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

**FORM 10-Q/A
(Amendment No. 1)**

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

For the quarterly period ended: **May 31, 2015**

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

For the transition period from _____ to _____

Commission File No. **000-52669**

MONAKER GROUP, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of
incorporation or formation)

26-3509845
(I.R.S. Employer
Identification Number)

**2690 Weston Road, Suite 200
Weston, FL 33331**
(Address of principal executive offices)

(954) 888-9779
(Registrant's telephone number)

(Former name or former address, 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 such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

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

Yes No

Indicate by check mark 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 Smaller reporting company

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

As of August 4, 2015, there were 1,534,678 shares outstanding of the registrant's common stock.

Explanatory Note

The Registrant has prepared this Amendment No. 1 on Form 10-Q/A (this “Amendment”) to amend its Quarterly Report on Form 10-Q for the quarter ended May 31, 2015, as filed with the Securities and Exchange Commission on August 7, 2015 (the “Original Filing”), to correct certain errors related to the Registrant’s accounting treatment with its deconsolidated affiliate (RealBiz Media Group, Inc.) which were identified in June of 2016, in connection with the preparation of the Registrant’s consolidated annual financial statements for the fiscal year ended February 29, 2016 and the resulting restatement of its financial statements included in the Original Filing. See Note 2 in the unaudited consolidated financial statements included herewith for more information. In addition, as required by Rule 12b-15 under the Securities Exchange Act of 1934, as amended, currently dated certifications by our principal executive officer and principal financial officer are filed as exhibits to this Amendment.

Due to the error, as further described below, and based upon the recommendation of management, the Registrant’s Board of Directors determined on May 31, 2016 that the Registrant’s previously issued audited financial statements should no longer be relied upon. As a result of the foregoing, the Registrant has previously restated its consolidated financial statements for the fiscal year ended February 28, 2015, and will be restating its consolidated financial statements for the first three quarterly periods of the fiscal year ended February 29, 2016, including the quarter ended May 31, 2015, included herein.

Except for the restated financial statements included herein; additional language added to Note 1 of the consolidated unaudited financial statements included herein (the “Financial Statements”) under “Principles of Consolidation”; new Note 2 to the Financial Statements; updates to the numbering of the other footnotes in the Financial Statements in connection with the addition of Note 2; updates to the “Results of Operations” section of this filing to correspond to the restated Financial Statements; and other minor changes and updates throughout this filing, this Amendment speaks as of the date of the Original Filing, does not reflect events that may have occurred subsequent to the Original Filing and does not modify or update in any way disclosures made in the Original Filing.

This Amendment replaces and supersedes the Original Filing and readers should disregard the Original Filing in its entirety.

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Item 1. Financial Statements

Monaker Group, Inc. and Subsidiaries
Consolidated Balance Sheets
(Unaudited)

	(Restated) May 31, 2015	(Restated) February 28, 2015
Assets		
Current Assets		
Cash	\$ 96,778	\$ 226,412
Note receivable	15,000	15,000
Prepaid expenses and other current assets	118,824	68,159
Security deposits	13,206	13,206
Total current assets	243,808	322,777
Investments	56,000	—
Dividends receivable	881,587	881,587
Website development costs and intangible assets, net	1,476,345	189,235
Total assets	\$ 2,657,740	\$ 1,393,599
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,617,539	\$ 2,387,833
Other current liabilities	132,378	139,750
Due to affiliates	—	—
Derivative liabilities - convertible promissory notes	320,410	287,149
Convertible promissory notes, net of discount of \$-0- and \$-0-, respectively	721,683	6,828,386
Convertible promissory notes - related party, net of discount of \$-0- and \$-0-, respectively	1,025,000	1,025,000
Other advances	125,000	68,000
Other notes payable	120,000	120,000
Shareholder loans	379,000	379,000
Notes payable	924,072	924,072
Total current liabilities	6,365,082	12,159,190
Convertible notes payable - long term, net of discount of \$-0- and \$-0-, respectively	2,971,703	—
Total liabilities	9,336,785	12,159,190
Stockholders' Deficit		
Series A Preferred stock, \$.01 par value; 3,000,000 authorized; 1,884,611 and 2,216,014 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	18,846	22,160
Series B Preferred stock, \$.00001 par value; 3,000,000 authorized; 257,200 and 262,200 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	3	3
Series C Preferred stock, \$.00001 par value; 3,000,000 authorized; 221,000 and 217,600 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	2	2
Series D Preferred stock, \$.00001 par value; 3,000,000 authorized; 982,800 and 838,800 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	10	8
Common stock, \$.00001 par value; 500,000,000 shares authorized; 1,179,667 and 422,167 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	12	211
Additional paid-in-capital	84,402,240	78,228,898
Stock subscription receivable	(5,000)	(5,000)
Accumulated deficit	(91,575,550)	(89,011,873)
Total Monaker Group, Inc. stockholders' deficit	(7,159,437)	(10,765,591)
Noncontrolling interest	480,392	—
Total stockholders' deficit	(6,679,045)	(10,765,591)
Total liabilities and stockholders' deficit	\$ 2,657,740	\$ 1,393,599

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

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)
For the three months ended

	(Restated) May 31, 2015	May 31, 2014
Revenues		
Travel and commission revenues	\$ 336,093	\$ 90,156
Real estate media revenue	—	254,801
Total revenues	<u>336,093</u>	<u>344,957</u>
Operating expenses		
Cost of revenues	72,394	61,623
Technology and development	18,282	347,475
Salaries and benefits	288,478	581,871
Selling and promotions expense	116	129,903
General and administrative	248,049	804,971
Total operating expenses	<u>627,319</u>	<u>1,925,843</u>
Operating loss	<u>(291,226)</u>	<u>(1,580,886)</u>
Other income (expense)		
Interest expense including loss on inducement expense on conversion of debt	(2,014,373)	(241,535)
Loss on conversion of debt	(224,000)	—
Gain (loss) on change in fair value of derivatives	(33,261)	1,115,797
Other income (expense)	(817)	160,336
Total other income (expense)	<u>(2,272,451)</u>	<u>1,034,598</u>
Net loss	<u>(2,563,677)</u>	<u>(546,288)</u>
Net loss attributable to the noncontrolling interest	—	376,637
Net loss attributable to Monaker Group, Inc.	<u>\$ (2,563,677)</u>	<u>\$ (169,651)</u>
Preferred Stock Dividend	—	(1,291)
Net loss attributable to Common Shareholders	<u>\$ (2,563,677)</u>	<u>\$ (170,942)</u>
Weighted average number of common shares outstanding	<u>583,330</u>	<u>395,555</u>
Basic and diluted net loss per share	<u>\$ (4.39)</u>	<u>\$ (0.43)</u>
Comprehensive loss:		
Unrealized income(loss) on currency translation adjustment	—	(9,353)
Comprehensive loss	<u>\$ (2,563,677)</u>	<u>\$ (180,295)</u>

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

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)
For the three months ended

	(Restated) May 31, 2015	May 31, 2014
Cash flows from operating activities:		
Net loss applicable to Monaker Group, Inc.	\$ (2,563,677)	\$ (169,651)
Adjustments to reconcile net loss to net cash from operating activities:		
Noncontrolling interest in loss of consolidated subsidiaries	—	(376,637)
Amortization of intangibles and depreciation	18,282	449,466
Amortization of debt discount	—	69,394
Stock based compensation and consulting fees	75,913	55,143
Loss on inducements to convert included in interest expense	1,656,418	—
Loss on debt conversion	224,000	—
Loss (gain) on change in fair value of derivatives	33,261	(1,115,797)
Changes in operating assets and liabilities:		
Decrease in accounts receivable	—	9,190
Decrease (increase) in prepaid expenses and other current assets	(50,665)	17,854
Increase in accounts payable and accrued expenses	229,706	226,938
Increase (decrease) in other current liabilities	(7,372)	22,968
Net cash provided by (used in) operating activities	(384,134)	(811,132)
Cash flows from investing activities:		
Investment in majority owned subsidiary	75,000	—
Payments related to website development costs	—	(24,122)
Payments for computer equipment	—	(1,176)
Net cash used in investing activities	75,000	(25,298)
Cash flows from financing activities:		
Proceeds from convertible promissory notes	—	25,000
Principal payments against convertible promissory notes	(20,000)	—
Principal payments of other notes payable	—	(37,779)
Proceeds from advances	57,000	—
Proceeds from issuance of series C preferred shares	10,000	—
Proceeds received in advance subscriptions	—	200,000
Proceeds from the issuance of common stock	132,500	378,088
Proceeds from the exercise of common stock warrants	—	154,680
Proceeds from the collection of stock subscription receivable	—	48,380
Net cash provided by financing activities	179,500	768,369
Effect of exchange rate changes on cash	—	9,353
Net decrease in cash	(129,634)	(58,708)
Cash at beginning of period	226,412	117,818
Cash at end of period	\$ 96,778	\$ 59,110
Supplemental disclosure:		
Cash paid for interest	\$ 225,802	\$ 70,298
Supplemental disclosure of non-cash investing and financing activity:		
Shares/warrants issued for conversions of debt to equity	\$ 3,115,000	\$ 7,000
Common stock for investment	\$ 56,000	\$ —
Series D Preferred for assets	\$ 400,000	\$ —

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

Note 1 - Summary of Business Operations and Significant Accounting Policies***Nature of Operations and Business Organization***

Monaker Group, Inc. ("Monaker" or the "Company") is a multi-faceted interactive media company whose key focus is around what the Company believes to be the most universal, yet powerful consumer-passion categories being - travel, home and work. The Company is engaged in the business of providing digital media and marketing services for these industries along with the opportunity to create long term relationships through their Home & Away Club membership programs. The Company generates revenue from commissions from traditional sales of our travel products and expects to be accelerating its revenue base through: (i) advertising revenue from preferred suppliers, sponsors and referral fees (ii) travel and employment media services which include video sponsorship packages, pre-roll advertising, commissions and referral fees; and (iii) revenue derived from Home & Away Club memberships. The Company's Media Group concentrates awareness campaigns through its three divisions:

- (1) Travel – which encompasses Maupintour (one of the oldest luxury tour operators in the United States) and NextTrip.com/Voyage.tv, a video and media website with thousands of hours of travel footage.
- (2) Employment – the NameYourFee.com website which allows recruiters to expand their reach of candidates to potential employers.
- (3) Home – via its Home & Away Club loyalty program and minority interest in Realbiz Media Group, Inc. ("RealBiz")

The Company plans to accelerate targeted content utilizing video via digital platforms including satellite, cable, broadcast, broadband, web, print and the development of a Home & Away Mobile App.

We currently focus primarily on our travel segment and will be expanding into the employment and Home/Membership services during the next quarter. The following is an overview of the 3 areas that currently have travel operations and/or the Company is imminently commencing promotion utilizing our media services.

1. Maupintour Extraordinary Vacations ("Maupintour") is the oldest tour operator in North America having a history of over 65 years of creating and booking tours and activity-focused trips, from private tours of the Vatican to bicycling in the Alps to wine tasting in Italy. Maupintour books these trips and serves thousands of travel agents around the world. The Company has an active alumni that desires luxury vacations that includes private sightseeing, fine dining and 4 and 5 star accommodations. The Company previously ran group tours ranging from 10 to 25; however it has moved its model to customization of high end tours for families, small groups and individuals. The Company's most popular destinations are Egypt, Israel, Europe, Africa, Asia and Peru. The Company's peak season for this division is from February to July. Maupintour's website is www.Maupintour.com.

