues increase for 2013 due to an increase in professional services revenue of $101,377 which was offset by a decrease in software licensing revenue of $23,188.

Cost of Revenues

Costs of revenues were $255,632 and $259,418 for the nine months ended September 30, 2013 and 2012, respectively. The decrease in 2013 cost of sales is primarily due to a decrease in software costs of $20,873. This was offset by an increase in both customer support costs and professional services cost of $12,842 and $4,246, respectively. The decrease in software licensing costs was due to software licenses being sold without the corresponding hardware costs. The increase in customer support costs were attributed to a slight salary increase for the customer support staff.

Operating Expenses

Operating expenses for the nine months ended September 30, 2013 and 2012 were $670,123 and $646,278, respectfully. The increase in operating expenses resulted primarily from an increase in marketing and investor relations expense, finance and bank charges, general and administrative expense, salaries and benefits and professional fees of $29,631, $1,893, $5,669, $6,749 and $18,375 respectively. These increases were offset by a decrease in depreciation and amortization, telecommunication expense and insurance expense of $28,767, $1,967 and $7,679, respectively. The Company's increased cost of $19,905 in legal fees attributed to the increase in professional service fees. The increase costs for investor relations largely attributed to the increase in marketing and investor relations expense. The decrease in depreciation and amortization was due to no software amortization in 2013. Software was fully amortized in 2012. The Company's decrease in insurance expense was due to improved negotiations of our insurance premiums. The Company's decrease in general and administrative expense was attributed largely to a decrease in rent expense of $25,585 because the Company no longer carries the Las Vegas office lease.

Loss before other Income (Expense)

We had a loss from operations for the nine months ended September 30, 2013 and 2012 of $338,237 and $400,547 respectfully. The decrease in the loss resulted primarily from an $82,369 increase in total revenues which led to an increase in gross profits of $86,155. These were slightly offset by an increase in operating expense of $23,845.

Other Income (Expense)

Interest Expense

Interest expense for the nine months ended September 30, 2013 and 2012 was $141,988 and $222,259 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 nine months ending September 30, 2013 and 2012 were $24,190 and $10,956, respectfully. The $13,234 increase was due to an increase in the number of invoices factored.

Net Loss

Net loss for the nine month period ended September 30, 2013 and 2012 were $495,185 and $633,762 respectively. The approximate $139,000 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 September 30, 2013 and 2012 was $.01 and $.01, respectively. Weighted average common shares outstanding for the nine month period ended September 30, 2013 and 2012 were 72,316,560 shares and 67,472,704 shares, respectively.

Liquidity and Capital Resources

Cash flows used in operations were $138,695 for the nine month period ending September 30, 2013 and cash flow used in operations was $421,162 for the nine month period ending September 30, 2012.

Cash flows used in operations during the period ended September 30, 2013 were attributable to a net loss of $495,185 and an increase in accounts receivable of $65,264, offset by depreciation and amortization expense of $4,287, amortization of prepaid consulting of $14,833, amortization of original issue discount, beneficial conversion value and warrant discounts of $63,108, options issued for services of $11,417, investor relation expense of $33,333, interest and default penalty of $24,063, increase in accounts payable and accrued expenses $295,053 and a decrease in deferred revenue of $32,779.

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

Cash flows provided by financing activities was $139,468 for the period ended September 30, 2013. These cash flows were provided by net proceeds from related party and shareholder notes of $59,571, net proceeds from line of credit of $2,922, and net proceeds from factors of $54,484, and a repayment of checks written in excess of cash balances of $3,880.

As of October 31, 2013, we had cash on hand of $852. During 2013 the management has arranged with a related party for working capital up to $200,000 to finance on-going projects. The investor recently agreed verbally to increase this to $300,000, pending ongoing negotiations on certain future professional services 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 was delayed due to inability to correctly price an offering pending the dividend/split and insufficient authorized shares. This process is now complete and management has developed a new investor slide with 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

None

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	10Q	08/14/2013	10.5	
10.6	Hayden IR Agreement				Filed
31.1	Certification of Principal Executive Officer (302)				Filed
31.2	Certification of Principal Financial Officer (302)				Filed
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 September 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: November 12, 2013	By: /s/ Joseph P. Coschera Joseph P. Coschera Chief Executive Officer
Date: November 12, 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
Adrian Goldfarb, President

EXHIBIT 10.6

HAYDEN IR

INVESTOR RELATIONS CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT ("Agreement is made by and between Information Systems Associates, Inc. (OTC Markets: IOSA) (Hereinafter referred to as the "Company" or IIIOSN'), and Hayden IR and Stratcon Partners (hereinafter referred to as the "Consultant" or "HIR").

