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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended March 31, 2016

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

For the transition period from_________ to _______

Commission File Number: **000-54419**

CORNERWORLD CORPORATION
(Exact name of registrant as specified in its charter)

Nevada	**98-0441869**
(State of incorporation)	(I.R.S. Employer Identification No.)

13101 Preston Road, Suite 510
Dallas, Texas 75240
(Address of principal executive offices)

(888) 837-3910
(Registrant's telephone number including area code)

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

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

Large accelerated filer ____ Accelerated filer ____ Non-accelerated filer ____ Smaller reporting company __X__

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

The number of shares outstanding of the registrant's common stock, $0.001 par value per share, as of May 12, 2016 was 4,655,338.

CORNERWORLD CORPORATION

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

CornerWorld Corporation
Condensed Consolidated Balance Sheets

	March 31, 2016 (Unaudited)	December 31, 2015
Assets		
Current assets:		
Cash	$ 4,074	$ 1,268
Accounts receivable, net	3,376	1,265
Prepaid expenses and other current assets	10,769	9,969
Assets of discontinued operations	—	31,555
TOTAL ASSETS	$ 18,219	$ 44,057
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 176,577	$ 145,249
Accrued expenses	341,815	338,936
Notes payable related parties	338,958	338,958
Deferred revenue	1,563	499
Liabilities of discontinued operations	—	9,378
Total liabilities	858,913	833,020
Commitments and Contingencies	—	—
Stockholders' deficit:		
Preferred stock, $0.001 par value, 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, $0.001 par value, 250,000,000 shares authorized; 4,655,338 shares issued and outstanding, at March 31, 2016 and December 31, 2015, respectively	162,937	162,937
Additional paid-in capital	7,774,006	11,812,349
Accumulated deficit	(8,777,637)	(12,764,249)
Total stockholders' deficit	(840,694)	(788,963)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 18,219	$ 44,057

See Notes to Condensed Consolidated Financial Statements.

CornerWorld Corporation
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended March 31,	
	2016	**2015**
Sales, net	$ 59,302	$ 235,843
Costs of goods sold	11,203	92,003
Gross profit	48,099	143,840
Expenses:		
Selling, general and administrative expenses	70,924	127,700
Operating income (loss)	(22,825)	16,140
Other income (expense), net:		
Interest expense	(8,102)	(6,779)
Other income (expense), net	—	(200)
Total other expense, net	(8,102)	(6,979)
Income (loss) from continuing operations before income taxes	(30,927)	9,161
Income taxes	—	—
Income (loss) from continuing operations	(30,927)	9,161
Income (loss) from discontinued operations, net of tax	—	95,316
Net income (loss)	$ (30,927)	$ 104,477
Basic and diluted earnings loss per share from continuing operations	$ (0.01)	$ 0.00
Basic and diluted earnings per share from discontinued operations	$ 0.00	$ 0.02
Basic and diluted earnings (loss) per share	$ (0.01)	$ 0.02
Basic and diluted weighted average number shares outstanding	4,655,338	4,655,338

See Notes to Condensed Consolidated Financial Statements.

CornerWorld Corporation
Condensed Consolidated Statements of Stockholders' Deficit
(unaudited)

	Common Shares		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Equity (Deficit)
Balance, December 31, 2015	4,655,338	$ 162,937	$ 11,812,349	$ (12,764,249)	$ (788,963)
Equity of spun-off subsidiaries	—	—	(4,039,714)	(4,017,539)	(22,175)
Stock-based compensation expense	—	—	1,371	—	1,371
Net loss	—	—	—	(30,927)	(30,927)
Balance, March 31, 2016	4,655,338	$ 162,937	$ 7,774,006	$ (8,777,637)	$ (840,694)

See Notes to Condensed Consolidated Financial Statements.

