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

# FORM 10-Q

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended **March 31, 2017**

[ ] Transition Report pursuant to 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from __________ to __________

Commission File Number: **000-21202**

## Textmunication Holdings, Inc.
(Exact name of registrant as specified in its charter)

| **Nevada** | **58-1588291** |
|---|---|
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |

**1940 Contra Costa Blvd. Pleasant Hill, CA 94523**
(Address of principal executive offices)

**925-777-2111**
(Registrant's telephone number)

(Former name, former address and former fiscal year, if changed since last report)

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.
[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
[X] 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.

| | |
|---|---|
| [ ] Large accelerated filer | [ ] Accelerated filer |
| [ ] Non-accelerated filer | [X] 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 [X] No

State the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: _______________ common shares as of May __, 2017

TABLE OF CONTENTS

## PART I - FINANCIAL INFORMATION

**Item 1. Financial Statements**

Our consolidated financial statements included in this Form 10-Q are as follows:



These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and the SEC instructions to Form 10-Q. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the interim period ended March 31, 2017 are not necessarily indicative of the results that can be expected for the full year.

TEXTMUNICATION HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

| | March 31, 2017 | December 31, 2016 |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | $ 725 | $ - |
| Receivables | 3,757 | 3,757 |
| Total current assets | 4,482 | 3,757 |
| | | |
| Fixed assets, net | - | 305 |
| Investment in equity method investee | 452,538 | 454,062 |
| | | |
| Total assets | 457,020 | 458,124 |
| | | |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 201,398 | $ 196,731 |
| Due to related parties | 11,750 | 11,750 |
| Loans payable | - | 3,712 |
| Convertible notes payable, net of discount | 446,813 | 555,464 |
| Derivitive liability | 4,811,248 | 870,921 |
| Total current liabilities | 5,471,209 | 1,638,578 |
| | | |
| Total liabilities | 5,471,209 | 1,638,578 |
| | | |
| Stockholders' deficit | | |
| | | |
| Preferred stock, 9,933,333 shares authorized, $0.0001 par value, 4,000,000 issued and outstanding | 400 | 400 |
| Series B - Preferred stock, 66,667 shares authorized, $0.0001 par value, 66,667 issued and outstanding | 7 | 7 |
| Common stock; $0.0001 par value; 250,000,000 shares authorized; 2,644,193,397 and 199,404,940 shares issued and outstanding as of March 31, 2017 and December 31, 2016, respectively. | 264,420 | 19,941 |
| Additional paid-in capital | 12,926,284 | 6,238,344 |
| Accumulated deficit | (18,205,300) | (7,439,146) |
| Total stockholders' deficit | (5,014,188) | (1,180,454) |
| | | |
| Total liabilities and stockholders' deficit | $ 457,020 | $ 458,124 |

TEXTMUNICATION HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

| | The Quarter Ended | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Revenues | $ 228,760 | $ 88,410 |
| Cost of revenues | 73,419 | 17,676 |
| Gross profit | 155,341 | 70,734 |
| Operating expenses | | |
| Officer Compensation | 6,074,500 | 78,599 |
| General and administrative expenses | 88,751 | 114,876 |
| Total operating expenses | 6,163,251 | 193,475 |
| | | |
| Loss from operations | (6,007,910) | (122,741) |
| | | |
| Other expense | | |
| Interest expense | (32,683) | (66,679) |
| Loss on change of derivitive liability | (4,645,571) | (918,770) |
| Amortization of debt discount | (84,711) | (127,348) |
| Loss on settlement of notes payable | 6,245 | - |
| Total other expense | (4,756,720) | (1,112,797) |
| Income (loss) from investment in equity method investee | (1,524) | 5,616 |
| Net loss | $ (10,766,154) | $ (1,229,922) |
| Basic weighted average common shares outstanding | 132,005,849 | 82,255,992 |
| Net loss per common share: basic and diluted | $ (0.08) | $ (0.01) |