EXPLANATORY STATEMENT

The Consultant affirms that it has successfully demonstrated financial and public relations consulting expertise} and possesses valuable knowledge, and experience in the areas of business finance and corporate investor/public relations. The Company believes that the Consultant's knowledge, expertise and experience would benefit the Company, and the Company desires to retain the Consultant to perform consulting services for the Company under this Agreement. IOSA is entering this agreement with the understanding that Stephen Hart will be the Company's primary interface and that any change in this must be approved by IOSA in advance.

Program Objectives:

The program is designed to achieve these results through numerous activities as described below in Sections II and III:

- Increase trading volume
- Increase contact with institutional investors.
- Secure additional Sell-Side analyst research coverage.
- Increase participation in investor conferences, including those sponsored by investment banks.

NOW, THEREFORE, in consideration of their mutual) agreements and covenants contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in further consideration of the affixation by the parties of their respective signatures below the parties agree as follows:

I. <u>CONSULTING SERVICES</u>

1.1 HIR agrees that for a period of twelve (l2) months commencing on June l, 2013, the Consultant will reasonably be available during regular business hours to advise, counsel and inform designated officers and employees of the Company about the various industries and businesses in which IOSA is engaged, financial markets and exchanges, competitors, business acquisitions and other aspects of or concerning the Company's business about which HIR has knowledge or expertise.

1.2 HIR shall render services to the Company as an independent contractor, and not as an employee. An services rendered by HIR on behalf of the Company shall be performed to the best of IHR's ability in concert with the overall business plan of the Company and the goals and objectives of the Company's management and Board of Directors.

II. SCOPE OF SERVICES/PROGRAMS/ACTIVITIES:

IUR will develop, implement, and maintain an ongoing stock market support system for IOSA through a coordinated program of proactive telephone and non-deal roadshow campaigns to expand awareness among all appropriate members of the investment community, including stockbrokers, analysts, and micro-cap portfolio/fund managers. The program will be predicated on accurate, deliberate and direct disclosure and information flow from the Company and dissemination to the appropriate investor audiences; we will expand your shareholder base by marketing to the buyside directly as well as by marketing to the sellside and pursuing research coverage as appropriate. Key information to be articulated to the investing public includes:

- A better understanding of the core growth opportunities and key drivers for the end-market being addressed;
- The extent of the Company's growth plans, capital requirements, and operating leverage;
- Establishing and articulating the key operating} growths and valuation metrics that investors/shareholders should focus on to judge future performance. Answering the question, "why should an investor invest in IOSA?
- Differentiating IOSA from other product and service providers addressing the asset management, inventory and data collection for the data center.

1. PROFESSIONAL INVESTMENT COMMUNITY AWARENESS

   A. Conference calls/meetings arranged by HJR with JOSA in select cities (and at compatible times) with executive management at IOSA. Target cities shall include New York, Boston, Baltimore/Washington Metropolitan area, Philadelphia, Greenwich/Stamford, Dallas, Houston, St. Louis, Denver) Atlanta, Phoenix/Scottsdale, Chicago, Minneapolis, Milwaukee, Southern California, San Francisco, and other select cities that express interest. Hayden has particular strength in securing investor meetings beyond the traditional tier-1 markets such as New York and Boston, and expects to focus initial efforts on those other markets. Our mutual goal is to optimize when and where possible a mix of approximately five to eight meetings in a single day and to combine contacts when possible to maximize "throughput." HIR at a minimum will commit to executing two (2) days of road shows per quarter. In addition to formal "road shows" we will set up teleconference calls for management with interested investors per management's availability as we find interest in-between/outside of road shows.
   B. All interested parties will be continually updated of the Company's progress via phone conversations and through our fax/e-mail list for news releases.
   C. HIR will screen all investment firms for upcoming financial conferences, which would be appropriate for IOSA. HIR will work through the proper channels with the goal of receiving invitations for management to present at those conferences which are relevant.

2. SHAREHOLDER COMMUNICATIONS

   A. On a regular basis HIR will contact known key shareholders, research analysts, and other prospective sources of capital markets support and gather perception feedback for IOSA executive management on their views and expectations of results, valuation, and management's execution relative to expectations.
   B. HIR will open dialogue, expand and update a database of known and potential shareholders and keep key investors informed once material developments are reported.
   C. HIR will during the first 30 days of this agreement undertake an analysis of IOSA 's financials and an operating metrics in detail and keep updated on these metrics allowing interactions with new and current investors and articulating the necessary information to assist professionals in completing their due diligence.