CornerWorld Corporation
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Cash Flows from Operating Activities		
Net income (loss)	$ (30,927)	$ 104,477
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Provision for doubtful accounts	17,137	18,276
Stock-based compensation	1,371	1,371
Changes in operating assets and liabilities, net of acquisitions and divestitures:		
Accounts receivable	(19,248)	(42,145)
Prepaid expenses and other current assets	(800)	8,300
Accounts payable	31,328	4,567
Accrued expenses	2,879	(14,235)
Deferred revenue	1,064	(75,687)
Changes in assets and liabilities of discontinued operations	22,177	(87,019)
Net cash provided by (used in) operating activities	24,981	(82,095)
Cash Flows from Investing Activities		
Equity in spun-off subsidiary	(22,175)	—
Net cash used in financing activities	(22,175)	—
Net change in cash	2,806	(82,095)
Cash at beginning of period	1,268	94,857
Cash at end of period	$ 4,074	$ 12,762
Cash paid for:		
Interest	$ —	$ —
Income taxes	$ —	$ —

See Notes to Condensed Consolidated Financial Statements.

1. Basis of Presentation

Interim Unaudited Condensed Consolidated Financial Statements

The unaudited interim condensed consolidated financial statements of CornerWorld Corporation ("CornerWorld" or the "Company") as of March 31, 2016 and for the three month period ended March 31, 2016 and 2015 contained in this Quarterly Report (collectively, the "Unaudited Interim Condensed Consolidated Financial Statements") were prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) for all periods presented. The results of operations for the three month period ended March 31, 2016 is not necessarily indicative of the results that may be expected for the entire fiscal year.

The accompanying Unaudited Interim Condensed Consolidated Financial Statements have been prepared in accordance with the regulations for interim financial information of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the disclosures required by U.S. GAAP for complete financial statements. In the opinion of management, the unaudited accompanying statements of financial condition and related interim statements of operations, cash flows, and stockholders' deficit include all adjustments (which consist only of normal and recurring adjustments) considered necessary for a fair presentation in conformity with U.S. GAAP. These Unaudited Interim Condensed Consolidated Financial Statements should be read in conjunction with the CornerWorld consolidated financial statements as of and for the year ended December 31, 2015, as filed with the SEC on Form 10-K.

Organization

The Company was incorporated in the State of Nevada, on November 9, 2004. Effective May 1, 2007, the Company changed its name to CornerWorld Corporation.

The Company provides certain marketing services through its operating subsidiary Enversa Companies LLC, a Texas limited liability company ("Enversa"). CornerWorld is the sole member of Enversa. Enversa is a technology-oriented direct response marketing company. Enversa provides domain hosting, domain leasing, programmatic re-targeting and website management services on a recurring monthly basis.

The Company's year-end is December 31st.

Spinoff

On August 13, 2015, the Company's Board of Directors formally approved a plan whereby the Company was authorized to split its telecommunications services segment, Woodland Holdings Corporation ("Woodland") and Woodland's wholly owned subsidiaries, in their entirety, into a separate reporting entity. On October 14, 2015, the US Securities and Exchange Commission (the "SEC") formally informed the Company that the Woodland's registration statement had become effective, clearing the way for the spin-off. Finally, on December 31, 2015, the Company's Board of Directors spun-off Woodland to CornerWorld's shareholders of record as of December 31, 2015 (the "Record Date"). CornerWorld shareholders, as of the Record Date, received shares in Woodland equal to their pro-rata ownership percentage of CornerWorld. For every share owned by the Company's shareholders as of the Record Date, those same shareholders were issued 1 share of Woodland's common stock.

The Company previously provided telecommunications services, including telephony and internet services, through Woodland's wholly owned subsidiaries Phone Services and More, L.L.C., doing business as Visitatel ("PSM") and T^2 Communications, L.L.C. ("T^2"). As a provider of Internet and VoIP services, T^2 delivers leading-edge technology to business and residential customers in Michigan and Texas. Offerings include: phone lines, internet connections, long distance and toll-free services. T^2 is a Competitive Local Exchange Carrier (CLEC). PSM, also a CLEC, holds an FCC 214 License as a wholesale long distance service provider to the carrier community and large commercial users of transport minutes. Neither the Company nor Woodland has incurred any costs over the previous three years on research and development activities for either T^2 or PSM. Woodland's operations, along with those of its wholly owned subsidiaries, have been reported as discontinued operations in these unaudited interim condensed consolidated financial statements.

Common Stock Reverse Split

On November 6, 2015, the Company effectuated a one-for-thirty-five reverse stock split to shareholders of record as of November 6, 2015. Share and per share information have been retroactively adjusted to reflect the reverse stock split due to the fact that the reverse stock split took place after the close of the reporting period.