TEXTMUNICATION HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

| | The Quarter Ended | |
|---|---|---|
| | March 31, 2017 | March 31, 2016 |
| Cash Flows from Operating Activities | | |
| Net loss | (10,766,154) | $ (1,229,923) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Amortization of debt discount | 84,711 | 127,348 |
| Loss on derivative liability | 4,645,571 | 918,770 |
| Non cash interest expense | 50,000 | - |
| Depreciation | 305 | 181 |
| Share based compensation | 6,004,200 | - |
| Income from equity method investee | 1,524 | (5,616) |
| Changes in assets and liabilities | | |
| Receivables | - | (790) |
| Accounts payable and accrued expenses | 4,667 | 86,673 |
| Net cash provided by operating activities | 24,824 | (103,357) |
| | | |
| Distributions from equity method investee | - | 10,149 |
| Net cash provided by investing activities | - | 10,149 |
| | | |
| Cash Flows from Financing Activities | | |
| Payments on loans payable | (3,712) | (34,594) |
| Proceeds from convertible notes payable | - | 100,000 |
| Payments on convertible notes payable | (20,387) | 4,250 |
| Net cash used in financing activities | (24,099) | 69,656 |
| | | |
| Net increase in cash | 725 | (23,552) |
| | | |
| Cash, beginning of period | - | 61,130 |
| | | |
| Cash, end of period | $ 725 | $ 37,578 |
| | | |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | $ - | $ 20,907 |
| Cash paid for tax | $ - | $ - |
| | | |
| Non-Cash investing and financing transactions | | |
| Preferred shares issued for equity method investee | $ - | $ 460,002 |
| Conversion of convertible notes payable | $ 172,975 | $ 45,494 |
| Settlement of derivative liability | $ 705,244 | $ 56,583 |

## NOTE 1 – BASIS OF PRESENTATION AND GOING CONCERN

Basis of Presentation

The accompanying unaudited interim financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission, and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's most recent Annual Financial Statements filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim period presented have been reflected herein. The results of operations for the interim period are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal period, as reported in the Form 10-K, have been omitted.

Going concern

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As of March 31, 2017, the Company has an accumulated deficit of $18,205,300. The company's ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and its ability to achieve and maintain profitable operations. While the Company is expanding its best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might arise from this uncertainty.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Cash

The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At March 31, 2017, no cash balances exceeded the federally insured limit.

### Accounts receivable and allowance for doubtful accounts

Accounts receivable are stated at the amount management expects to collect. The Company generally does not require collateral to support customer receivables. The Company provides an allowance for doubtful accounts based upon a review of the outstanding accounts receivable, historical collection information and existing economic conditions. As of March 31, 2017 and 2016 the allowance for doubtful accounts was $0 and $0 and bad debt expense of $0 and $0, respectively.

### Revenue Recognition

We recognize revenue in accordance with Accounting Standards Codification, or ("ASC"), 605, Revenue Recognition. We recognize revenue when all of the following conditions are satisfied: (1) there is persuasive evidence of an arrangement; (2) the service has been provided to the customer; (3) the amount of fees to be paid by the customer is fixed or determinable; and (4) the collection of our fees is reasonably assured.

Thus, we recognize subscription revenue on a monthly basis, as services are provided. Customers are billed for the subscription on a monthly, quarterly, semi-annual or annual basis, at the customer's option.

**Fair Value of Financial Instruments**

The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that is observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The fair value of the accounts receivable, accounts payable, notes payable are considered short term in nature and therefore their value is considered fair value.

Financial assets and liabilities measured at fair value on a recurring basis are summarized below for the three months ended March 31, 2017:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Liabilities | | | | |
| Derivative Financial Instruments | $ — | $ — | $ 4,811,248 | $ 4,811,248 |

Financial assets and liabilities measured at fair value on a recurring basis are summarized below for the year ended December 31, 2016:

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| Liabilities | | | | |
| Derivative Financial Instruments | $ — | $ — | $ 870,921 | $ 870,921 |

**Net income (loss) per Common Share**

Basic net income (loss) per share is computed by dividing the net loss attributable to the common stockholders by the weighted average number of shares of common stock outstanding during the period. Fully diluted loss per share is computed similar to basic loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

**Use of Estimates**

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

**Stock-Based Compensation**

The Company accounts for employee stock-based compensation in accordance with the guidance of FASB ASC Topic 718, Compensation – Stock Compensation which requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to additional paid-in capital over the period during which services are rendered.