2. NextTrip.com is being repositioned as an all-purpose travel site that includes customer support, relevant social networking, and travel business showcases, with a primary emphasis on Video to targeted web users and a secondary promotion to TV viewers via VOD promotion. The site is scheduled for launch in the 2nd quarter of this fiscal year and will work in conjunction with the Home & Away Club App to provide users with relevant information utilizing its diverse video library and experience to entertains, informs, and offers utility and savings to members. The travel website currently offers users, free of charge, hundreds of destination videos and promotes worldwide vacation destinations. NextTrip.com plans to generate revenues through advertising, travel commission, referral fees, and its affiliate program. The travel products and fulfillment and services are both created by the company and/or contracted out to key industry suppliers including Mark Travel. Mark Travel is the largest wholesaler of travel products in the United States. NextTrip.com will look to serve relevant videos to travelers via four key elements: (i) television ads (ii) travel video on demand for web and TV (iii) broadband telecast (with the web player surrounded by interactive banner ads and/or discount travel coupons) and (iv) the development of its Travel App.

3. The Home & Away Club (H&AC). The Company has launched the Home & Away Club website and is targeting both existing customers and new potential customers to the site by offering up to \$500 Rewards so consumers can try before they buy. As a primary means of creating awareness for H&AC the Company is utilizing existing customers, relationships and forging new partnerships within the travel, real estate and employment sectors. The Company will utilize targeted video for the travel, leisure, home products and services to engage and enable viewers to request information, make reservations and get an in-depth look at products and services the Club offers. The Company created a points based program for real estate agents that utilize the RealBiz services. With the Home and Away Club, agents can earn dollars for completing specified actions, purchase Home and Away Club membership for themselves and/or gift to their customers thereby and receive greatly discounted gifts to give to their happy clients. The membership gives the homeowner access to wholesale pricing on travel, lifestyle and home products while providing the real estate agents a loyalty platform that allows them the means to stay in contact with their customer.

Interim Financial Statements

These consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States (“US GAAP”) for interim financial information and with the instructions to Form 10-Q and Regulation S-X. Accordingly, the consolidated financial statements do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. These consolidated financial statements should be read in conjunction with the financial statements for the fiscal year ended February 28, 2015 and notes thereto and other pertinent information contained in our Form 10-K the Company has filed with the Securities and Exchange Commission (the “SEC”).

The results of operations for the three months ended May 31, 2015 are not necessarily indicative of the results to be expected for the full fiscal year ending February 28, 2016.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All material inter-company transactions and accounts have been eliminated in consolidation.

At February 28, 2014, the Company owned a 61% interest in RealBiz Media Group, Inc. (“RealBiz”), which owned an 85% interest in RealBiz Holdings, Inc. On October 31, 2014, the Company’s interest dropped to 43% in RealBiz. These entities’ accounts are no longer consolidated in the accompanying financial statements because we no longer have a controlling financial interest. All inter-company balances and transactions have been eliminated. The 69% non-controlling interest in RealBiz at May 31, 2015 is represented by 1,009,762 shares of RealBiz Series A Preferred Stock with an annual dividend rate of 10% and 107,311,301 shares of RealBiz common stock issued and outstanding as of May 31, 2015. The shares of RealBiz Series A Preferred Stock and common stock have been written down to zero (\$0) to reflect the realizable value of this investment. In addition, the Company is owed in excess of \$5.8 million in funds as a net receivable balance due from RealBiz for amounts paid for the benefit of or on behalf of RealBiz. The net receivable from RealBiz has been written down to zero (\$0) to reflect the net realizable value of the asset.

Noncontrolling Interest and Investment in Unconsolidated Affiliates

The Company accounts for its less than 100% interest in consolidated subsidiaries in accordance with ASC Topic 810, Consolidation, and accordingly the Company presents noncontrolling interests as a component of equity on its consolidated balance sheets and reports noncontrolling interest net loss under the heading “Net loss attributable to noncontrolling interest” in the consolidated statements of operations. After the deconsolidation of RealBiz, as described in the following paragraph, there were no controlling interests in any of the Company’s remaining subsidiaries until the Company consolidated the Name Your Fee, LLC in the three months ended May 31, 2015. Investments in unconsolidated affiliates are accounted for by either the equity or cost methods, generally depending upon ownership levels. The equity method of accounting is used when the Company’s investment in voting stock of an entity gives it the ability to exercise significant influence over the operating and financial policies of the investee, which is presumed to be the case when the Company holds 20% to 50% of the voting stock of, or can otherwise demonstrate significant influence over, the investee. Unconsolidated affiliate companies in which the Company does not have significant influence and owns less than 20% of the voting stock are accounted for using the cost method. These investments in unconsolidated affiliates are assessed periodically for impairment and are written down if and when the carrying amount is considered to be permanently impaired.

Deconsolidation

Monaker prepares its consolidated financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America (“GAAP”). In accordance with accounting guidance for consolidation, prior to the Deconsolidation Date of October 31, 2014, the accompanying consolidated financial statements present the consolidated results of the Company including its investment in RealBiz Media Group, Inc. On the deconsolidation date, in accordance with ASC 810-10-50-1B and the voting interest model, which basically requires that an entity consolidate another entity if it owns a majority (greater than 50%) of that other entity. Monaker commenced accounting for its investments in RealBiz in accordance with the equity method of accounting as of the Deconsolidation Date.

Use of Estimates

The Company’s significant estimates include allowance for doubtful accounts, valuation of intangible assets, stock based compensation, accrued expenses and derivative liabilities. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. While the Company believes that such estimates are fair when considered in conjunction with the consolidated financial statements taken as a whole, the actual amounts of such estimates, when known, will vary from these estimates. If actual results significantly differ from the Company’s estimates, the Company’s financial condition and results of operations could be materially impacted.

Cash and Cash Equivalents

For purposes of balance sheet presentation and reporting of cash flows, the Company considers all unrestricted demand deposits, money market funds and highly liquid debt instruments with an original maturity of less than 90 days to be cash and cash equivalents. The Company had no cash equivalents at May 31, 2015 and February 28, 2015.

Accounts Receivable

The Company extends credit to its customers in the normal course of business. Further, the Company regularly reviews outstanding receivables, and provides for estimated losses through an allowance for doubtful accounts. In evaluating the level of established loss reserves, the Company makes judgments regarding its customers' ability to make required payments, economic events and other factors. As the financial condition of these parties change, circumstances develop or additional information becomes available, adjustments to the allowance for doubtful accounts may be required. The Company maintains reserves for potential credit losses, and such losses traditionally have been within its expectations. The Company's allowance for doubtful accounts was \$-0- and \$-0- at May 31, 2015 and February 28, 2015, respectively.

Property and Equipment

All expenditures on the acquisition for property and equipment are recorded at cost and capitalized as incurred, provided the asset benefits the Company for a period of more than one year. Expenditures on routine repairs and maintenance of property and equipment are charged directly to operating expense. The property and equipment is depreciated using the straight-line method based upon its estimated useful life after being placed in service. The estimated useful life of computer equipment is 3 years. When equipment is retired, sold or impaired, the resulting gain or loss is reflected in earnings. For the three months ended May 31, 2015 and May 31, 2014, the Company did not incur depreciation expense.

In accordance with Accounting Standards Codification 360-10, "Property, Plant and Equipment", the Company periodically reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. The Company recognizes an impairment loss when the sum of expected undiscounted future cash flows is less than the carrying amount of the asset. The amount of impairment is measured as the difference between the asset's estimated fair value and its book value. For the three months ended May 31, 2015 and for the year ended February 28, 2015, the Company did not record impairment losses on any of its property and equipment.

Website Development Costs

The Company accounts for website development costs in accordance with Accounting Standards Codification 350-50 "Website Development Costs". Accordingly, all costs incurred in the planning stage are expensed as incurred, costs incurred in the website application and infrastructure development stage that meet specific criteria are capitalized and costs incurred in the day to day operation of the website are expensed as incurred. The Company placed into service in June 2013 two websites, Maupintour.com and Nexttrip.com. Additionally, the Company placed into service in March 2014 the Nestbuilder website. All costs associated with these websites are subject to straight-line amortization over a three-year period. For the three months ended May 31, 2015, the Company has capitalized \$905,392 of costs associated with the Name Your Fee employment website that has not been placed into service. Websites related to RealBiz Media Group, Inc. have been deconsolidated from the financial statements as of October 31, 2014.

Software Development Costs

The Company capitalizes internal software development costs subsequent to establishing technological feasibility of a software application in accordance with guidelines established by "ASC 985-20-25" Accounting for the Costs of Computer Software to Be Sold, Leased, or Otherwise Marketed, requiring certain software development costs to be capitalized upon the establishment of technological feasibility. The establishment of technological feasibility and the ongoing assessment of the recoverability of these costs require considerable judgment by management with respect to certain external factors such as anticipated future revenue, estimated economic life, and changes in software and hardware technologies. Amortization of the capitalized software development costs begins when the product is available for general release to customers. Capitalized costs are amortized based on the greater of (a) the ratio of current gross revenues to the total current and anticipated future gross revenues, or (b) the straight-line method over the remaining estimated economic life of the product. Software development costs related to RealBiz Media Group, Inc. have been deconsolidated from the financial statements as of October 31, 2014.

Impairment of Intangible Assets

In accordance with ASC 350-30-65 "Goodwill and Other Intangible Assets", the Company assesses the impairment of identifiable intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors the Company considers important, which could trigger an impairment review include the following:

1. Significant underperformance compared to historical or projected future operating results;
2. Significant changes in the manner or use of the acquired assets or the strategy for the overall business; and
3. Significant negative industry or economic trends.

When the Company determines that the carrying value of an intangible asset may not be recoverable based upon the existence of one or more of the above indicators of impairment and the carrying value of the asset cannot be recovered from projected undiscounted cash flows, the Company records an impairment charge. The Company measures any impairment based on a projected discounted cash flow method using a discount rate determined by management to be commensurate with the risk inherent to the current business model. Significant management judgment is required in determining whether an indicator of impairment exists and in projecting cash flows. The Company did not record an impairment charge on its intangible assets during the three months ended May 31, 2015 and 2014, respectively. Intellectual properties that have finite useful lives are amortized over their useful lives. The Company incurred amortization expense of \$18,282 and \$449,466 for the three months ended May 31, 2015 and 2014, respectively.

Convertible Debt Instruments

The Company records debt net of debt discount for beneficial conversion features and warrants, on a relative fair value basis. Beneficial conversion features are recorded pursuant to the Beneficial Conversion and Debt Topics of the FASB Accounting Standards Codification. The amounts allocated to warrants and beneficial conversion rights are recorded as debt discount and as additional paid-in-capital. Debt discount is amortized to interest expense over the life of the debt.

Derivative Instruments

The Company enters into financing arrangements that consist of freestanding derivative instruments or are hybrid instruments that contain embedded derivative features. The Company accounts for these arrangements in accordance with Accounting Standards Codification topic 815, Accounting for Derivative Instruments and Hedging Activities ("ASC 815") as well as related interpretations of this standard. In accordance with this standard, derivative instruments are recognized as either assets or liabilities in the balance sheet and are measured at fair values with gains or losses recognized in earnings. Embedded derivatives that are not clearly and closely related to the host contract are bifurcated and are recognized at fair value with changes in fair value recognized as either a gain or loss in earnings. The Company determines the fair value of derivative instruments and hybrid instruments based on available market data using appropriate valuation models, considering all of the rights and obligations of each instrument.

The Company estimates fair values of derivative financial instruments using various techniques (and combinations thereof) that are considered consistent with the objective measuring fair values. In selecting the appropriate technique, the Company considers, among other factors, the nature of the instrument, the market risks that it embodies and the expected means of settlement. For less complex derivative instruments, such as freestanding warrants, the Company generally use the Black-Scholes model, adjusted for the effect of dilution, because it embodies all of the requisite assumptions (including trading volatility, estimated terms, dilution and risk free rates) necessary to fair value these instruments. Estimating fair values of derivative financial instruments requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the instrument with related changes in internal and external market factors. In addition, option-based techniques (such as Black-Scholes model) are highly volatile and sensitive to changes in the trading market price of our common stock. Since derivative financial instruments are initially and subsequently carried at fair values, our income (expense) going forward will reflect the volatility in these estimates and assumption changes. Under the terms of the accounting standard, increases in the trading price of the Company's common stock and increases in fair value during a given financial quarter result in the application of non-cash derivative expense. Conversely, decreases in the trading price of the Company's common stock and decreases in trading fair value during a given financial quarter result in the application of non-cash derivative income.