Prospective Merger

On February 29, 2016, CornerWorld executed a merger agreement with Deportes Media, LLC (the "Merger Agreement"). Pursuant to the Merger Agreement, the Merger Agreement itself was non-binding until such time as Deportes Media, LLC ("Deportes") was able to secure approval for the Merger Agreement from no less than 75% of its shareholders. On March 18, 2016, Deportes reported to CornerWorld that it had, in fact, obtained the approval of the Merger Agreement from more than 75% of its shareholders and that, accordingly, the Merger Agreement had become binding.

Pursuant to the Merger Agreement, CornerWorld is not contractually obligated to close the Merger Agreement, until such time as Deportes has completed certain Conditions to Close, as described in more detail below. If CornerWorld and Deportes close the Merger Agreement, Deportes shareholders will be entitled to receive 27.32 shares of CornerWorld common stock for each share of Deportes common stock. If CornerWorld closes the Merger Agreement, a total of approximately 13.7 million shares will be outstanding with an implied price of $1.32 per share and existing CornerWorld shareholders would own approximately 33.9% of the combined Company.

CornerWorld can terminate the Merger Agreement, at its sole option, if Deportes fails to perform any of the Conditions to Close as further defined below. Conditions to Close include, but are not limited to, the following: Deportes must acquire certain radio towers in certain markets, Deportes current debt holders must convert their debt to equity and Deportes must acquire the ESPN Deportes New York affiliate, WEPN AM-1050. Should Deportes fail to meet all the Conditions to Close, CornerWorld will be entitled to receive a break-up fee equivalent to 10% of Deportes then outstanding common shares. CornerWorld, at its sole discretion, may close the Merger Agreement without Deportes completing the Conditions to Close. However, CornerWorld will only receive the 10% break-up fee if CornerWorld terminates the Merger Agreement as a result of Deportes' failure to execute any one of the Conditions to Close after May 31, 2016. Should Deportes fail to execute the Conditions to Close and CornerWorld does not close the transaction by September 30, 2016, the Merger Agreement will terminate of its own accord and CornerWorld will be entitled to the a breakup fee equivalent to 10% of Deportes then outstanding common shares.

2. Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist in understanding the Company's condensed consolidated financial statements. The condensed consolidated financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. These accounting policies conform to US GAAP and have been consistently applied in the preparation of the financial statements. The financial statements are stated in United States of America dollars.

Receivables

Accounts receivable include uncollateralized customer obligations due under normal trade terms requiring payment within 30-60 days from invoice date. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance for doubtful accounts that reflects management's best estimate of the amounts that will not be collected based on historical collection trends. The allowance for doubtful accounts was $3,741 and $3,741 as of March 31, 2016 and December 31, 2015, respectively.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by management include, among others, the realizability of accounts receivable, recoverability of property and equipment and valuation of stock-based compensation and deferred tax assets. Actual results could differ from these estimates.

Fair Value of Financial Instruments

Accounting Standards Codification ("ASC") No. 850 requires disclosure of fair value information about financial instruments when it is practicable to estimate that value. The carrying amount of the Company's cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, and notes payable approximate their estimated fair values due to their short-term maturities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial statements.

Revenue Recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," as revised by SAB 104. As such, the Company recognizes revenue when persuasive evidence of an arrangement exists, title transfer has occurred, the price is fixed or readily determinable and collectibility is probable. Sales are recorded net of sales discounts.

At Enversa, revenue is recognized along with the related cost of revenue as services are delivered. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. Amounts billed to clients in advance of delivery of leads are classified under current liabilities as deferred revenue.

Income Taxes

The Company accounts for income tax in accordance with ASC No. 740 which requires the use of the asset and liability method of accounting of income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Long-Lived Assets

The Company accounts for its long-lived assets in accordance with the ASC. The ASC requires a company to assess the recoverability of its long-lived assets whenever events and circumstances indicate the carrying value of an asset or asset group may not be recoverable from estimated future cash flows expected to result from its use and eventual disposition. The Company's only long-lived assets are a property and equipment which have been fully depreciated.