D. HIR shall handle investor requests for timely information fulfillment via the telephone and email. HIR will have a knowledgeable senior professional available during market hours to field and respond to all investor inquiries and update the shareholder database accordingly. This is a time intensive service that allows management to focus on executing while showing the Company is shareholder friendly and proactive in its communication efforts.

E. HIR will at the minimum provide same day fulfillment for all investor package requests received prior to 4 p.m., EST with next day fulfillment received after such time. Fulfillment will be provided electronically where possible and HIR will work with IOSA in developing any and all either printed or electronically developed approved investor materials.

F. HIR shall assist IOSA with quarterly conference calls to accompany the release of quarterly and annual financial results. HJR will assist with scripting these calls and monitoring the continuity to ensure a smooth roll-out for investors. HIR will further assist IOSA in working with third parties to facilitate any recorded and printed transcripts and 8-K filings as part of IOSA regulatory filing requirements.

3. THE FINANCIAL PRESS

HIR will assist executive management in drafting and supporting IOSA in delivering complete press releases on all material events as deemed by the Company to the investing public. Executive Management and corporate counsel, when required by IOSA’s press release policy and procedures, will approve all press releases before they are sent to the wire. We have negotiated volume discounts with a top-tier wire service vendor and shall pass through those significantly discounted pricing plans on a wide range of services to IOSA. At Company's discretion, HIR will disseminate news releases through a Broadcast Fax and/or electronic mail (e-mail) to our established database of financial professionals including: special situation analysts, brokers) fund managers, individual investors, money managers, and current or prospective individual shareholders who are already invested or have expressed an interest in IOSA.

4. PUBLIC MARKET INSIGHT

Paramount to our collective efforts, HIR will discuss with executive management the importance of establishing conservative expectations and how various corporate actions may be perceived and impact the public market. HIR has the capability to help assess acquisition candidates, discuss the financial impacts, in addition to the longer term implications. We will assist executive management in understanding the life cycle of the financial markets and how IOSA is impacted directly and indirectly by different variables. The Team at HIR leverages its collective expertise gained through representing over 200 public companies to help our clients understand expectations, valuations, perceptions, and investment methodologies utilized by investment professionals. We believe this consulting aspect of our business is extremely valuable for management to optimize key opportunities and to avoid pitfalls.

III. <u>INITIAL MARKETING OUTLOOK & DETAILED AGENDA</u>

FIRST 30 DAYS

A. HIR shall undertake due diligence of IOSA to gain a deep understanding of the Company. The due diligence shall include a review of the overall company, including an interview with key executive management with a goal of developing an understanding and analysis of the Company's operations, business plans, financial forecasts, capital expenditure needs and cash flow projections, in addition to any acquisition and expansion plans. HIR shall on a continuing basis keep itself aware through analysis and discussion with executive management the key developments and progress of the financial progress of the Company.

B. HIR shall create a two-page Corporate Profile, which clearly articulates the current business and financial position, as well as the strategy for future growth. This is an important marketing piece for investors to quickly learn about the company. This shall be updated each month at the minimum. In the event of a material event this shall be updated at the time of public disclosure.

C. HIR shall review, consult, and if needed edit IOSA's Investor PowerPoint presentation. HIR will incorporate research and feedback from conversations and meetings to improve the Investor PowerPoint and message delivery. This shall be updated at least once per quarter.
D. HIR shall incorporate current investor list and past road show meetings into our data base in order to call through to alert as to new developments, gather feedback and engage.
E. HIR will initiate an outreach program targeting key investment professionals that will result in arranging conference calls and face-to-face investor meetings for management with such targeted investment professionals. F. HIR will initiate the introduction of IOSA through an outreach program to investment professionals in conjunction with IOSA executive management.
G. HIR shall in conjunction with (IOSA executive management identify key conferences for 2013.

MONTH 2

A. HIR will where and when possible formalize a press release calendar for the coming three months with an emphasis on integrating and optimizing said releases into coherent and strategic themes. HIR supported by IOSA executive management shall create, edit and release accordingly.
B. HIR shall continue to make introductions, augment, and expand its outreach program to Investment professionals while seeding and confirming meetings for road shows.
C. HIR shall continue to target bankers, brokers, micro-cap fund managers, buy and sell side analysts, and very high net worth investors that follow companies with a similar sector-focus or financial profile as IOSA for introductions. HIR shall on an ongoing basis continue this process so long as a relationship exists by and between HIR and IOSA.
D. Execute first road show or conference if already scheduled.