The Company follows ASC Topic 505-50, formerly EITF 96-18, "Accounting for Equity Instruments that are Issued to Other than Employees for Acquiring, or in Conjunction with Selling Goods and Services," for stock options and warrants issued to consultants and other non-employees. In accordance with ASC Topic 505-50, these stock options and warrants issued as compensation for services provided to the Company are accounted for based upon the fair value of the services provided or the estimated fair market value of the option or warrant, whichever can be more clearly determined. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital over the period during which services are rendered.

**Investments in Securities**

Investments in securities are accounted for using the equity method if the investment provides the Company the ability to exercise significant influence, but not control, over an investee. Significant influence is generally deemed to exist if the Company has an ownership interest in the voting stock of the investee between 20% and 50%, although other factors, such as representation on the investee's Board of Directors, are considered in determining whether the equity method is appropriate.

**Recent Accounting Pronouncements**

No new accounting pronouncements issued or effective during the fiscal year has had or is expected to have a material impact on the financial statements.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

As of March 31, 2017, the Company had advances due to a related party. The loans are due on demand and have no interest. Amounts outstanding as of March 31, 2017 and December 31, 2016 were approximately $11,750 and $11,750, respectively.

**NOTE 5 – LOANS PAYABLE**

As of March 31, 2017 and December 31, 2016, the Company has short term loans payable of $0 and $3,712, respectively. During the three months ended March 31, 2017 and 2016, the Company received proceeds of $0 and $0 and made payments of $3,712 and $34,594, respectively, from certain short term loans payable with interest rates ranging from 23%-28%.

**NOTE 6 - CONVERTIBLE NOTE PAYABLE**

Convertible notes payable consist of the following as of March 31, 2017 and December 31, 2016:

| | 2017 | 2016 |
|---|---|---|
| Total convertible notes payable | 463,696 | 657,059 |
| Less discounts | (16,883) | (101,595) |
| Convertible notes net of discount | $ 446,813 | $ 555,464 |

The Company accounts for the fair value of the conversion features of its convertible debt in accordance with ASC Topic No. 815-15 “Derivatives and Hedging; Embedded Derivatives” (“Topic No. 815-15”). Topic No. 815-15 requires the Company to bifurcate and separately account for the conversion features as an embedded derivative contained in the Company’s convertible debt. The Company is required to carry the embedded derivative on its balance sheet at fair value and account for’ any unrealized change in fair value as a component of results of operations. The Company values the embedded derivatives using the Black-Scholes pricing model.

The following table presents details of the Company’s derivative liabilities associated with its convertible notes as of March 31, 2017 and December 31, 2016:

| | Amount |
|---|---|
| Balance December 31, 2016 | $ 870,921 |
| Debt discount originated from derivative liabilities | - |
| Initial loss recorded | - |
| Adjustment to derivative liability due to debt conversion | (705,244) |
| Change in fair market value of derivative liabilities | 4,923,923 |
| Balance March 31, 2017 | $ 4,811,248 |

During the three months ended March 31, 2017, the Company issued 461,788,457 shares of common stock with a fair value of $222,975 for the partial conversion of convertible notes payable. The converted portion of the notes also had associated derivative liabilities with fair values on the date of conversion of $705,44. The conversion of the derivative liabilities has been recorded through additional paid-in capital.

The Black-Scholes model utilized the following inputs to value the derivative liability at the date of issuance of the convertible note and at March 31, 2017:

| **Fair value assumptions – derivative notes:** | **March 31, 2017** |
|---|---|
| Risk free interest rate | 0.48-0.74% |
| Expected term (years) | 0.01-0.49 |
| Expected volatility | 276-351% |
| Expected dividends | 0% |

**NOTE 7 – INVESTMENT IN ASPIRE CONSULTING GROUP, LLC**

On January 5, 2016, the Company entered into a Share Exchange Agreement with Aspire Consulting Group, LLC, a Virginia limited liability company and certain members of Aspire. Pursuant to the terms of the Exchange Agreement, the Company agreed to acquire 49% of all of the issued and outstanding membership units of Aspire in exchange for the issuance of 66,667 shares of the Company's newly created Series B Convertible Preferred Stock to the Members valued at $460,002.