Stock-Based Compensation

The Company accounts for awards made under its two stock-based compensation plans pursuant to the fair value provisions of ASC No. 718. ASC No. 718 requires the recognition of stock-based compensation expense, using a fair-value based method, for costs related to all share-based payments including stock options. ASC No. 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Company accounts for stock-based compensation in accordance with ASC No. 718 and estimates its fair value based on using the Black-Scholes option pricing model. The Company's determination of fair value of share-based payment awards is made as of their respective dates of grant using that option pricing model and is affected by the Company's stock price as well as a number of subjective assumptions. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behavior. The expected term of options granted is derived from historical data on employee exercises and post-vesting employment termination behavior. The risk-free rate selected to value any particular grant is based on the U.S. Treasury rate that corresponds to the pricing term of the grant effective as of the date of the grant. The expected volatility is based on the historical volatility of the Company's stock price. These factors could change in the future, affecting the determination of stock-based compensation expense in future periods. The Black-Scholes option pricing model was developed for use in estimating the value of traded options that have no vesting or hedging restrictions and are fully transferable. Because the Company's options have certain characteristics that are significantly different from traded options, the existing valuation models may not provide an accurate measure of the fair value of the Company's options. Although the fair value of the Company's options is determined in accordance with ASC No. 718 using an option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction. The calculated compensation cost is recognized on a straight-line basis over the vesting period of the options. See also Note 6 Stock Based Compensation, for more details.

Concentration of credit risk

Credit is extended based on an evaluation of the customer's financial condition, and the Company does not require collateral. Write-offs of accounts receivable have historically been nominal. Approximately 74.9% and 49.6% of total revenue was derived from the Company's largest customer during the three month periods ended March 31, 2016 and 2015, respectively.

Reclassifications

Certain prior year accounts have been reclassified to conform to the current year's presentation.

3. Discontinued Operations

As previously noted, on August 13, 2015, the Company's Board of Directors formally approved a plan whereby the Company was authorized to split Woodland's and its wholly owned subsidiaries, in their entirety, into a separate reporting entity. On October 14, 2015, the SEC formally informed the Company that the Woodland's registration statement had become effective. Finally, on December 31, 2015, the Company Board of Directors spun-off Woodland to CornerWorld's shareholders of record as of the Record Date. As a result of the Spin-Off, Woodland's operations, along with those of its wholly owned subsidiaries, have been reported as discontinued operations in these consolidated financial statements.

The following is a summary of the operating results of our discontinued operations:

	For the Three Months Ended March 31, 2016	For the Three Months Ended March 31, 2015
Sales, net	$ —	$ 69,806
Income (loss) from discontinued operations before income taxes	—	95,316
Income taxes	—	—
Net income from discontinued operations	$ —	$ 95,316

The following is a summary of assets and liabilities of discontinued operations as of March 31, 2016 and December 31, 2015:

	March 31, 2016	December 31, 2015
Assets:		
Current assets	$ —	$ 31,555
Assets of discontinued operations held for sale	—	31,555
Liabilities		
Accounts payable and accrued expenses	—	9,378
	$ —	$ 9,378

4. Debt

	As of March 31, 2016	As of December 31, 2015
Note payable to CEO (the "Senior Note"); the Senior Note matures July 31, 2016. At March 31, 2016, the interest rate was 6.25%. This note is collateralized by all assets of the Company. See also Note 7, Related Party Transactions.	$ 338,958	$ 338,958
Total debt	$ 338,958	$ 338,958

The Senior Note contains no restrictive covenants or events of default other than non-payment. On December 31, 2014, the Company did not make its regularly scheduled payment totaling $12,746 which constituted an event of default. Mr. Beck did not call default but there can be no assurance that, as the Company's senior secured lender, he will not do so. It is anticipated that the Company will amend the Senior Note at some future point but there can be no assurance that we will be successful in amending the terms of the Senior Note. Should we be unsuccessful in executing an amendment or an extension, Mr. Beck, as the senior secured lender, could move to seize the underlying collateral which would have a material adverse effect on the Company's ability to continue as a going concern.

5. Commitments and Contingencies

Litigation

The Company is occasionally involved in other litigation matters relating to claims arising from the ordinary course of business. The Company's management believes that there are no claims or actions pending or threatened against the Company, the ultimate disposition of which would have a material adverse effect on our business, results of operations and financial condition.