Based upon ASC 815-25 the Company has adopted a sequencing approach regarding the application of ASC 815-40 to its outstanding convertible debentures. Pursuant to the sequencing approach, the Company evaluates its contracts based upon earliest issuance date.

Earnings per Share

Basic earnings per share are computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during each period. Diluted loss per common share is not presented because it is anti-dilutive.

The Company's common stock equivalents include the following:

	May 31, 2015
Series A convertible preferred stock issued and outstanding	3,769,222
Series B convertible preferred stock issued and outstanding	5,144
Series C convertible preferred stock issued and outstanding	17,560
Series D convertible preferred stock issued and outstanding	78,624
Warrants to purchase common stock issued, outstanding and exercisable	483,054
Stock options issued, outstanding and exercisable	81
Shares on convertible promissory notes	1,168,895
	<u>5,522,580</u>

Revenue recognition**Travel**

Gross travel tour revenues represent the total retail value of transactions booked for both agency and merchant transactions recorded at the time of booking, reflecting the total price due for travel by travelers, including taxes, fees and other charges, and are generally reduced for cancellations and refunds. The Company also generates revenue from paid cruise ship bookings in the form of commissions. Commission revenue is recognized at the date the price is fixed or determinable, the delivery is completed, no other significant obligations of the Company exist and collectability is reasonably assured. Payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as unearned revenue.

Media

Our no longer consolidated subsidiary RealBiz's marketing and promotional services are provided to agents or brokers via a web-based portal that allows for credit card payments. Customers may pay a monthly recurring fee or an annual fee. Some customers additionally pay a one-time set up fee. Monthly recurring fees are recognized in the month the service is rendered. Collection of one-time set up fees and annual services fees give rise to recognized monthly revenue in the then-current month as well as deferred revenue liabilities representing the collected fee for services yet to be delivered.

Under these policies, no revenue is recognized unless persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable, and collection is deemed reasonably assured. The Company considers an insertion order signed by the client or its agency to be evidence of an arrangement.

Cost of Revenues

Cost of revenues, for the travel segment, includes costs directly attributable to services sold and delivered. These costs include such items as amounts paid for airlines, hotels, excursions, sales commissions to business partners, industry conferences and public relations costs. Cost of revenues, for the media segment, include such items as credit card fees, sales commission to business partners, expenses related to our participation in industry conferences, and public relations expenses.

Sales and Promotion

Sales and marketing expenses consist primarily of advertising and promotional expenses, salary expenses associated with sales and marketing staff, expenses related to our participation in industry conferences, and public relations expenses. The goal of our advertising is to acquire new subscribers for our e-mail products, increase the traffic to our web sites, and increase brand awareness.

Advertising Expense

Advertising costs are charged to expense as incurred and are included in selling and promotions expense in the accompanying consolidated financial statements. Advertising expense for the three months ended May 31, 2015 and 2014, was \$116 and \$129,903, respectively.

Share Based Compensation

The Company computes share based payments to employees in accordance with Accounting Standards Codification 718-10 "Compensation" (ASC 718-10). ASC 718-10 establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods and services at fair value, focusing primarily on accounting for transactions in which an entity obtains employees services in share-based payment transactions. It also addresses transactions in which an entity incurs liabilities in exchange for goods and services that are based on the fair value of an entity's equity instruments or that may be settled by the issuance of those equity instruments. Equity instruments issued to non-employees for goods or services are accounted for at fair value and marked to market until service is complete or a performance commitment date is reached, whichever is earlier, in accordance with ASC 505-50.

In March 2005, the SEC issued SAB No. 107, Share-Based Payment ("SAB 107") which provides guidance regarding the interaction of ASC 718-10 and certain SEC rules and regulations. The Company has applied the provisions of SAB 107 in its adoption of ASC 718-10.

Warrant Modifications

The Company treats a modification of the terms or conditions of an equity award in accordance with ASC Topic 718-20-35-3 by treating the modification as an exchange of the original award for a new award. In substance, the entity repurchases the original instrument by issuing a new instrument of equal or greater value, incurring additional compensation cost for any incremental value. Incremental compensation cost shall be measured as the excess, if any, of the fair value of the modified award determined in accordance with the provisions of this Topic over the fair value of the original award immediately before its terms are modified, measured based on the share price and other pertinent factors at that date

Income Taxes

The Company accounts for income taxes pursuant to the provisions of ASC 740-10, "Accounting for Income Taxes," which requires, among other things, an asset and liability approach to calculating deferred income taxes. The asset and liability approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is provided to offset any net deferred tax assets for which management believes it is more likely than not that the net deferred asset will not be realized.

The Company follows the provisions of the ASC 740-10 related to, Accounting for Uncertain Income Tax Positions. When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. In accordance with the guidance of ASC 740-10, the benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above should be reflected as a liability for uncertain tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination. The Company believes its tax positions are all highly certain of being upheld upon examination. As such, the Company has not recorded a liability for uncertain tax benefits.

The Company has adopted ASC 740-10-25 Definition of Settlement, which provides guidance on how an entity should determine whether a tax position is effectively settled for the purpose of recognizing previously unrecognized tax benefits and provides that a tax position can be effectively settled upon the completion of an examination by a taxing authority without being legally extinguished. For tax positions considered effectively settled, an entity would recognize the full amount of tax benefit, even if the tax position is not considered more likely than not to be sustained based solely on the basis of its technical merits and the statute of limitations remains open. As of May 31, 2015, the Company's income tax returns for tax years ending February 28, 2015, 2014, 2013, and 2012 remain potentially subject to audit by the taxing authorities.

Monaker follows the guidance of ASC 740, "Income Taxes." Deferred income taxes reflect the net effect of (a) temporary difference between carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carry-forwards. No current tax provision has been made in the accompanying statement of income (loss) because no taxes are due currently or were paid previously. Similarly, no deferred tax asset attributable to the net operating loss carry-forward has been recognized, as it is not deemed likely to be realized.

Fair Value of Financial Instruments

The Company has adopted the provisions of ASC Topic 820, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level 1: Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities traded in active markets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs that are generally unobservable. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Financial instruments consist principally of cash, accounts receivable, prepaid expenses, accounts payable, accrued liabilities, notes payable, convertible notes and other current liabilities. The carrying amounts of such financial instruments in the accompanying balance sheets approximate their fair values due to their relatively short-term nature. The fair value of long-term debt is based on current rates at which the Company could borrow funds with similar remaining maturities. The carrying amounts approximate fair value. It is management's opinion that the Company is not exposed to any significant currency or credit risks arising from these financial instruments. See Note 17 for fair value measurements.

Recent Accounting Pronouncements

We have implemented all new relevant accounting pronouncements that are in effect through the date of these financial statements. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and we 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.

Reclassifications

Certain reclassifications have been made in the unaudited consolidated financial statements for comparative purposes. These reclassifications have no effect on the results of operations or financial position of the Company.

Note 2 – Restatement of Previously Issued Financial Statements**Background**

In June 2016, in connection with the preparation of the Company's consolidated annual financial statements for the fiscal year ended February 29, 2016, certain errors related to the Company's accounting treatment with its deconsolidated affiliate relating to amounts due to affiliates were identified.

Due to these errors, as further described below, and based upon the recommendation of management, the Company's Board of Directors determined on June 15, 2016 that the Company's previously issued audited financial statements for the year ended February 28, 2015, should no longer be relied upon. As a result of the foregoing, the Company has restated its consolidated financial statements for the fiscal year ended February 28, 2015, and will be restating its consolidated financial statements for the first three quarterly periods of the fiscal year ended February 29, 2016.

Accounting Adjustments

The following is a discussion of the significant accounting adjustments that were made to the Company's historical consolidated financial statements.

Monaker Group, Inc. and Subsidiaries
Consolidated Balance Sheet

	<u>As Previously Reported May 31, 2015</u>	<u>Restatement / Adjustment</u>	<u>As Restated May 31, 2015</u>
Assets			
Current Assets			
Cash	\$ 96,778		\$ 96,778
Notes receivable	15,000		15,000
Prepaid expenses and other current assets	132,030	(13,206)	118,824
Security deposits	—	13,206	13,206
Total current assets	<u>243,808</u>		<u>243,808</u>
Investments	5,243,566	(5,187,566)	56,000
Dividends receivable	881,587		881,587
Property and equipment, net	—		—
Website development costs and intangible assets, net	1,076,345	400,000	1,476,345
Total assets	<u>\$ 7,445,306</u>	<u>(4,787,566)</u>	<u>\$ 2,657,740</u>
Liabilities and Stockholders' Deficit			
Current Liabilities			
Accounts payable and accrued expenses	\$ 2,617,539		\$ 2,617,539
Other current liabilities	132,378		132,378
Due to affiliates	935,408	(935,408)	—
Derivative liabilities - convertible promissory notes	320,410		320,410
Convertible promissory notes, net of discount of \$-0- and -\$-0-, respectively	721,683		721,683
Convertible promissory notes - related party, net of discount of \$-0- and \$-0-, respectively	1,025,000		1,025,000
Other advances	125,000		125,000
Other notes payable	120,000		120,000
Shareholder loans	379,000		379,000
Notes payable	924,072		924,072
Total current liabilities	<u>7,300,490</u>	<u>(935,408)</u>	<u>6,365,082</u>
Convertible notes payable – long term, net of discount of \$-0- and \$-0-, respectively	2,971,703		2,971,703
Total liabilities	<u>10,272,193</u>	<u>(935,408)</u>	<u>9,336,785</u>
Stockholders' Deficit			
Series A Convertible Preferred stock, \$.01 par value; 3,000,000 authorized; 1,884,611 and 2,216,014 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	18,846		18,846
Series B Convertible Preferred stock, \$.00001 par value; 3,000,000 authorized; 257,200 and 262,200 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	3		3
Series C Convertible Preferred stock, \$.00001 par value; 3,000,000 authorized; 221,000 and 217,600 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	2		2
Series D Convertible Preferred stock, \$.00001 par value; 3,000,000 authorized; 982,800 and 838,800 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	10		10
Common stock, \$.00001 par value; 500,000,000 shares authorized; 1,179,667 and 442,167 shares issued and outstanding at May 31, 2015 and February 28, 2015, respectively	12		12
Additional paid-in-capital	85,481,426	(1,079,186)	84,402,240
Stock subscription receivable	(5,000)		(5,000)
	<u>85,495,299</u>	<u>(1,079,186)</u>	<u>84,416,113</u>
Accumulated other comprehensive income	—		—
Accumulated deficit	(88,802,578)	(2,772,972)	(91,575,550)
Total Monaker Group, Inc. stockholders' deficit	<u>(3,307,279)</u>	<u>(3,852,158)</u>	<u>(7,159,437)</u>
Noncontrolling interest	480,392		480,392
Total stockholders' deficit	<u>(2,826,887)</u>	<u>(3,852,158)</u>	<u>(6,679,045)</u>
Total liabilities and stockholders' deficit	<u>\$ 7,445,306</u>	<u>(4,787,566)</u>	<u>\$ 2,657,740</u>

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Operations and Comprehensive Income (Loss)
For the period ended