The Company has concluded that it has the ability to exercise significant influence, but not control, over an Aspire through its acquired 49% equity interest and therefore has accounted for the acquisition of the interest under the equity method.

The following table presents details of the Company's investment is Aspire as of March 31, 2017 and December 31, 2016:

| | | Amount |
|---|---|---|
| Balance December 31, 2016 | $ | 454,062 |
| Fair value of shares issued for ownership 49% interest in Aspire | | - |
| Income (loss) from equity method investee | | (1,524) |
| Distributions received from Aspire | | - |
| Balance March 31, 2017 | $ | 446,813 |

**NOTE 8 – COMMITMENTS AND CONTINGENCIES**

**Office Lease**

On January 6, 2015 the Company signed an amendment to its lease originally signed on May 9, 2008. The amended lease commenced January 1, 2015 and expires on thirty days' notice. Rent expense was approximately $5,268 and $5,268 for the three months ended March 31, 2017 and 2016, respectively.

**Executive Employment Agreement**

The Company has an employment agreement with the CEO/Chairman to perform duties and responsibilities as may be assigned by the Board of Directors. The base salary is in the amount of $100,000 per annum plus an annual discretionary bonus plus benefits commencing on December 17, 2013 and ending May 1, 2017 with an automatic renewal on each anniversary date (May 1) thereafter.

**Litigations, Claims and Assessments**

The Company may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business.

Included in this litigation is a dispute over a $36,363 note secured by 59,400,000 shares of the Company's common stock . In the view of management, there are significant issues of fact regarding the proper issuance and assumption of this note by the Company. Additionally, there are issues over the validity of the prior debt. Regardless, the Company is in discussions to settle this note, and while no guarantee can be given as to the successful resolution of this matter, the Company believes it will be resolved without litigation.

However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise that may harm its business. The Company is currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse effect on its business, financial condition or operating results.

On July 7, 2016, the Company entered into an agreement to settle the note and accrued interest for 2,000,000 shares of common stock valued at $146,000. (See Note 6).

**NOTE 9 – STOCKHOLDERS' EQUITY**

The Company is authorized to issue an aggregate of 4,000,000,000 shares of common stock with a par value of $0.0001. The Company is also authorized to issue 10,000,000 shares of "blank check" preferred stock with a par value of $0.0001, which includes 4,000,000 shares of Series A preferred stock ("Series A").

As of March 31, 2017, and December 31, 2015, 2,644,193,397 and 199,404,940 shares of common stock, 4,000,000 and 0 shares of Series A preferred stock and 66,667 and 0 Series B preferred stock, were issued and outstanding, respectively.

During the three months ended March 31, 2017, the Company issued 461,788,457 shares of common stock with a fair value of $222,975 for the partial conversion of convertible notes payable. The converted portion of the notes also had associated derivative liabilities with fair values on the date of conversion of $705,44. The conversion of the derivative liabilities has been recorded through additional paid-in capital.

On February 16, 2017, the Company issued a total of 2,000,000,000 shares of our common stock to our officer and director, Wais Asefi, as compensation for services rendered.

On February 23, 2017, the Company issued 3,000,000 shares of common stock for services.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### Forward-Looking Statements

Certain statements, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements generally are identified by the words "believes," "project," "expects," "anticipates," "estimates," "intends," "strategy," "plan," "may," "will," "would," "will be," "will continue," "will likely result," and similar expressions. We intend such forward-looking statements to be covered by the safe-harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and are including this statement for purposes of complying with those safe-harbor provisions. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. Factors which could have a material adverse effect on our operations and future prospects on a consolidated basis include, but are not limited to: changes in economic conditions, legislative/regulatory changes, availability of capital, interest rates, competition, and generally accepted accounting principles. These risks and uncertainties should also be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information concerning our business, including additional factors that could materially affect our financial results, is included herein and in our other filings with the SEC.