6. Stock-Based Compensation

Incentive Stock Plan

On August 17, 2007, the Company's board of directors adopted and implemented the Company's 2007 Incentive Stock Plan. Under the Incentive Stock Plan, the Company is authorized to issue 4,000,000 shares of its common stock to the Company's directors, officers, employees, advisors or consultants.

Any Incentive Stock Option granted to an employee of the Company shall become exercisable over a period of no longer than 5 years, and no less than 20% of the shares covered thereby shall become exercisable annually. 20% of shares vest annually beginning on the first anniversary of the grant. The options expire 5 years from the grant date.

The Company issued no options pursuant to this plan during the three month period ended March 31, 2016.

Stock Compensation Plan

On August 17, 2007, the Company's board of directors adopted and implemented the Company's 2007 Stock Compensation Plan. The total number of shares of the Company's common stock which may be purchased or granted directly by Options, Stock Awards or Warrants under the Compensation Plan shall not exceed 4,000,000 shares of the Company's common stock.

Awards granted to a participant of the Company shall become exercisable over a period of no longer than 5 years, and may vest as determined at the Company's discretion at the time of grant.

The Company issued no stock options pursuant to this plan during the three month period ended March 31, 2016.

A summary of the shares reserved for grant and awards available for grant under each Stock Plan is as follows:

	March 31, 2016	
	Shares Reserved for Grant	Awards Available for Grant
Incentive Stock Plan	4,000,000	3,999,858
Stock Compensation Plan	4,000,000	3,953,575
	8,000,000	7,953,433

The Company issues awards to employees, qualified consultants and directors that generally vest over time based solely on continued employment or service during the related vesting period and are exercisable over a five to ten year service period. Options are generally granted with an exercise price equal to the market price of the Company's stock at the date of grant.

The fair value of each stock-based award is estimated on the grant date using the Black-Scholes option-pricing model. Expected volatilities are based on the historical volatility of the Company's stock price. The expected term of options granted subsequent to the adoption ASC 718 is derived using the simplified method as defined in the SEC's SAB No. 107. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury interest rates in effect at the time of grant. The fair value of options granted was estimated using the following weighted-average assumptions:

	For the three month periods ended March 31,	
	2016	2015
Expected term (in years)	—	—
Expected volatility	—%	—%
Risk-free interest rate	—%	—%
Dividend yield	—%	—%

A summary of activity under the Stock Plans and changes during the three month period ended March 31, 2016 is presented below:

		Weighted-Average		
	Shares	Exercise Price	Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2015	46,567	$ 3.84	3.20	$ —
Issued	—	—	—	—
Cancelled/forfeited	—	—	—	
Outstanding at March 31, 2016	45,567	$ 3.84	2.95	$ —
Options expected to vest	45,567	$ 3.84	2.95	$ —
Options exercisable at end of period	24,426	$ 4.15	2.84	$ —

For the three month period ended March 31, 2016 and 2015, the Company recognized $1,371 and $1,371 of stock-based compensation expense, respectively. As of March 31, 2016 there was $6,825 of total unrecognized compensation cost, net of forfeitures, related to unvested employee and director stock option compensation arrangements. That cost is expected to be recognized on a straight-line basis over the next 2.95 weighted average years.

7. Related Party Transactions

On March 30, 2011, the Company entered into a subordinated $389,942 promissory note (the "Senior Note") with Scott N. Beck, the Company's Chief Executive Officer. Interest on the outstanding principal amount under the Senior Note is payable at the Company's discretion at a rate of 6.25% per annum and monthly principal payments totaling $12,746 were due beginning December 31, 2014. On December 31, 2014, the Company did not make its regularly scheduled payment totaling $12,746 to Mr. Beck which constituted an event of default under the Senior Note. Mr. Beck did not call default but there can be no assurance that, as the Company's Senior Lender, he will not do so. It is anticipated that the Company will amend the Senior Note at some future point but there can be no assurance that we will be successful in amending the terms of the Senior Note. Should we be unsuccessful in executing an amendment or an extension, Mr. Beck, as the senior lender, could move to seize the underlying collateral which would have a material adverse effect on the Company's ability to continue as a going concern. The Company recorded interest of $8,102 and $6,779 on this facility during the three month period ended March 31, 2016 and 2015, respectively. The balance of this note totaled $338,958 at March 31, 2016.