MONTH 3

A. HIR shall continue to make additional introductions for investment professionals on behalf of the Company.
B. HIR shall follow-up and assist with due diligence efforts to convert introductions to potential new shareholders. Schedule conference calls if necessary and establish a pipeline of interest for next quarterly road show.

C. HIR shall update the database to ensure that all press releases are being e-mailed to all interested professionals. This includes the input of notes to keep track of all investor correspondence and reminder calls to all investor prior to earnings conference calls.
D. HIR shall execute in conjunction with executive management a two-day road show consisting of not less than five one-on-one and/or group meetings with qualified investment professionals. (During the meetings and/or conference calls a member of HIR will be available to facilitate the correspondence and assist with due diligence). Management will be provided with a summary of feedback including HIR's suggestions for improvements on both the context and delivery of the company's investment thesis and strategic positioning.

A. HIR shall target brokerage firms who hold conferences which would be applicable for IOSA; establish a goal of having management present in at least two new investor conferences during the twelve month period. We will also seek to have the Company be included in "sell side" sponsored investor tours in the U.S.
B. HIR shall target newsletter editors and publishers for a "Buy Recommendation". Focus on Business Publications for appropriate stories on IOSA's products, competitive advantage and value proposition to investors.
C. HIR shall book formal Road Shows each quarter, preferably just after earnings are released and try to tie these with participation in conferences, and positive news announcements.
D. HIR shall schedule conference calls with interested investors outside of easy to reach cities.

HIR shall provide progress reports to senior management when appropriate to evaluate achievements and make changes to the plan where necessary. We schedule regular calls to update management on our efforts and download from management any corporate events. Many of the above items will occur simultaneously but certain items will have chronological priority over others. As IOSA evolves, the appropriate approach to the market will be incorporated into the agenda for optima] results.

IV. CONTRACTUAL RELATIONSHIP

In performing services under this proposal, HIR shall operate as, and have the status of an independent contractor. HIR agrees that all information disclosed to it about the IOSA's products, processes and services are the sole property of IOSA, and it will not assert any rights of any confidential or proprietary information or material, nor will it directly or indirectly, except as required in the conduct of its duties.

V. TERM

This agreement shall remain in effect for a period commencing on (he Effective Date and terminating twelve months from the Effective Date of June I! 2013t with a six month (6) months cancelation from either party. In the event that HIR commits any material breach or violation of the provisions of a written Agreement between HIR and IOSA, then, the Company has the right to terminate its relationship with HIR any time during the Term. IOSA warrants that it will provide its best efforts in complying with HIR in the performance of its duties and obligations and to not unreasonably withhold information or access of IOSA's executive management which could cause HIR to not fulfill its duties under its obligations herewith.

VI. COMPENSATION

Regarding compensation, it is our intention to propose parameters that are mutually acceptable to both (GSA and HIR in order to accomplish our collective mission. Based on a commitment of resources necessary to perform successfully on behalf of IOSA for a period of 12 months, Hayden IR proposes the following compensation terms:

Cash: Monthly consulting and services fee paid in advance of services each month to Hayden IR will be $3,000 per month; the initial payment due in cash by June 30, 2013; subsequent to the first monthly payment, IOSA has the option to pay in common shares valued at the lower of the trailing 5-day VWAP or the current bid price on the last day of each month. Shares to be issued within 60 days of the election.

- Restricted Stock: 4,500,000 common shares to be issued (as per provided instructions) at Effective Date of this agreement. No registration rights, sellable under Rule 144. No anti-dilution rights.

Expenses: Only expenses that would ordinarily be incurred by the Client will be billed back on a monthly basis. Applicable reimbursements would include: creation, printing and postage for investor packages, fees for newswire services, and fees for fax-broadcasting news releases. Any packages requiring additional photocopying/printing will be billed back to the Client at cost (with no mark-up). Any extraordinary items) such as broker lunch presentations) air travel, hotel, ground transportation or media campaigns, etc. shall be paid by the Client.

VII. PRIOR RESTRICTION

HIR represents to the Company that it is not subject to, or bound by, any agreement which sets forth or contains any provision, the existence or enforcement of which would in any way restrict or hinder HIR from performing the services on behalf of the Company that HIR is herein agreeing to perform. Neither HIR nor any consultant it utilizes in connection with the services provided to Company shall provide any representation to a competitor of Company during the term of this Agreement (including any extensions thereof) and for a period of one year thereafter.