### Company Overview

We are a developing player in the mobile marketing and loyalty industry, providing cutting-edge mobile marketing solutions, rewards and loyalty to our clients. With a powerful yet intuitive suite of services, clients are able to reach more customers faster and reward them for repeat business. We help clients reach their marketing and revenue goals by educating clients with the most effective tools in mobile marketing, rewards, paperless redemption and loyalty.

In the past 4 years, we have grown to over 300 clients and more than 800 different locations in the United States, Canada and Mexico. We have achieved this with an expanded focus on a variety of industries, including restaurants, retailers, entertainment venues and other partnership opportunities. We have decided to focus our energy on the gym, health and fitness club market.

More recently, we have also entered into the IT consulting business through our acquisition of a minority interest in Aspire Consulting, LLC. We plan to assist our controlling partner in the development of this consulting business in addition to improving the market position of our mobile marketing business.

Our principal executive office is located at 1940 Contra Costa Blvd. Pleasant Hill, CA 94523 and our telephone number is (925-777-2111).

### Results of Operation for Three Months Ended March 31, 2017 and 2016

***Revenues***

For the three months ended March 31, 2017, we earned revenues in the amount of $228,750, as compared with revenues of $88,410 for the three months ended March 31, 2016.

The increase in revenues for the three months ended March 31, 2017 over the prior year period is due to more customer accounts achieved from a change in our pricing model to become more competitive. We expect to achieve greater revenues for the rest of 2017.

*Cost of Revenues*

Cost of revenues was $73,409 for the three months ended March 31, 2017, as compared with $17,676 for the same period ended March 31, 2016.

**Gross Profit**

Our gross profit was $155,341 for the three months ended March 31, 2017 or approximately 67% of revenues, as compared with $70,734 for the same period ended March 31, 2016, or approximately 80% of revenues. Our gross profit margin decreased for the three months ended March 31, 2017 compared with the same period ended March 31, 2016 and was mainly attributable to an increase in web hosting costs. We expect to continue paying similar web hosting costs and perhaps more as traffic to our website increases.

***Operating Expenses***

Our operating expenses were $6,163,251 for the three months ended March 31, 2017, as compared with $193,475 for the three months ended March 31, 2016.

Our operating expenses for the three months ended March 31, 2017 mainly consisted of a share issuance to our officer and director of 2 billion shares valued at $6,000,000. Our operating expenses for the three months ended March 31, 2016 mainly consisted of contract labor expense of $38,000, management compensation of $40,599, professional fees of $24,110, and legal fees of $24,721.

We expect that our operating expenses for the rest of 2017 will decrease, provided that we do not have to issue stock for services, which was the main reason for our increased expenses this quarter. Given our lack of operating capital, we have been forced to issue shares for services rendered to the company. We hope that increase revenues will lessen that trend for 2017 and beyond.

***Other Expenses***

We had other expenses of $4,756,720 for the three months ended March 31, 2017 compared with $1,112,797 for the same period ended March 31, 2016. Other expenses for the three months ended March 31, 2017 consisted of $4,645,571 due to the loss on change of derivative liabilities, $84,711 in amortization of debt discount and $32,6583 in interest expenses, offset by $6,245 for the loss on the settlement of notes payable. Other expenses for the three months ended March 31, 2016 consisted of $918,770 due to the loss on change of derivative liabilities, $127,348 in amortization of debt discount and $66,679 in interest expenses.

***Net Loss***

We had a net loss of $10,766,154 for the three months ended March 31, 2017, as compared with net loss of $1,229,923 for the three months ended March 31, 2016.

**Liquidity and Capital Resources**

As of March 31, 2017, we had total current assets of $4,483, consisting of cash and receivables. Our total current liabilities as of March 31, 2017 were $5,521,287. We had a working capital deficit of $5,516,804 as of March 31, 2017.

***Cash Flows from Operating Activities***

Operating activities provided $24,824 in cash for the three months ended March 31, 2017, compared with cash used of $103,357 for the three months ended March 31, 2016. Our positive operating cash flow was largely the result of our share based compensation of $5,004,200 and loss on derivative liabilities of $4,645,571, offset by our net loss of $10,766,154. Our net loss of $1,229,923 was the main component of our negative operating cash flow for the three months ended March 31, 2016, offset mainly by the loss on derivative liabilities of $918,770 and amortization of debt discount of $127,348.