The Company was party to a lease agreement with 13101 Preston Road, LP pursuant to which it leases office space for its corporate headquarters. The lease expired on January 31, 2016. The limited partners of 13101 Preston Road, LP are trusts controlled by the family of the Company's Chief Executive Officer. The Company paid $2,500 and $7,500 in rent during the three month periods ended March 31, 2016 and 2015, respectively. As of March 31, 2016, the Company had recorded a liability of $17,500 for unpaid rent on its office space.

The Company provides accounting, human resources and certain IT services to an entity controlled by the family of the Company's Chief Executive Officer for $5,000 per month. The Company received $15,000 from this entity during each of the three month periods ended March 31, 2016 and 2015.

8. Subsequent Events

There were no events that took place subsequent to March 31, 2016 up through the date of the filing of these financial statements that had a material impact on these financial statements.

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

Overview

CornerWorld Corporation (hereinafter referred to as "CornerWorld," the "Company," "we," "our," or "us") is a marketing and telecommunication services company building services for the increased accessibility of content across mobile, television and Internet platforms.

Three Months ended March 31, 2016 Highlights:

- The Company completed the spin-off of its Woodland subsidiary to shareholders of record as of December 31, 2015. Effective January 1, 2016, Woodland became its own operating company.

- The Company entered into a contract to merge with Deportes. The Company can close the merger at is own discretion assuming Deportes completes certain conditions to close with includes but is not limited to: Deportes must acquire certain radio towers in certain markets, Deportes current debt holders must convert their debt to equity and Deportes must acquire the ESPN Deportes New York affiliate, WEPN AM-1050

Critical Accounting Policies and Estimates

Use of Estimates and Critical Accounting Policies

In preparing our Unaudited Condensed Consolidated Financial Statements, we make estimates, assumptions and judgments that can have a significant effect on our revenues, income (loss) from operations, and net income (loss), as well as on the value of certain assets on our consolidated balance sheet. We believe that there are several accounting policies that are critical to an understanding of our historical and future performance as these policies affect the reported amounts of revenues, expenses and significant estimates and judgments applied by management. While there are a number of accounting policies, methods and estimates affecting our financial statements, areas that are particularly significant include allowance for doubtful accounts, impairment of long-lived assets (including goodwill), revenue recognition and stock-based compensation. In addition, please refer to Note 2 of the Notes to the Unaudited Interim Condensed Consolidated Financial Statements for further discussion of our accounting policies.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. The allowance for doubtful accounts is based on an estimate of buckets of customer accounts receivable, stratified by age, that, historically, have proven to be uncollectible; in addition, in certain cases, the allowance estimate is supplemented by specific identification of larger customer accounts and our best estimate of the likelihood of potential loss, taking into account such factors as the financial condition and payment history of major customers. We evaluate the collectability of our receivables at least quarterly. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The differences could be material and could significantly impact cash flows from operating activities.

Impairment of Long-Lived Assets

The Company's management assesses the recoverability of its long-lived assets by determining whether the depreciation of long-lived assets over their remaining lives can be recovered through projected undiscounted future cash flows. The amount of long-lived asset impairment is measured based on fair value and is charged to operations in the period in which long-lived asset impairment is determined by management.

Income Taxes

The Company accounts for income tax in accordance with ASC No. 740 which requires the use of the asset and liability method of accounting of income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Revenue Recognition

It is the Company's policy that revenue from product sales or services will be recognized in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition" ("SAB No. 104"), which superseded Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" ("SAB No. 101"). SAB No. 104 requires that four basic criteria must be met before revenue can be recognized: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred; (3) the selling price is fixed and determinable; and (4) collectability is reasonably assured. Determination of criteria (3) and (4) are based on management's judgments regarding the fixed nature of the selling prices of the products delivered and the collectability of those amounts. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company will defer any revenue for which the product was not delivered or is subject to refund until such time that the Company and the customer jointly determine that the product has been delivered or no refund will be required.