	As Previously Reported May 31, 2015	Restatement/ Adjustment	As Restated May 31, 2015
Revenues			
Travel and commission revenues	\$ 336,093		\$ 336,093
Real estate media revenue	—		—
Total revenues	<u>336,093</u>		<u>336,093</u>
Operating expenses			
Cost of revenues	72,394		72,394
Technology and development	18,282		18,282
Salaries and benefits	288,478		288,478
Selling and promotions expense	116		116
General and administrative	248,049		248,049
Total operating expenses	<u>627,319</u>		<u>627,319</u>
Operating loss	<u>(291,226)</u>		<u>(291,226)</u>
Other income (expense)			
Interest expense including loss on inducement expense on conversion of debt	(1,831,226)	(183,147)	(2,014,373)
Loss on conversion of debt	(224,000)		(224,000)
Gain (loss) on change in fair value of derivatives	(33,261)		(33,261)
Loss from proportionate share of investment in unconsolidated affiliate	(343,431)	343,431	—
Other income	(817)		(817)
Total other income (expense)	<u>(2,432,735)</u>	<u>160,284</u>	<u>(2,272,451)</u>
Net loss	<u>(2,723,961)</u>	<u>160,284</u>	<u>(2,563,677)</u>
Net loss attributable to the noncontrolling interest	—		—
Net loss attributable to Monaker Group, Inc.	<u>\$ (2,723,961)</u>	<u>160,284</u>	<u>\$ (2,563,677)</u>
Preferred Stock Dividend	—		—
Net loss attributable to Common Shareholders	<u>\$ (2,723,961)</u>	<u>160,284</u>	<u>\$ (2,563,677)</u>
Weighted average number of common shares outstanding	<u>583,330</u>		<u>583,330</u>
Basic and diluted net loss per share	<u>\$ (4.67)</u>	<u>.28</u>	<u>\$ (4.39)</u>
Comprehensive income (loss):			
Unrealized income (loss) on currency translation adjustment	—		—
Comprehensive loss	<u>\$ (2,723,961)</u>	<u>160,284</u>	<u>\$ (2,563,677)</u>

Monaker Group, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the period ended

	As Previously Reported May 31, 2015	Restatement / Adjustment	As Restated May 31, 2015
Cash flows from operating activities:			
Net income (loss) applicable to Monaker Group, Inc.	\$ (2,723,961)	160,284	\$ (2,563,677)
Adjustments to reconcile net loss to net cash from operating activities:			
Noncontrolling interest in loss of consolidated subsidiaries	—		—
Loss on proportionate share of investment in unconsolidated affiliate	343,431	(343,431)	—
Amortization of intangibles and depreciation	18,282		18,282
Amortization of debt discount	—		—
Stock based compensation and consulting fees	75,913		75,913
Loss on inducements to convert included in interest expense	1,656,418		1,656,418
Loss on debt conversion	224,000		224,000
Loss (gain) on change in fair value of derivatives	33,261		33,261
Changes in operating assets and liabilities:			
Decrease in accounts receivable	—		—
Decrease (increase) in prepaid expenses and other current assets	24,335	(75,000)	(50,665)
Decrease in due to/from affiliates	(283,647)	283,647	—
Increase in accounts payable and accrued expenses	229,706		229,706
Increase (decrease) in other current liabilities	75,128	(82,500)	(7,372)
Net cash used in operating activities	<u>(327,134)</u>	<u>(57,000)</u>	<u>(384,134)</u>
Cash flows from investing activities:			
Investment in majority owned subsidiary	—	75,000	75,000
Payments related to website development costs	—		—
Payments for computer equipment	—		—
Net cash used in investing activities	<u>—</u>	<u>75,000</u>	<u>75,000</u>
Cash flows from financing activities:			
Proceeds from convertible promissory notes	—		—
Principal payments against convertible promissory notes	(20,000)		(20,000)
Principal payments of other notes payable	—		—
Proceeds from advances	75,000	(18,000)	57,000
Proceeds from issuance of series C preferred shares	10,000		10,000
Proceeds received in advance subscriptions	—		—
Proceeds from issuance of common stock	132,500		132,500
Proceeds from exercise of common stock warrants	—		—
Proceeds from the collection of stock subscription receivable	—		—
Net cash provided by financing activities	<u>197,500</u>	<u>(18,000)</u>	<u>179,500</u>
Effect of exchange rate changes on cash			
	<u>—</u>		<u>—</u>
Net decrease in cash	(129,634)		(129,634)
Cash at beginning of period	<u>226,412</u>		<u>226,412</u>
Cash at end of period	<u>\$ 96,778</u>		<u>\$ 96,778</u>

Note 3 – Going Concern

As reflected in the accompanying consolidated financial statements, the Company had an accumulated deficit of \$91,575,550, a working capital deficit of \$6,121,274 at May 31, 2015, a net loss for the three months ended May 31, 2015 of \$2,563,677 and cash used in operations during the three months ended May 31, 2015 of \$384,134. While the Company is attempting to increase sales, the growth has yet to achieve significant levels to fully support its daily operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans with regard to this going concern are as follows: The Company will continue to raise funds with third parties by way of a public or private offering. Management and members of the Board are working aggressively to increase the viewership of our products by promoting it across other mediums which should increase value to advertisers and result in higher advertising rates and revenues.

While the Company believes in the viability of its strategy to improve sales volume and in its ability to raise additional funds, there can be no assurances to that effect. The Company's limited financial resources have prevented the Company from aggressively advertising its products and services to achieve consumer recognition. 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 generate greater revenues. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Management believes that the actions presently being taken to further implement its business plan and generate additional revenues provide the opportunity for the Company to continue as a going concern.

Note 4 – Note Receivable

On December 22, 2014, the Company advanced \$15,000 to a non-related third party debtor and signed a one year, six (6%) percent promissory note. The entire principal balance of this note, together with all accrued and unpaid interest, is due and payable on December 31, 2015.

Note 5 – Investment in Equity Instruments and Deconsolidation

Our investment in an unconsolidated affiliate consists of an investment in equity instruments of RealBiz. On October 9, 2012, Monaker and RealBiz, formerly known as Webdigs, Inc. (“Webdigs”), completed the transactions contemplated by that certain Share Exchange Agreement entered into on April 4, 2012 (the “Exchange Agreement”). Under the Exchange Agreement, our Company exchanged with Webdigs all of the outstanding equity in Attaché Travel International, Inc., a Florida corporation and wholly owned subsidiary of Monaker (“Attaché”). Attaché owns approximately 85% of a corporation named RealBiz Holdings Inc. (“RealBiz”) which is the parent corporation of RealBiz360, Inc. RealBiz is a real estate media services company with a proprietary video processing technology that is used to provide virtual tours to the real estate industry. In exchange for our Attaché shares, our Company received a total of 93 million shares of newly designated Series A Convertible Preferred Stock (“Webdigs Series A Stock”). At May 31, 2015 Monaker owned 49,554,326 shares of RealBiz Series A Preferred Stock, representing 31% ownership of RealBiz.

On October 31, 2014 (“Deconsolidation Date”), Monaker and RealBiz deconsolidated their financial statements since the investment in RealBiz went below 50% majority ownership and Monaker was deemed to no longer have control over RealBiz. Monaker’s proportional financial interest in RealBiz is reduced when shares of Monaker Dual convertible preferred stock and Monaker convertible debt are exchanged for RealBiz common shares. The financial statements as of February 28, 2015 include consolidated balances of RealBiz through October 31, 2014. During the three months ended May 31, 2015, Monaker recorded our allocated portions totaling \$-0- of RealBiz’s net loss of \$1,094,184. Monaker continues to own RealBiz Preferred Series A stock and, through May 31, 2015, although the two companies shared similar Officers, Board Directors and accounting staff, the companies are operating independently. Monaker also licenses software code from RealBiz.

After October 31, 2014, Monaker uses the equity method to account for our investment in this entity because Monaker does not control it, but has the ability to exercise significant influence over it. Equity method investments are recorded at original cost and adjusted periodically to recognize (1) our proportionate share of the investees’ net income or losses after the date of investment, (2) additional contributions made and dividends or distributions received, and (3) impairment losses resulting from permanent adjustments to net estimated realizable value. Accordingly, we recorded our proportionate share of the investee’s net income or loss as “Loss from proportionate share of investment in unconsolidated affiliate” on the consolidated statements of operations.

At May 31, 2015, RealBiz Media Group, Inc. had current assets of approximately \$220,000, total assets of approximately \$3,200,000, current liabilities of approximately \$2,400,000 and total liabilities of approximately \$2,900,000. For the three months ended May 31, 2015, unaudited RealBiz Media Group, Inc. had gross sales of approximately \$300,000 and a net loss of approximately \$1,100,000.

Note 6 – Property and Equipment

At May 31, 2015, the Company did not have any property and equipment.

Note 7 – Website Development Costs and Intangible Assets

The following table sets forth the intangible assets, both acquired and developed, including accumulated amortization as of May 31, 2015:

	Remaining Useful Life	May 31, 2015		Net Carrying Value
		Cost	Accumulated Amortization	
Website platform	3.8 years	\$ 400,000	\$ —	\$ 400,000
Website development costs	1.0 years	635,755	626,340	9,415
H & A Club Portal	2.9 years	181,730	20,192	161,538
Name Your Fee Website (not placed in service)	3.0 years	905,392	—	905,392
		<u>\$ 2,122,877</u>	<u>\$ 646,532</u>	<u>\$ 1,476,345</u>

On May 14, 2015, the Company signed a Joint Venture Agreement with the Jasper Group Holdings, Inc. for the limited purpose of utilizing and developing the NameYourFee.com website and in such other businesses as the Partners may agree upon in writing. The Company received 51% capital interest and 50% of the future profits and issued 100,000 of its Series D Preferred Stock at a value of \$500,000, based on its stated value of \$5 per share. Upon the consolidation of Name Your Fee, LLC entity for the three months ended May 31, 2015, the Company has capitalized \$905,392 of costs associated with the Name Your Fee employment website that has not been placed into service.

Note 8 – Accounts Payable and Accrued Expenses and Other Current Liabilities

As of May 31, 2015, accounts payable and accrued expenses consist of the following:

	<u>May 31, 2015</u>
Trade accounts payable	\$ 1,335,520
Accrued interest	1,098,995
Accrued expenses - other	183,024
	<u>\$ 2,617,539</u>

Note 9 – Notes Payable

The following table sets forth the notes payable as of May 31, 2015:

	<u>Principal</u>
On September 6, 2011, the Company renegotiated a note, due to default, until February 1, 2013 for \$785,000. Beginning on October 1, 2011, the Company is obligated to make payments of \$50,000 due on the first day of each month. The first \$185,000 in payments is to be in cash and the remaining \$600,000 shall be made in cash or common stock. On February 15, 2012, the noteholder assigned \$225,000 of its \$785,000 outstanding promissory note to a non-related third party investor and the Company issued a new convertible promissory note for the same value. On February 27, 2015, the Company signed a settlement agreement whereby interest payments were made and the balance is convertible to common stock at the Company's option. As of May 31, 2015, the Company is not in default of this note.	\$ 510,000
On August 16, 2004, the Company entered into a promissory note with an unrelated third party for \$500,000. The note bears interest at 7% per year and matured in March 2011 and was payable in quarterly installments of \$25,000.	137,942
In February 2009, the Company restructured note agreements with three existing noteholders. The collective balance at the time of the restructuring was \$250,000 plus accrued interest payable of \$158,000 which was consolidated into three new notes payable totaling \$408,000. The notes bear interest at 10% per year and matured on May 31, 2010, at which time the total amount of principle and accrued interest was due. In connection with the restructure of these notes the Company issued 150,000 detachable 3 year warrants to purchase common stock at an exercise price of \$3.00 per share. The warrant issuance was recorded as a discount and amortized monthly over the terms of the note. On July 30, 2010, the Company issued 535,000 shares of common stock to settle all of these note agreements except for \$25,000.	25,000
In connection with the acquisition of Brands on Demand, a five year lease agreement was entered into by an officer of the Company. Subsequent to terminating the officer, the Company entered into an early termination agreement with the lessor in the amount of \$30,000 secured by a promissory note to be paid in monthly installments of \$2,500, beginning June 1, 2009 and matured June 1, 2010.	30,000
On December 5, 2011, the Company converted \$252,833 of accounts payable and executed an 8% promissory note to same vendor. Commencing on December 5, 2011 and continuing on the 1st day of each calendar month thereafter, the Company shall pay \$12,000 per month. All payments shall be applied first to payment in full of any costs incurred in the collection of any sum due under this note, including, without limitation, reasonable attorney's fee, then to payment in full of accrued and unpaid interest and finally to the reduction of the outstanding principal balance of the note.	221,130
	<u>\$ 924,072</u>
Interest charged to operations relating to the above notes was \$5,763 and \$28,114, respectively for the three months ended May 31, 2015 and 2014. As of May 31, 2015, the Company has not made payments on the above obligations, accrued interest for the three months ended May 31, 2015 and 2014 is \$245,386 and \$226,787, respectively. The Company is in default of the above notes with the exception of the first note with a principal balance of \$510,000.	