**Cash Flows from Investing Activities**

Investing activities provided $0 in cash the three months ended March 31, 2017, compared with $10,149 for the three months ended March 31, 2016. Our positive investing cash flow for 2016 was entirely attributable to cash we received in distributions from Aspire.

**Cash Flows from Financing Activities**

Cash flows used by financing activities during the three months ended March 31, 2017 amounted to $24,099, compared with cash flows provided by financing activities of $69,656 for the three months ended March 31, 2016. Our negative cash flows for the three months ended March 31, 2017 consisted of payments on convertible notes payable and loans payable. Our positive cash flows for the three months ended March 31, 2016 consisted mostly of proceeds from the sale of convertible promissory notes, offset by payments on loans payable.

Our optimum level of growth for success will be achieved if we are able to raise $250,000 in the next twelve months. However, funds are difficult to raise in today's economic environment. If we are unable to raise $250,000 our ability to implement our business plan and achieve our goals will be significantly diminished.

We have experienced a history of losses. With our revenues increasing, however, we are less reliant on outside capital as we have been in the past. We will need at a minimum $120,000 in capital to operate in the next 12 months.

We are dependent on investment capital to continue our survival. We have raised money through convertible debt, almost always on unfavorable terms. There is no guarantee that these small convertible loans will be available to us in the future or on terms acceptable to us.

We do not have any formal commitments or arrangements for the sales of stock or the advancement or loan of funds at this time. There can be no assurance that such additional financing will be available to us on acceptable terms, or at all.

**Going Concern**

As of March 31, 2017, we have an accumulated deficit of $18,205,300. Our ability to continue as a going concern is contingent upon the successful completion of additional financing arrangements and our ability to achieve and maintain profitable operations. While we are expanding our best efforts to achieve the above plans, there is no assurance that any such activity will generate funds that will be available for operations. These conditions raise substantial doubt about our ability to continue as a going concern. These financial statements do not include any adjustments that might arise from this uncertainty.

**Off Balance Sheet Arrangements**

As of March 31, 2017, there were no off balance sheet arrangements.

**Critical Accounting Policies**

In December 2001, the SEC requested that all registrants list their most "critical accounting polices" in the Management Discussion and Analysis. The SEC indicated that a "critical accounting policy" is one which is both important to the portrayal of a company's financial condition and results, and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. Our critical accounting policies are disclosed in Note 2 of our audited financial statements included in the Form 10-K filed with the Securities and Exchange Commission.

**Recent Accounting Pronouncements**

No new accounting pronouncements issued or effective during the fiscal year has had or is expected to have a material impact on the financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk**

A smaller reporting company is not required to provide the information required by this Item.

**Item 4. Controls and Procedures**

**Disclosure Controls and Procedures**

We conducted an evaluation, with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act, as of March 31, 2017, to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities Exchange Commission's rules and forms, including to ensure that information required to be disclosed by us in the reports filed or submitted by us under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2017, our disclosure controls and procedures were not effective at the reasonable assurance level due to the material weaknesses identified and described below.

Our principal executive officers do not expect that our disclosure controls or internal controls will prevent all error and all fraud. Although our disclosure controls and procedures were designed to provide reasonable assurance of achieving their objectives and our principal executive officers have determined that our disclosure controls and procedures are effective at doing so, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that the objectives of the system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented if there exists in an individual a desire to do so. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

**Remediation Plan to Address the Material Weaknesses in Internal Control over Financial Reporting**

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. Management identified the following three material weaknesses that have caused management to conclude that, as of March 31, 2017, our disclosure controls and procedures, and our internal control over financial reporting, were not effective at the reasonable assurance level:

1. We do not have written documentation of our internal control policies and procedures. Written documentation of key internal controls over financial reporting is a requirement of Section 404 of the Sarbanes-Oxley Act as of the period ending March 31, 2017. Management evaluated the impact of our failure to have written documentation of our internal controls and procedures on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

2. We do not have sufficient segregation of duties within accounting functions, which is a basic internal control. Due to our size and nature, segregation of all conflicting duties may not always be possible and may not be economically feasible. However, to the extent possible, the initiation of transactions, the custody of assets and the recording of transactions should be performed by separate individuals. Management evaluated the impact of our failure to have segregation of duties on our assessment of our disclosure controls and procedures and has concluded that the control deficiency that resulted represented a material weakness.