Stock-Based Compensation

The Company accounts for awards made under its two stock-based compensation plans pursuant to the fair value provisions of ASC No. 718. ASC No. 718 requires the recognition of stock-based compensation expense, using a fair-value based method, for costs related to all share-based payments including stock options. ASC No. 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option-pricing model. The Company accounts for stock-based compensation in accordance with ASC No. 718 and estimates its fair value based on using the Black-Scholes option valuation model.

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. This model also requires the input of highly subjective assumptions including:

(a) The expected volatility of our common stock price, which we determine based on comparable companies;

(b) Expected dividends (which do not apply, as we do not anticipate issuing dividends);

(c) Expected life of the award, which is estimated based on the historical award exercise behavior of our employees; and

(d) The risk-free interest rate which we determine based on the yield of a U.S. Treasury bond whose maturity period equals the options expected term.

These factors could change in the future, affecting the determination of stock-based compensation expense in future periods. In the future, we may elect to use different assumptions under the Black-Scholes valuation model or a different valuation model, which could result in a significantly different impact on our net income or loss.

The Company's determination of fair value of share-based payment awards is made as of their respective dates of grant using the Black Scholes option valuation model. Because the Company's options have certain characteristics that are significantly different from traded options, the Black Scholes option valuation model may not provide an accurate measure of the fair value of the Company's options. Although the fair value of the Company's options is determined in accordance with ASC No. 718, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction. The calculated compensation cost is recognized on a straight-line basis over the vesting period of the options.

See also Note 6 – Stock Based Compensation of the Notes to the Unaudited Condensed Consolidated Financial Statements for additional information regarding our accounting policies for stock-based compensation.

Recent Accounting Pronouncements

There were various accounting standards and interpretations issued during the three month period ended March 31, 2016, none of which are expected to have a material impact on the Company's consolidated financial position, operations, or cash flows.

Results of Operations

Comparison of the three months ended March 31, 2016 to the three months ended March 31, 2015

Revenues:

We had revenues totaling $59,302 for the three month period ended March 31, 2016 as compared to $235,843 for the corresponding period in the prior year. The decrease of $176,541 is due to the termination of programmatic marketing services by our two largest customers during the second quarter of 2015.

SG&A Expenses

SG&A expenses totaled $70,924 for the three months ended March 31, 2016 as compared to $127,700 for the corresponding period in the prior year. The improvement is due to headcount and other SG&A reductions in response to the loss of our two largest customers during the second quarter of 2015.

Income (Loss) from Continuing Operations Before Taxes:

Loss from Continuing Operations Before Taxes totaled $30,927 for the three months ended September 30, 2015 as compared to income of $9,161 for the corresponding period in the prior year. The decrease is due to the aforementioned decrease in sales of programmatic marketing services which was offset, to some extent by headcount and other SG&A reductions.

Net Income (Loss):

Net Loss totaled $30,927 for the three months ended March 31, 2016 as compared to Net Income of $104,477 for the corresponding period in the prior year. The decrease of $135,404 is due to the aforementioned reductions programmatic marketing revenues combined with the fact that we had income from discontinued operations totaling $95,316 during the quarter ended March 31, 2015 as compared to the Company recording no income from discontinued operations during the current year.

Liquidity and Capital Resources

As of March 31, 2016, we had negative working capital totaling $840,694 which included cash of $4,074. Our revenue generating operations consist of our marketing company, Enversa. There can be no assurance that Enversa will increase revenues and the Company is not currently generating positive operational cash flow.

The Company’s only secured debt is the note payable to the Company’s CEO, Scott Beck (the “Senior Note”). On December 31, 2014, the Company did not make its regularly scheduled payment totaling $12,746 on the Senior Note which constituted an event of default. Mr. Beck did not call default but there can be no assurance that, as the Company’s senior secured lender, he will not do so. It is anticipated that the Company will amend the Senior Note at some future point but there can be no assurance that we will be successful in amending the terms of the Senior Note. Should we be unsuccessful in executing an amendment or an extension, Mr. Beck, as the senior secured lender, could move to seize the underlying collateral which would have a material adverse effect on the Company’s ability to continue as a going concern.

We had no financing activity for the three months ended March 31, 2016 while our entire investing activities consisted of the divestiture of the equity in our spun-off subsidiaries which yielded no cash to the Company.