VIII. ASSIGNMENT

This Agreement is personal to HIR and may not be assigned in any way by HIR without the prior written consent of the Company. Subject to the foregoing, the rights and obligations under this Agreement shall inure to the benefit of, and shall be binding upon, the heirs, legatees, successors and permitted assigns of HIR and upon the successors and assigns of the Company.

IX. CONFIDENTIALITY

Except as required by law or court order, HIR will keep confidential any trade secrets or confidential or proprietary information of the Company which are now known to HIR or which hereinafter may become known to HIR and HIR shall not at any time directly or indirectly disclose or permit to be disclosed any such information to any person, firm, or corporation or other entity, or use the same in any way other than in connection with the business of the Company and in any case only with prior written permission of IOSA. For purposes of this Agreement, "trade secrets or confidential or proprietary information" includes information unique to or about the Company including but not limited to its business and is not known or generally available to the public.

HIR shall return to Company all information and property of Company promptly upon termination or expiration of this Agreement. This includes but is not limited to, shareholder lists, investor packages, annual reports, annual budgets, and any other documentation that was generated by or for IOSA during our contractual engagement.

X. GOVERNING LAW; VENUE; DEFAULT

10.1 This Agreement shall be governed by the laws of the state of Arizona, without regard to its conflict of law provisions. Any claim or controversy arising under or related to any of the provisions of this Agreement shall be brought only in the state or federal courts sitting in Arizona. Each of the parties hereto consents to the personal jurisdiction of the aforementioned courts and agrees not to raise any objection to the laying of venue therein including, without limitation, any claim of forum non convenience.

10.2 In the event that HJR commits any material breach of any provision of this Agreement, as determined by the Company in good faith, the Company may, by injunctive action, compel HIR to comply with, or restrain HIR from violating, such provision, and, in addition, and not in the alternative, the Company shall be entitled to declare HIR in default hereunder and to terminate this Agreement and any further payments hereunder. HIR agrees to indemnify, hold harmless and defend the Company, its directors, officers, employees and agents from and against any and all claims, actions, proceedings, losses, liabilities, costs and expenses (including without limitation, reasonable attorneys' fees) incurred by any of them in connection with, as a result of and/or due to any actions or inactions and/or misstatements by HIR, its officers, agents and/or employees regarding and/or on behalf of the Company whether in connection with HIR's performance of its obligations and/or rendering of services pursuant to this Agreement or otherwise.

10.3 Since HIR must at all times rely upon the accuracy and completeness of information supplied to it by the Company's officers, directors, agents, and employees, the Company agrees to indemnify, hold harmless, and defend HIR, its officers, agents, and employees at the Company's expense, against any proceeding or suit which may arise out of and/or be due to any material misrepresentation in such information supplied by the Company to HIR (or any material omission by the Company that caused such supplied information to be materially misleading).

XI. SEVERABILITY AND REFORMATION

If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future law, such provision shall be fully severable, and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision were never a part hereof, and the remaining provisions shall remain in full force and shall not be affected by the illegal, invalid, or unenforceable provision, or by its severance; but in any such event this Agreement shall be construed to give effect to the severed provision to the extent legally permissible.

XII. NOTICES

Any notices required by this Agreement shall (i) be made in writing and delivered to the party to whom it is addressed by hand delivery, by certified mail, return receipt requested, with adequate postage prepaid, or by courier delivery service (including major overnight delivery companies such as Federal Express and Airborne), (ii) be deemed given when received, and (iii) in the case of the Company, be mailed to its principal office at 819 SW Federal Highway, Suite 206, Stuart, FL 33490, and in the case of HIR be mailed to Hayden IR, 15879 N. 80th Street, Scottsdale, AZ 85260 and Stratcon Partners, 155 West 68th Street, #27E, New York, NY 10023.

XIII. MISCELLANEOUS

13.1 This Agreement may not be amended) except by a written instrument signed and delivered by each of the parties hereto.

13.2 This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and all other agreements relating to the subject matter hereof are hereby superseded.

13.3 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file shall be given the same legal force and effect as original signatures.

In Witness Whereof, the parties have executed this Consulting Agreement as of the day and year first above written.

AGREED:

Hayden IR, LLC

By: ___________________________
Mr. Brett Maas, Managing Partner

Stratcon Partners, LLC

By: ___________________________
Mr. Hart, General Partner

Information Systems Associates, Inc.

By: ___________________________
Mr. 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: November 12, 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: November 12, 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: November 12, 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: November 12, 2013