3. Effective controls over the control environment were not maintained. Specifically, a formally adopted written code of business conduct and ethics that governs our employees, officers, and directors was not in place. Additionally, management has not developed and effectively communicated to employees its accounting policies and procedures. This has resulted in inconsistent practices. Further, our Board of Directors does not currently have any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K. Since these entity level programs have a pervasive effect across the organization, management has determined that these circumstances constitute a material weakness.

To address these material weaknesses, management performed additional analyses and other procedures to ensure that the financial statements included herein fairly present, in all material respects, our financial position, results of operations and cash flows for the periods presented. Accordingly, we believe that the financial statements included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows for the periods presented.

To remediate the material weakness in our documentation, evaluation and testing of internal controls we plan to engage a third-party firm to assist us in remedying this material weakness once resources become available.

We intend to remedy our material weakness with regard to insufficient segregation of duties by hiring additional employees in order to segregate duties in a manner that establishes effective internal controls once resources become available.

**Changes in Internal Control over Financial Reporting**

No change in our system of internal control over financial reporting occurred during the period covered by this report, the period ended March 31, 2017, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

We are not a party to any pending legal proceeding. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

### Item 1A: Risk Factors

For our mobile marketing business, see risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2014 filed on April 15, 2015.

For our interest in Aspire Consulting Group, LLC, see risk factors included in our Current Report on Form 8-K filed on January 1, 2016.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The information set forth below relates to our issuances of securities without registration under the Securities Act of 1933.

During the three months ended March 31, 2017, we issued 461,788,457 shares of common stock with a fair value of $222,975 for the partial conversion of convertible notes payable.

On February 16, 2017, we issued a total of 2,000,000,000 shares of our common stock to our officer and director, Wais Asefi, as compensation for services rendered.

On February 23, 2017, we issued 3,000,000 shares of common stock for services.

These securities were issued pursuant to Section 4(2) of the Securities Act and/or Rule 506 promulgated thereunder. The holders represented their intention to acquire the securities for investment only and not with a view towards distribution. The investors were given adequate information about us to make an informed investment decision. We did not engage in any general solicitation or advertising. We directed our transfer agent to issue the stock certificates with the appropriate restrictive legend affixed to the restricted stock.

**Item 3. Defaults upon Senior Securities**

None

**Item 4. Mine Safety Disclosures**

N/A

**Item 5. Other Information**

None

**Item 6. Exhibits**

| Exhibit Number | Description of Exhibit |
|---|---|
| 31.1 | Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 101** | The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2017 formatted in Extensible Business Reporting Language (XBRL). |

**Provided herewith

## 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 thereunto duly authorized.

**Textmunication Holdings, Inc.**

Date: May 15, 2017

By: */s/ Wais Asefi*

Wais Asefi

Title: President, Chief Executive Officer, and Director

**CERTIFICATIONS**

I, Wais Asefi, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2017 of Textmunication Holdings, Inc. (the "registrant");

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 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 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: May 15, 2017

By: */s/ Wais Asefi*
Name: Wais Asefi
Title: Chief Executive Officer

**CERTIFICATIONS**

I, Wais Asefi, certify that;

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended March 31, 2017 of Texmunication Holdings, Inc. (the "registrant");

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 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 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: May 15, 2017

By: *<u>/s/ Wais Asefi</u>*
Name: Wais Asefi
Title: Chief Executive Officer

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

In connection with the quarterly Report of Textmunication Holdings, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2017 filed with the Securities and Exchange Commission (the "Report"), I, Wais Asefi, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the consolidated financial condition of the Company as of the dates presented and the consolidated result of operations of the Company for the periods presented.

By: */s/ Wais Asefi*
Name: Wais Asefi
Title: Chief Executive Officer
Date: May 15, 2017

This certification has been furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.