Note 10 – Other Notes Payable

The following table sets forth the other notes payable as of May 31, 2015:

Principal**Related parties:**

On August 21, 2012, the Company received \$50,000 in proceeds from a related-party investor and issued a bridge loan agreement with no maturity date. In lieu of interest, the Company issued 100,000 two (2) year warrants with an exercise price of \$0.05 per share valued at \$1,500 and charged this to operations. The fair value of the warrants was estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 0.29%, dividend yield of -0%, volatility factor of 384.11% and expected life of three months. On July 15, 2013, the Company received \$90,000 from the same related-party investor and converted the remaining balance of \$30,000 into a new convertible promissory note valued at \$120,000. The new note bears interest at 12% per annum until the maturity date of October 31, 2015 of which the annual interest rate is 18% per annum. Until such time of repayment of principal and interest, the holder of the new note may convert, in whole or part, into Series A or Series B Preferred stock. The Company has made the following principal payments: \$20,000 on August 15, 2013, \$25,000 on October 1, 2013 and \$25,000 on October 23, 2014, leaving a remaining principal balance of \$50,000.

	\$ 50,000
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Non-related parties:

The Company has an existing promissory note, dated July 23, 2010, with a shareholder in the amount of \$100,000. The note is due and payable on July 23, 2012 and bears interest at a rate of 6% per annum. As consideration for the loan, the Company issued 200 warrants to the holder with a nine year life and a fair value of approximately \$33,000 to purchase shares of the Company's common stock, \$0.00001 par value, per share, at an exercise price of \$500 per share. The fair value of the warrants were estimated at the date of grant using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of .984%, dividend yield of -0%, volatility factor of 115.05% and an expected life of 1.5 years and has been fully amortized. On September 26, 2012, the noteholder assigned \$30,000 of its principal to a non-related third party investor and the Company issued a convertible promissory note for same value. The Company is in default of this note.

	70,000
	\$ 120,000

Interest charged to operations relating to the above notes was \$2,550 and \$4,230 respectively for the three months ended May 31, 2015 and 2014. As of May 31, 2015, the Company has not made payments on the above obligations, accrued interest for the three months ended May 31, 2015 and 2014 is \$45,111 and \$39,151, respectively.

Note 11 – Other Advances**Related Party**

On April 13, 2011, the Company, as part of a shareholder loan conversion agreement, included \$98,000 of related party advances and issued 1,407,016 shares of common stock and 2,814,032 three (3) year warrants with an exercise price \$0.25 per share. On April 13, 2011, the Company converted \$70,000 of related party advances into a convertible promissory note. This conversion was applied against a principal balance of \$186,000 leaving a balance due of \$18,000. During the three months ended May 31, 2015, the remaining principal balance of \$18,000 was converted into the common stock of our former subsidiary, RealBiz, as part of an exchange agreement between the Company and the debt holder.

Non-Related Party

Prior to the fiscal year ended February 28, 2011, a non-related party made \$50,000 in payments to a vendor on behalf of the Company. The Company received \$75,000 in advances during the three months ended May 31, 2015 and the remaining principal balance as of May 31, 2015 totaled \$125,000.

Note 12 – Shareholder Loans

During the three months ended May 31, 2015, the Company received \$-0- in advances, made no conversions or payments and the remaining balance as of May 31, 2015 totaled \$379,000.

Note 13 – Convertible Promissory Notes

The Company has convertible promissory notes with interest rates ranging from 6% to 12% per annum, maturity dates ranging from September 30, 2012 to October 19, 2016 and with a range of fixed and variable conversion features. During three months ended May 31, 2015 and 2014, the Company recognized interest expense of \$437,607 and \$423,994, respectively. The table below summarizes the convertible promissory notes as of May 31, 2015.

	May 31, 2015		
	Non Related Party	Related Party	Total
Principal			
Beginning balance	\$ 6,828,386	\$ 1,025,000	\$ 7,853,386
Additions:			
Proceeds received from note issuances	—	—	—
Fees	—	—	—
	—	—	—
Subtractions:			
Conversion to common shares	3,115,000	—	3,115,000
Principal repayments	20,000	—	20,000
	3,135,000	—	3,135,000
Ending balance	<u>\$ 3,693,386</u>	<u>\$ 1,025,000</u>	<u>\$ 4,718,386</u>
Carrying Value			
Total convertible promissory notes	\$ 3,693,386	\$ 1,025,000	\$ 4,718,386
Less: current portion	721,683	1,025,000	1,746,683
Long term portion	<u>\$ 2,971,703</u>	<u>\$ —</u>	<u>\$ 2,971,703</u>
Principal past due and in default	<u>\$ 444,101</u>	<u>\$ —</u>	<u>\$ 444,101</u>

During the three months ended May 31, 2015, the Company:

- During the three months ended May 31, 2015 and 2014, the Company recorded debt amortization expense in the amount of \$-0- and \$69,394, respectively.
- executed a conversion of \$15,000 of principal into 30,000 shares of the Company's common stock.
- issued 124,000 shares of its common stock in satisfaction of \$3,100,000 in principal of modified convertible promissory notes in accordance with the terms of the notes. Additionally, as an inducement to convert, the Company issued 496,000 shares of its common stock at a value of \$1,612,000 and issued 30,000 one (1) year common stock warrants with an exercise price of \$0.50 per share valued at \$44,418 for a total amount charged to interest expense of \$1,656,418. The value of the common stock issued was based on the fair value of the stock determined by actual trading price quotes at the time of issuance. The value of the warrants was estimated at the time of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0.23%, dividend yield of -0-%, volatility factor of 217.20% and expected life of one year.

Note 14 – Stockholders' Deficit**Preferred stock**

The aggregate number of shares of preferred stock that the Company is authorized to issue is up to One Hundred Million (100,000,000), with a par value of \$0.0001 per share ("the Preferred Stock") with the exception of Series A Preferred shares having a \$0.01 par value. The Preferred Stock may be divided into and issued in series. The Board of Directors of the Company is authorized to divide the authorized shares of Preferred Stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. The Board of Directors of the Company is authorized, within any limitations prescribed by law and the articles of incorporation, to fix and determine the designations, rights, qualifications, preferences, limitations and terms of the shares of any series of Preferred Stock.

Series A Preferred Stock

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Series A 10% Cumulative Convertible Preferred Stock, par value \$0.01 per share (the "Series A Preferred Stock"). The holders of record of shares of Series A Preferred Stock are entitled to vote on all matters submitted to a vote of the shareholders of the Company and are entitled to one hundred (100) votes for each share of Series A Preferred Stock.

Per the terms of the Amended and Restated Certificate of Designations, subject to the availability of authorized and unissued shares of Series A Preferred Stock, the holders of Series A Preferred Stock may, by written notice to the Company, elect to convert all or any part of such holder's shares of Series A Preferred Stock into common stock at a conversion rate of the lower of (a) \$0.50 per share or (b) at the lowest price the Company has issued stock as part of a financing. Additionally, the holders of Series A Preferred Stock, may by written notice to the Company, convert all or part of such holder's shares (excluding any shares issued pursuant to conversion of unpaid dividends) into debt obligations of the Company, secured by a security interest in all of the assets of the Company and its' subsidiaries, at a rate of \$0.50 of debt for each share of Series A Preferred Stock. On July 9, 2013, the Company amended the Certificate of Designations for the Company's Series A Preferred Stock to allow for conversion into Series C Preferred stock to grant to a holder of the Series A Preferred Stock the option to elect to convert all or any part of such holder's shares of Series A Preferred Stock into shares of the Company's Series C Convertible Preferred Stock, par value \$0.00001 per share ("Series C Preferred Stock"), at a conversion rate of five (5) shares of Series A Preferred Stock for every one (1) share of Series C Preferred Stock. Furthermore, the amendment allows for conversion into common stock at the lowest price the Company has issued stock as part of a financing to include all financing such as new debt and equity financing and stock issuances as well as existing debt conversions into stock. On February 28, 2014, the Company's Preferred Series A shareholders have agreed to authorize a change to the Certificate of Designations of the Series A Preferred Stock in Nevada to lock the conversion price to a fixed price of \$0.01.

In the event of any liquidation, dissolution or winding up of this Company, either voluntary or involuntary (any of the foregoing, a "liquidation"), holders of Series A Preferred Stock shall be entitled to receive, prior and in preference to any distribution of any of the assets of this Company to the holders of the common Stock or any other series of Preferred Stock by reason of their ownership thereof an amount per share equal to \$1.00 for each share (as adjusted for any stock dividends, combinations or splits with respect to such shares) of Series A Preferred Stock held by each such holder, plus the amount of accrued and unpaid dividends thereon (whether or not declared) from the beginning of the dividend period in which the liquidation occurred to the date of liquidation.

During the three months ended May 31, 2015, the Company:

- converted 331,403 shares of Series A Preferred stock, at a carrying value of \$331,403, into 3,314,030 shares of common stock of our former subsidiary RealBiz at agreed upon conversion terms.

Dividends in arrears on the outstanding preferred shares total \$698,301 as of May 31, 2015. The Company had 1,884,611 shares issued and outstanding as of May 31, 2015.

Series B Preferred Stock

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series B 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share ("the Series B Preferred Stock"). The holders of Series B Preferred Stock may elect to convert all or any part of such holder's shares into the Company's common stock at \$5 per share or into shares of RealBiz Media's common stock at \$0.05 per share.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the holders shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

During the three months ended May 31, 2015, the Company:

- issued 15,000 shares of Series B Preferred for compensation valued at \$73,138.
- converted 20,000 shares of Series B Preferred stock into RealBiz, upon investor's request, issuing 2,000,000 shares of RealBiz Media Group, Inc. common stock with a total carrying value of \$100,000.

Dividends in arrears on the outstanding preferred shares total \$503,841 as of May 31, 2015. The Company had 257,200 shares issued and outstanding as of May 31, 2015.

Series C Preferred Stock

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series C 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share (the "Series C Preferred Stock"). On July 9, 2014, Monaker filed

(i) an Amendment to its Series C Certificate of Designation with the Secretary of State of the State of Nevada to change the conversion price from \$5.00 to a new conversion price of \$0.25.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the holders shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

During the three months ended May 31, 2015, the Company:

- issued 2,000 shares of its Series C Preferred stock along with 2,000 one (1) year common stock warrants with an exercise price of \$2.50 and received \$10,000 in cash proceeds.
- issued 1,500 shares of its Series C Preferred stock along with 1,500 one (1) year common stock warrants with an exercise price of \$2.50 for \$7,500 of proceeds received from prior year advances.
- issued 13,000 shares of Series C preferred stock and 6,000 one (1) year warrants with an exercise price of \$0.50 to recipients for consulting services valued at \$73,138. The value of the common stock issued was based on the fair value of the stock at the time of issuance. The value of the warrants was estimated at the date of grant using Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0.10% to 0.24%, dividend yield of -0-%, volatility factor of 217.04 and expected life of one year.
- Converted 13,100 shares of Series C Preferred stock into 125,000 shares of common stock of our former subsidiary RealBiz Media Group, Inc. at the agreed upon conversion terms.

Dividends in arrears on the outstanding preferred shares total \$98,307 as of May 31, 2015. The Company had 221,000 shares issued and outstanding as of May 31, 2015.

Series D Preferred Stock

The Company has authorized and designated 3,000,000 shares of Preferred Stock as Non-Voting Series D 10% Cumulative Convertible Preferred Stock with a par value of \$0.00001 per share (the "Series D Preferred Stock"). On July 9, 2014, the Company filed (i) an Amendment to its Series D Certificate of Designation with the Secretary of State of the State of Nevada to change the conversion price from \$5.00 to a new conversion price of \$0.25.

Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "liquidation"), the holders shall be entitled to receive out of the assets, whether capital or surplus, of the Company an amount equal to 100% of the stated value, plus any accrued and unpaid dividends thereon and any other fees or liquidated damages owing thereon, for each share of then outstanding Preferred Stock before any distribution or payment shall be made to the holders of any junior securities, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the holders shall be ratably distributed among the holders in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

During the three months ended May 31, 2015, the Company:

- issued 60,000 shares of Series D Preferred stock for the benefit of an Asset Purchase Agreement the Company assigned to its former subsidiary, RealBiz, valued at \$400,000. The value assigned to the asset purchase agreement was based upon the fair market value of RealBiz's common stock on the date of the agreement as if all 60,000 shares were converted to RBIZ common stock.
- issued 100,000 shares of Series D Preferred stock for the benefit of a joint venture agreement with Jasper Group Holdings, Inc. ("Jasper") and created a Florida Limited Liability Company called Name Your Fee, LLC. As stated in the agreement, ownership of the Company will be 51% Monaker Group, Inc. ("Monaker") f/k/a Next 1 Interactive, Inc. and 49% Jasper. Monaker will issue to Jasper 100,000 Preferred Series D shares at a stated value of \$5 per share for a total of \$500,000 as its contribution. Jasper is contributing \$75,000, advancing \$75,000 to RealBiz Media Group, Inc., (a former subsidiary of Monaker Group, Inc.) and the assets of the website (Name Your Fee) together with associated technology.
- Converted 52,000 shares of Series D Preferred stock, upon investor request, into 530,280 shares of RealBiz Media Group, Inc. with a carrying value of \$80,000.
- issued 35,000 shares of Series D Preferred stock for subscription.
- issued 1,000 shares of Series D Preferred stock from a prior year receivable.

Dividends in arrears on the outstanding preferred shares total \$1,329,822 as of May 31, 2015. The Company had 982,800 shares issued and outstanding as of May 31, 2015.

Common Stock

On October 28, 2011, the Board and the holders of a majority of the voting power of our shareholders approved an amendment to our articles of incorporation to increase our authorized shares of common stock from 200,000,000 to 500,000,000. On February 13, 2012, the Board and the holders of a majority of the voting power of our shareholders approved an amendment to our articles of incorporation to increase our authorized shares of common stock from 500,000,000 to 2,500,000,000. The increase in our authorized shares of common stock became effective upon the filing of the amendment(s) to our articles of incorporation with the Secretary of State of the State of Nevada.

On May 2, 2012, the Board consented to (i) effect a 500-to-1 reverse split of the Company's common stock and (ii) reduce the number of authorized shares from 2,500,000,000 to 5,000,000. Such actions became effective upon the filing of the amendment(s) to our articles of incorporation with the Secretary of State of the State of Nevada. The consolidated financial statements have been retroactively adjusted to reflect this reverse stock split.

On June 25, 2015, the Board consented to (i) effect a 50-to-1 reverse split of the Company's common stock and (ii) change the name of the Company from Next 1 Interactive, Inc. to Monaker Group, Inc. Such actions became effective upon the filing of the amendment(s) to our articles of incorporation with the Secretary of State of the State of Nevada. The consolidated financial statements have been retroactively adjusted to reflect this reverse stock split.

On June 26, 2012, the Board and the holders of a majority of the voting power of our shareholders approved an amendment to our articles of incorporation to increase our authorized shares of common stock from 5,000,000 to 500,000,000.

During the three months ended May 31, 2015, the Company:

- issued 106,000 shares of its common stock along with 106,000 one year warrants with an exercise price of \$12.50 for cash proceeds of \$132,500.
- issued 30,000 shares of its common stock in satisfaction of \$15,000 in principal of convertible promissory notes in accordance with the terms of the notes.
- issued 124,000 shares of its common stock in satisfaction of \$3,100,000 in principal of modified convertible promissory notes in accordance with the terms of the notes. Additionally, as an inducement to convert, the Company issued 496,000 shares of its common stock at a value of \$1,612,000 and issued 30,000 one (1) year common stock warrants with an exercise price of \$0.50 per share valued at \$44,418 for a total amount charged to interest expense of \$1,656,418. The value of the common stock issued was based on the fair value of the stock determined by actual trading price quotes at the time of issuance. The value of the warrants was estimated at the time of grant using the Black-Scholes option pricing model with the following assumptions: risk free interest rate of 0.23%, dividend yield of -0-%, volatility factor of 217.20% and expected life of one year.
- issued 20,000 shares of its common stock as part of an acquisition agreement with Launch 360 Media, Inc. ("Launch 360"), dated May 6, 2015, for a ten percent (10%) interest in the common stock outstanding of Launch 360 valued at \$56,000. The value of the common stock issued was based on the fair value of the stock determined by actual trading price quotes at the time of issuance.
- issued 1,500 shares of its common stock valued at \$2,775 to its employees as stock compensation. The value of the common stock issued was based on the fair value of the stock at the time of issuance.
- filed an Amendment to its Articles of Incorporation (the "Amendment") to change the name of the Company to Monaker Group, Inc. and effect a 1-for-50 reverse stock split which was effected on June 25, 2015.

The Company had 1,179,667 shares issued and outstanding as of May 31, 2015 post-split based upon the 1:50 reverse stock split that occurred on June 25, 2015 and has retroactively adjusted computing earnings per share according to ASC 260-10-55-12

Common Stock Warrants

At May 31, 2015, there were 483,054 warrants outstanding with a weighted average exercise price of \$7.74 and weighted average life of 1.98 years. During the three months ended May 31, 2015, the Company granted 146,500 warrants -- 6,000 warrants for consulting fees, 4,500 warrants attached to Preferred Series C issuances, 106,000 warrants issued with common stock subscriptions and 30,000 for inducement to settle modified debt; and 127,911 expired.

Common Stock Options

At May 31, 2015, there were 81 options outstanding with a weighted average exercise price of \$362.50 and weighted average life of 6.84 years. During the three months ended May 31, 2015, no options were granted or exercised. Under the Monaker Group, Inc. 2009 Incentive Compensation Plan there are 99 shares of common stock that are reserved for future issuances.

Compensation expense relating to stock options granted during the three months ended May 31, 2015 and 2014, was \$-0- .

Note 15 – Commitments and Contingencies

The Company leases approximately 6,500 square feet of office space in Weston, Florida pursuant to a lease agreement, with Bedner Farms, Inc. of the building located at 2690 Weston Road, Weston, Florida 33331. In accordance with the terms of the lease agreement, the Company is renting the commercial office space, for a term of five years commencing January 1, 2011 through December 31, 2015. The rent for the three months ended May 31, 2015 and 2014 was \$103,856 and \$100,938 respectively. In September of 2011, the Company sublet a portion of its office space offsetting our rent expense by \$1,500 per month. In November 2012, the Company entered into another agreement to sublet a portion of its office space offsetting our rent expense by an additional \$2,500 per month, this tenant will pay \$2,750 as of January 2014. In January 2014, the total monthly rent sublet offset is \$4,250.

Our future minimum rental payments through February 28, 2016 is \$175,040 consisting of rent expenditure of \$195,790 offset by our tenant contribution of \$20,750.

The following schedule represents obligations under written commitments on the part of the Company that are not included in liabilities:

	Current	Long Term		Totals
	FY2016	FY2017	FY 2018 and thereafter	
Leases	\$ 41,267	\$ 148,638	\$ —	\$ 189,905
Information technology consultants	84,216	147,588	295,176	526,980
Totals	\$ 125,483	\$ 296,226	\$ 295,176	\$ 716,885

Legal Matters

The Company is otherwise involved, from time to time, in litigation, other legal claims and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving breach of contract claims, intellectual property and other related claims employment issues, and vendor matters. The Company believes that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our financial condition or results of operations. However, assessment of the current litigation or other legal claims could change in light of the discovery of facts not presently known to the Company or by judges, juries or other finders of fact, which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

There is currently a case pending whereby the Company's Chief Executive Officer (the "Defendant") is being sued for allegedly breaching a contract, which he signed in his role as the CEO of the Company's wholly owned subsidiary Extraordinary Vacations Group, Inc. ("Extraordinary Vacations"). The case is being strongly contested. The Defendant filed a motion to dismiss plaintiff's amended complaint with prejudice and such motion has been argued before the judge in the case. The Company is currently awaiting the judge's ruling at this time.

The Company is a defendant in a lawsuit filed by Twelfth Child Entertainment in the Circuit Court for Palm Beach, Florida alleging that Monaker owes 11,000 shares of Series D Preferred stock for a License Agreement. The case has been resolved in arbitration and the Twelfth Child was granted an arbitration award of approximately \$80,000. However, the Company is continuing to negotiate a settlement that would set aside this award.

There is a case that was filed on March 14, 2014 whereby the Company is a defendant in a lawsuit filed by Lewis Global Partners in the Circuit Court for Broward County, Florida alleging that Monaker owes 2,700 shares of Series B Preferred stock for a Consulting Agreement. The case is being strongly contested and is being sent to arbitration.

The Company is unable to determine the estimate of the probable or reasonably possible loss or range of losses arising from the above legal proceedings.

Note 16 – Segment Reporting

Accounting Standards Codification 280-16 "Segment Reporting", established standards for reporting information about operating segments in annual consolidated financial statements and required selected information about operating segments in interim financial reports issued to stockholders. It also established standards for related disclosures about products, services, and geographic areas. Operating segments are defined as components of the enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company currently has only one segment in full operation, Travel. In the prior year, the Company had consolidated RealBiz and had a second segment, real estate media which is no longer reported.

The Company did not generate any revenue outside the United States for the three months ended May 31, 2015 and 2014 and did not have any assets located outside the United States.

Note 17 – Fair Value Measurements

The Company has adopted the provisions of ASC Topic 820, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity’s own assumptions (unobservable inputs).

The hierarchy consists of three levels:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets of liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the asset or liability.

The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, “Distinguishing Liabilities from Equity” and ASC 815, “Derivatives and Hedging”. Derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives. The effects of interactions between embedded derivatives are calculated and accounted for in arriving at the overall fair value of the financial instruments. In addition, the fair values of freestanding derivative instruments such as warrant and option derivatives are valued using the Black-Scholes model.

The Company uses Level 3 inputs for its valuation methodology for the warrant derivative liabilities and embedded conversion option liabilities as their fair values were determined by using the Black-Scholes option-pricing model based on various assumptions. The Company’s derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives.

The following table sets forth the liabilities as of May 31, 2015, which are recorded on the balance sheet at fair value on a recurring basis by level within the fair value hierarchy.

As required, they are classified based on the lowest level of input that is significant to the fair value measurement:

Description	May 31, 2015	Fair Value Measurements at Reporting Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Convertible promissory note with embedded conversion option	\$ 320,410	\$ —	\$ —	\$ 320,410
Total	\$ 320,410	\$ —	\$ —	\$ 320,410

The following table sets forth a summary of changes in fair value of our derivative liabilities for the three months ended May 31, 2015:

	May 31, 2015
Beginning balance	\$ 287,149
Change in fair value of embedded conversion feature of:	
Loss on change in fair value of derivatives on convertible promissory notes	33,261
Ending balance	<u>\$ 320,410</u>

Note 18 – Subsequent Events

The Company has evaluated subsequent events occurring after the balance sheet date and has identified the following:

During June, July and August 2015, the Company:

- received \$10,000 in proceeds and issued 2,000 shares of Series C Preferred stock and 100,000 one year common stock warrants with an exercise price of \$0.10. The company also issued 26,200 shares of Preferred C stock for deferred compensation.
- received \$204,193 in proceeds and issued 4,672,177 shares of common stock and 4,242,000 one year common stock warrants with an exercise price of \$0.025, and received \$5,000 in proceeds and issued 4,000 shares of common stock and 4,000 two year common stock warrants with an exercise price of \$1.25
- there were 154,296 shares of common stock issued in connection with a settlement of debt.
- there was 650,000 shares of common stock at issued in connection with bonus compensation and a prospective employment agreement.
- there were 8,000 shares of Preferred C shares that were converted to RealBiz common shares.
- there were 74,000 common shares of stock issued in connection with the conversion of promissory notes.
- there were 5,000 shares of common stock and 50,000 warrants at \$5.00 for one year issued in connection with an Employment Agreement.
- Converted \$131,000 of salary for the Chief Financial Officer of Monaker, accrued on RealBiz, into 26,200 Monaker Preferred Series C Shares.
- the Company is currently analyzing the above transactions for proper accounting treatment.
- On June 25, 2015, the Board consented to (i) effect a 1-to-50 reverse split of the Company's common stock and (ii) change the name of the Company from Next 1 Interactive, Inc. to Monaker Group, Inc. Such actions became effective upon the filing of the amendment(s) to our articles of incorporation with the Secretary of State of the State of Nevada. The consolidated financial statements have not been retroactively adjusted to reflect this reverse stock split.

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

Forward Looking Statements

The following discussion should be read in conjunction with the attached consolidated unaudited financial statements and notes thereto, and our consolidated audited financial statements and related notes for our fiscal year ended February 28, 2015 found in our Annual Report on Form 10-K. In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Where possible, we have tried to identify these forward looking statements by using words such as "anticipate," "believe," "intends," or similar expressions. Our actual results could differ materially from those anticipated by the forward-looking statements due to important factors and risks including, but not limited to, those set forth in our Annual Report on Form 10-K.

This Report contains statements that we believe are, or may be considered to be, "forward-looking statements". All statements other than statements of historical fact included in this Report regarding the prospects of our industry or our prospects, plans, financial position or business strategy, may constitute forward-looking statements. In addition, forward-looking statements generally can be identified by the use of forward-looking words such as "may," "will," "expect," "intend," "estimate," "foresee," "project," "anticipate," "believe," "plans," "forecasts," "continue" or "could" or the negatives of these terms or variations of them or similar terms. Furthermore, such forward-looking statements may be included in various filings that we make with the Securities and Exchange Commission or press releases or oral statements made by or with the approval of one of our authorized executive officers. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will prove to be correct. These forward-looking statements are subject to certain known and unknown risks and uncertainties, as well as assumptions that could cause actual results to differ materially from those reflected in these forward-looking statements. Readers are cautioned not to place undue reliance on any forward-looking statements contained herein, which reflect management's opinions only as of the date hereof. Except as required by law, we undertake no obligation to revise or publicly release the results of any revision to any forward-looking statements. You are advised, however, to consult any additional disclosures we make in our reports to the SEC. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Report.

Critical Accounting Policies and Estimates

The discussion and analysis of the Company's financial condition and results of operations are based upon its consolidated unaudited financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these unaudited financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent liabilities. On an on-going basis, management evaluates past judgments and estimates, including those related to bad debts, accrued liabilities, convertible promissory notes and contingencies. Management bases its estimates on historical experience and on various other assumptions that are believed to be 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 under different assumptions or conditions. The accounting policies and related risks described in the Company's annual report on Form 10-K as filed with the Securities and Exchange Commission on June 16, 2015 are those that depend most heavily on these judgments and estimates. As of May 31, 2015, there had been no material changes to any of the critical accounting policies contained therein.

Overview

We are a media based company utilizing video as a key driver to create consumer awareness of products and opportunities in the travel, home and employment sectors. To further loyalty and long term relationships we have created a membership reward programs and multiple business associations and partnerships. Additionally we hold a 51% majority ownership in NameYourFee.com for the employment segment, a minority interest in RealBiz Media Group, Inc. a publicly traded real estate media company ("RealBiz"), for the real estate segment and a 10% ownership in R&R Television Network for the lifestyle industry. The Company's mission has been to both create and acquire travel, employment and real estate video content that can be delivered on any screen (Television, web and mobile), all with interactive advertising and transactional shopping components that engage and enable viewers to request information, make purchases and get an in-depth look at products and services all through their device of choice.

Summary

Monaker Group, Inc. ("Monaker") is a multi-faceted interactive media company whose key focus is around what the Company believes to be the most universal, yet powerful consumer-passion categories being - travel, home and work. The Company is engaged in the business of providing digital media and marketing services for these industries along with the opportunity to create long term relationships through its Home & Away Club membership programs. The Company generates revenue from commissions from traditional sales of our travel products and expects to accelerate its revenue base through: (i) advertising revenue from preferred suppliers, sponsors and referral fees, (ii) travel and employment media services which include video sponsorship packages, pre-roll advertising, commissions and referral fees; and (iii) revenue derived from Home & Away Club memberships. The Company's Media Group concentrates awareness campaigns through its three divisions:

- (1) Travel – which encompasses Maupintour (one of the oldest luxury tour operators in the United States) NextTrip.com/Voyage.tv, a video and media website with thousands of hours of travel footage.
- (2) Employment – the NameYourFee.com website which allows recruiters to expand their reach of candidates to potential employers.
- (3) Home – via its Home & Away Club loyalty program and minority interest in Realbiz.

The Company targets content utilizing video via digital platforms including satellite, cable, and broadcast, Broadband, Web, Print and the development of a Home & Away Mobile App.

We are currently primarily focused only on our travel segment and expect to expand into the employment and Home/Membership services during the next quarter. The following is an overview of the 3 areas that currently have travel operations and/or the Company is imminently commencing promotion utilizing our media services.

1. Maupintour Extraordinary Vacations (“Maupintour”) is the oldest tour operator in North America having a history of over 65 years of creating and booking tours and activity-focused trips, from private tours of the Vatican to bicycling in the Alps to wine tasting in Italy. Maupintour books these trips and serves thousands of travel agents around the world. The Company has an active alumni that desires luxury vacations that includes private sightseeing, fine dining and 4 and 5 star accommodations. The Company previously ran group tours ranging from 10 to 25; however it has moved its model to customization of high end tours for families, small groups and individuals. The Company’s most popular destinations are Egypt, Israel, Europe, Africa, Asia and Peru. The Company’s peak season for this division is from February to July. Maupintour’s website is www.Maupintour.com.

2. NextTrip.com is being repositioned as an all-purpose travel site that includes customer support, relevant social networking, and travel business showcases, with a primary emphasis on Video to targeted web users and a secondary promotion to TV viewers via VOD promotion. The site is scheduled for launch in the 2nd quarter of this fiscal year and will work in conjunction with the Home & Away Club App to provide users with relevant information utilizing its diverse video library and experience to entertains, informs, and offers utility and savings to members. The travel website currently offers users, free of charge, hundreds of destination videos and promotes worldwide vacation destinations. NextTrip.com plans to generate revenues through advertising, travel commission, referral fees, and its affiliate program. The travel products and fulfillment and services are both created by the company and/or contracted out to key industry suppliers including Mark Travel. Mark Travel is the largest wholesaler of travel products in the United States. NextTrip.com will look to serve relevant videos to travelers via four key elements: (i) television ads; (ii) travel video on demand for web and TV; (iii) broadband telecast (with the web player surrounded by interactive banner ads and/or discount travel coupons); and (iv) the development of its Travel App.

3. The Home & Away Club (H&AC). The Company has launched the Home & Away Club website and is both targeting existing customers and new potential customers to the site by offering up to \$500 Rewards so consumers can try before they buy. As a primary means of creating awareness for H&AC the Company is utilizing existing customers, relationships and forging new partnerships within the travel, real estate and employment sectors. The Company intends to utilize targeted video for the travel, leisure, home products and services to engage and enable viewers to request information, make reservations and get an in-depth look at products and services the Club offers. The Company created a point’s based program for real estate agents that utilize the Realbiz services. With the Home and Away club, agents can earn dollars for completing actions and can receive greatly discounted gifts to give to their happy clients. This allows real estate agents the ability to earn and/or purchase Home and Away Club membership for themselves and/or gifting to their customers. The membership gives the homeowner access to wholesale pricing on travel, lifestyle and home products while providing the real estate agents a loyalty platform that allows them the means to stay in contact with their customer.

Sufficiency of Cash Flows

Because current cash balances and our projected cash generated from operations are not sufficient to meet our cash needs for working capital and capital expenditures, management intends to seek additional equity or obtain additional credit facilities. However, there can be no assurance that we will be able to issue additional capital upon terms acceptable to us. The sale of additional equity will result in additional dilution to our shareholders. A portion of our cash may be used to acquire or invest in complementary businesses or products or to obtain the right to use complementary technologies. From time to time, in the ordinary course of business, we evaluate potential acquisitions of such businesses, products or technologies.

RESULTS OF OPERATIONS

For the Three Months Ended May 31, 2015 Compared to the Three Months Ended May 31, 2014

Revenues

Our total revenues decreased 3% to \$336,093 for the three months ended May 31, 2015, compared to \$344,957 for the three months ended May 31, 2014, a decrease of \$8,864. The decrease in sales is mainly due to the deconsolidation and no longer inclusion of the revenue of the former consolidated subsidiary RealBiz, which was partially offset by the receipt of deferred revenue.

Revenues from the travel segment increased 273% to \$336,093 for the three months ended May 31, 2015, compared to \$90,156 for the three months ended May 31, 2014, an increase of \$245,937. The increase is attributable to the receipt of deferred revenue offset by a decline in tour and cruises booked by our luxury tour operation which provides escorted and independent tours worldwide to upscale travelers.

Revenues from the RealBiz real estate media decreased 100% to \$0 for the three months ended May 31, 2015, compared to \$254,801 for the three months ended May 31, 2014, a decrease of \$254,801 due to the deconsolidation and no longer inclusion of the revenue of the former consolidated subsidiary RealBiz.

Operating Expenses

Our operating expenses include costs of revenue, technology and development, salaries and benefits, selling and promotions and general and administrative expenses. Our operating expenses decreased 67% to \$627,319 for the three months ended May 31, 2015, compared to \$1,925,843 for the three months ended May 31, 2014, a decrease of \$1,298,524. This decrease was mainly attributable to deconsolidation of the expenses of the former consolidated subsidiary RealBiz Media Group, Inc.

Other Income (Expenses)

Interest expense increased 734% to \$2,014,373 for three months ended May 31, 2015, compared to \$241,535 for three months ended May 31, 2014, an increase of \$1,772,838 is due primarily to the inducement expense of converting a debt holder to common shares and warrants as disclosed in Note 13. Loss on conversion of debt of \$224,000 for three months ended May 31, 2015 compared to \$0 for three months ended May 31, 2014, a loss due primarily to the inducement expense of converting a debt and equity holder to common shares. Loss on change in fair value of derivatives of \$33,261 for the three months ended May 31, 2015 compared to a \$1,115,797 gain in the prior year, as the Company's subsidiary incurred a convertible promissory note with an embedded conversion option. Other income (expense) decreased 101% to \$817 of other expense, compared to other income of \$160,336 for the three months ended May 31, 2014, an increase of \$161,153.

Net Loss

We had a net loss of \$2,563,677 for the three months ended May 31, 2015, compared to a net loss of \$546,288 for the three months ended May 31, 2014, an increase of \$2,017,389. The increase in loss from 2015 to 2014 was primarily due to an increase of \$1,772,838 in interest expense including loss on inducement expense on conversion of debt, \$224,000 in the loss on conversion of debt and a decrease of \$1,149,058 in the loss from change in fair value of derivatives.

Contractual Obligations

The following schedule represents obligations under written commitments on the part of the Company that are not included in liabilities:

	Current	Long Term		Totals
	FY2016	FY2017	FY 2018 and thereafter	
Consulting	\$ 110,074	\$ 143,016	\$ 286,032	\$ 539,122
Leases	87,887	3,091	—	90,978
Other	293,894	331,764	663,528	1,289,186
Totals	\$ 491,855	\$ 477,871	\$ 949,560	\$ 1,919,286

Liquidity and Capital Resources

At May 31, 2015, we had \$96,778 cash on-hand, a decrease of \$129,634 from \$226,412 at the start of fiscal 2016. The decrease in cash was due primarily to operating expenses, and website development costs.

Net cash used in operating activities was \$384,134 for the three months ended May 31, 2015, a decrease of \$426,998 from \$811,132 used during the three months ended May 31, 2014. This decrease was primarily due to an increase in the gain on change in fair value of derivatives, a decrease the loss on conversion of debt, inducements to convert included in interest expense, an increase in loss from proportionate share of investment in unconsolidated affiliate offset by increases in net loss.

Net cash provided in investing activities increased to \$75,000 for the three months ended May 31, 2015, compared to \$25,298 used in investing activities for the three months ended May 31, 2014, an increase of \$100,298 primarily due to incurring website development costs in the prior year.

Net cash provided by financing activities decreased by \$588,869 to \$179,500, for the three months ended May 31, 2015, compared to \$768,369 for the three months ended May 31, 2014. This decrease was primarily due to the net decrease of proceeds in the issuance of common stock of \$245,588, the exercise of warrants of \$154,680 and proceeds received in advance subscriptions of \$200,000.

The growth and development of our business will require a significant amount of additional working capital. We currently have limited financial resources and based on our current operating plan, we will need to raise additional capital in order to continue as a going concern. However, there can be no assurance that we will be able to raise additional capital upon terms that are acceptable to us. We currently do not have adequate cash to meet our short or long-term objectives. In the event additional capital is raised, it may have a dilutive effect on our existing stockholders.

We are a media company focusing on travel and real estate by utilizing multiple media platforms including the Internet, radio and television. As a company that has recently changed our business model and emerged from the development phase with a limited operating history, we are subject to all the substantial risks inherent in the development of a new business enterprise within an extremely competitive industry. Due to the absence of an operating history under the new business model and the emerging nature of the markets in which we compete, we anticipate operating losses until we can successfully implement our business strategy, which includes all associated revenue streams. Our multi-platform media revenue model is new and evolving, and we cannot be certain that it will be successful. The potential profitability of this business model is unproven. Our ability to generate revenues depends, among other things, on our ability to create enough viewership to provide advertisers, sponsors, travelers and homebuyers value. Accordingly, we cannot assure you that our business model will be successful or that we can sustain revenue growth, achieve or sustain profitability, or continue as a going concern.

We will need to raise substantial additional capital to support the on-going operation and increased market penetration of our real estate and travel business including the development of national sales representation for national and global advertising and sponsorships, increases in operating costs resulting from additional staff and office space until such time as we generate revenues sufficient to support the business. We believe that in the aggregate, we will need approximately \$750,000 to \$1.5 million to repay debt obligations, provide capital expenditures for additional equipment and satisfy payment obligations, office space and systems required to manage the business, and cover other operating costs until our planned revenue streams from advertising, sponsorships, e-commerce, travel and real estate are fully- implemented and begin to offset our operating costs. There can be no assurances that we will be successful in raising the required capital to complete this portion of our business plan.

Since our inception, we have funded our operations with the proceeds from the private equity financings. We have issued these shares without registration in private placements under Section 4(a)(2) of the Securities Act of 1933, as amended, afforded the Company. The shares were sold solely to "accredited investors" as that term is defined in the Securities Act of 1933, as amended. Currently, revenues provide less than 20% of our cash requirements. The remaining cash need is derived from raising additional capital. The current monthly cash burn rate is approximately \$200,000, with the expectation of profitability by the end of fiscal 2016.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

This represents the risk of loss that may result from the potential change in value of a financial instrument because of fluctuations in interest rates and market prices. We do not currently have any trading derivatives nor do we expect to have any in the future. We have established policies and internal processes related to the management of market risks, which we use in the normal course of our business operations.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC and that such information is accumulated and communicated to our management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosures. Our management, under the supervision and with the participation of our CEO and CFO, evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of May 31, 2015. Based upon that evaluation, our CEO and CFO concluded that, as of May 31, 2015, our disclosure controls and procedures were not effective as a result of the material weaknesses in internal control over financial reporting described below.

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rules 13a-15 (f) and 15d-15(f) under the Exchange Act. Internal control over financial reporting is a process designed under the supervision of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- (ii) provide reasonable assurance that our transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, we have determined that our disclosure controls and procedures were not effective at the reasonable assurance level due to the lack of an independent audit committee or audit committee financial expert which represents a material weakness as reported in the Company's Annual Report on Form 10-K, filed with the SEC on June 13, 2014. Due to liquidity issues, we have not been able to immediately take any action to remediate this material weakness. However, when conditions allow, we intend to expand our board of directors and establish an independent audit committee consisting of individuals with industry experience including a qualified financial expert. Notwithstanding the assessment that our disclosure controls and procedures were not effective and that there was a material weakness as identified herein, we believe that our consolidated financial statements contained herein fairly present our financial position, results of operations and cash flows for the periods covered thereby in all material respects.

(b) Changes in Internal Control over Financial Reporting.

During the three months ended May 31, 2015, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Act) 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.**

There have been no material changes from the legal matters reported in our Annual Report on Form 10-K for the year ended February 28, 2015, as filed with the SEC on June 16, 2015.

Item 1A. Risk Factors.

There have been no changes that constitute material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended February 28, 2015, as filed with the SEC on June 16, 2015.

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

During the three months ended May 31, 2015, the Company:

Common Stock

- issued 106,000 shares of its common stock along with 106,000 one year warrants with an exercise price of \$12.50 for cash proceeds of \$132,500.
- issued 30,000 shares of its common stock in satisfaction of \$15,000 in principal of convertible promissory notes in accordance with the terms of the notes.
- issued 124,000 shares of its common stock in satisfaction of \$3,100,000 in principal of modified convertible promissory notes in accordance with the terms of the notes. Additionally, as an inducement to convert, the Company issued 496,000 shares of its common stock and issued 30,000 one (1) year common stock warrants with an exercise price of \$0.50 per share.
- issued 2,000 shares of its common stock as part of an acquisition agreement with Launch 360 Media, Inc. (“Launch 360”), dated May 6, 2015, for a ten percent (10%) interest in the common stock outstanding of Launch 360 valued at \$56,000.
- issued 1,500 shares of its common stock to its employees as stock compensation.

Series A Preferred Stock

- converted 331,403 shares of Series A Preferred stock, at a carrying value of \$331,403, into 3,314,030 shares of common stock of our former subsidiary RealBiz at agreed upon conversion terms.

Series B Preferred Stock

- issued 15,000 shares of Series B Preferred for proceeds received in prior year valued at \$73,138.
- converted 20,000 shares of Series B Preferred stock into RealBiz, upon investor’s request, issuing 2,000,000 shares of RealBiz Media Group, Inc. common stock with a total carrying value of \$100,000.

Series C Preferred Stock

- issued 2,000 shares of its Series C Preferred stock along with 2,000 one (1) year common stock warrants with an exercise price of \$2.50 and received \$10,000 in cash proceeds.
- issued 1,500 shares of its Series C Preferred stock along with 1,500 one (1) year common stock warrants with an exercise price of \$2.50 for \$7,500 of proceeds received from prior year advances.
- issued 13,000 shares of Series C preferred stock and 6,000 one (1) year warrants with an exercise price of \$0.50 to recipients for consulting services valued at \$73,138.

Series D Preferred Stock

- issued 60,000 shares of Series D Preferred stock for the benefit of an Asset Purchase Agreement the Company assigned to its former subsidiary, RealBiz Media Group, Inc., valued at \$400,000.
- issued 100,000 shares of Series D Preferred stock for the benefit of a joint venture agreement with Jasper Group Holdings, Inc. (“Jasper”) and created a Florida Limited Liability Company called Name Your Fee, LLC.
- Converted 52,000 shares of Series D Preferred stock, upon investor request, into 530,280 shares of RealBiz Media Group, Inc. with a carrying value of \$80,000.
- issued 35,000 shares of Series D Preferred stock for subscription.
- issued 1,000 shares of Series D Preferred stock from a prior year receivable.

Unless otherwise indicated, all of the share issuances described above were made in reliance on the exemption from registration provided by Section 4 (a)(2) of the Securities Act for transactions not involving a public offering as all investors were accredited investors and there was no general solicitation or advertising in connection with the offer or sale of securities and the securities were issued with a restrictive legend.

Item 3. Defaults upon Senior Securities.

There were no defaults upon senior securities during the period ended May 31, 2015.

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information.

There is no other information required to be disclosed under this item, which was not previously disclosed.

Item 6. Exhibits.

Exhibit No.	Description
31.1(1)	Certification of the Registrant's Principal Executive Officer pursuant to Rule 15d-14, under the Securities and Exchange Act of 1934, as amended
31.2(1)	Certification of the Registrant's Principal Financial Officer pursuant to Rule 15d-14, under the Securities and Exchange Act of 1934, as amended
32.1(2)	Certification of the Registrant's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2(2)	Certification of the Registrant's Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document(3)
101.SCH	XBRL Schema Document(3)
101.CAL	XBRL Calculation Linkbase Document(3)
101.DEF	XBRL Definition Linkbase Document(3)
101.LAB	XBRL Label Linkbase Document(3)
101.PRE	XBRL Presentation Linkbase Document(3)

(1) Filed herewith.

(2) Furnished herewith.

(3) XBRL information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act, is deemed not filed for purposes of Section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

SIGNATURES

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

MONAKER GROUP, INC.

Date: July 20, 2016

/s/ William Kerby

William Kerby
Chief Executive Officer
(Principal Executive Officer)

Date: July 20, 2016

/s/ Omar Jimenez

Omar Jimenez
Chief Financial Officer
(Principal Accounting Officer)

[Monaker Group, Inc. 10-Q/A](#)

EXHIBIT 31.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William Kerby, certify that:

1. I have reviewed this Form 10-Q/A of Monaker Group, 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 present in this report;
4. Along with the Principal Accounting Officer, I am 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 13-a-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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 20, 2016

By: /s/ William Kerby
William Kerby
Chief Executive Officer
(Principal Executive Officer)
Monaker Group, Inc.

[Monaker Group, Inc. 10-Q/A](#)

EXHIBIT 31.2

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Omar Jimenez, certify that:

1. I have reviewed this Form 10-Q/A of Monaker Group, 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 present in this report;
4. Along with the Principal Executive Officer, I am 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 13-a-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 involved management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 20, 2016

By: /s/ Omar Jimenez
Omar Jimenez
Chief Financial Officer
(Principal Accounting Officer)
Monaker Group, Inc.

[Monaker Group, Inc. 10-Q/A](#)**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 this Quarterly Report of Monaker Group, Inc. (the "Company"), on Form 10-Q/A for the quarter ended May 31, 2015, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, William Kerby, Principal Executive Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q/A for the quarter ended May 31, 2015, 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 such Quarterly Report on Form 10-Q/A for the quarter ended May 31, 2015, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 20, 2016

By: /s/ William Kerby
William Kerby
Chief Executive Officer
(Principal Executive Officer)
Monaker Group, Inc.

[Monaker Group, Inc. 10-Q/A](#)

EXHIBIT 32.2

**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 this Quarterly Report of Monaker Group, Inc. (the "Company"), on Form 10-Q/A for the quarter ended May 31, 2015, as filed with the U.S. Securities and Exchange Commission on the date hereof, I, Omar Jimenez, Principal Accounting Officer of the Company, certify to the best of my knowledge, pursuant to 18 U.S.C. Sec. 1350, as adopted pursuant to Sec. 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) Such Quarterly Report on Form 10-Q/A for the quarter ended May 31, 2015, 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 such Quarterly Report on Form 10-Q/A for the quarter ended May 31, 2015, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 20, 2016

By: /s/ Omar Jimenez

Omar Jimenez

Chief Financial Officer

(Principal Accounting Officer)

Monaker Group, Inc.