We have no other bank financing or other external sources of liquidity. There can be no assurance that, going forward, our operations will generate positive operating cash flow. We will most likely need to obtain additional capital in order to further expand our operations. We are currently investigating other financial alternatives, including additional equity financing. In order to obtain capital, we may need to sell additional shares of our common stock or borrow funds from private lenders. However, there can be no assurance that any additional financing will become available to us, and if available, that such financing will be on terms acceptable to us.

Off-balance sheet arrangements

We have not entered into any off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) designed to ensure that information required to be disclosed in reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in its reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

The Company's management, with the participation of its principal executive officer and its chief financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in the Exchange Act Rules 13a-15(e) or 15d-15(e)) as of March 31, 2016. Based on that evaluation, the Company's chief executive officer and chief financial officer concluded that, as of that date, the Company's disclosure controls and procedures, were not effective at a reasonable assurance level.

Management's Remediation Plan

Management determined that a material weakness existed due to an inability to appropriately segregate duties in the accounting department due to the number of personnel in the accounting department. Management has included additional reviews and controls to mitigate the size of the accounting department and the overlap of responsibilities. Management believes the foregoing efforts will effectively remediate this material weakness but the Company can give no assurance that the additional controls will be effective. As the Company continues to evaluate and work to improve its internal control over financial reporting, management may determine to take additional measures to address control deficiencies or determine to modify the remediation plan described above. We cannot assure you that, as circumstances change, any additional material weakness will not be identified.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Not applicable.

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

None.

Item 3. Defaults Upon Senior Securities

On March 30, 2011, the Company entered into a subordinated $389,942 promissory note (the "Senior Note") with Scott N. Beck, the Company's Chief Executive Officer. Interest on the outstanding principal amount under the Senior Note is payable at the Company's discretion at a rate of 6.25% per annum and monthly principal payments totaling $12,746 were due on December 31, 2014. The Company did not make the regularly scheduled payment and has not made any of the subsequent payments, which constituted an event of default under the Senior Note.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other information

None.

Item 6. Exhibits

The following exhibits are filed as part of this report:

Exhibit Numbers	Description	Method of Filing
3.1	Certificate of Amendment to Articles of Incorporation For Nevada Profit Corporations of CornerWorld Corporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed November 6, 2015)	
31.1	Rule 13a-14(a) Certification by our chief executive officer	(1)
31.2	Rule 13a-14(a) Certification by our chief financial officer	(1)
32.1	Section 1350 Certification by our chief executive officer	(2)
32.2	Section 1350 Certification by our chief financial officer	(2)
101	Interactive Data Files of Financial Statements and Notes.	(3)

(1) Filed herewith.
(2) Furnished (and not filed) herewith pursuant to Item 601(b)(32)(ii) of Regulation S-K under the Exchange Act.
(3) Furnished (and not filed) herewith pursuant to Regulation S-T under the Exchange Act.

Signatures

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

CORNERWORLD CORPORATION
Registrant

May 20, 2016

/s/ V. Chase McCrea III
V. Chase McCrea III
Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Scott N. Beck, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CornerWorld Corporation;

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

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

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

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

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

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

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

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

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

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Scott N. Beck
Scott N. Beck
Chief Executive Officer

Dated: May 20, 2016

Exhibit 31.2

CERTIFICATION

I, V. Chase McCrea III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CornerWorld Corporation;

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

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

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

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

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

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

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

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

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

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ V. Chase McCrea III
V. Chase McCrea III
Chief Financial Officer

Dated: May 20, 2016

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

The undersigned, Scott N. Beck, hereby certifies, for purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as the Chief Executive Officer of CornerWorld Corporation (the “Company”) that, to his knowledge, the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2016, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company. A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

/s/ Scott N. Beck
Scott N. Beck
Chief Executive Officer

Dated: May 20, 2016

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

The undersigned, V. Chase McCrea III, hereby certifies, for purposes of section 1350 of chapter 63 of title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in his capacity as the Chief Financial Officer of CornerWorld Corporation (the "Company") that, to his knowledge, the Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2016, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company. A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

/s/ V. Chase McCrea III
V. Chase McCrea III
Chief Financial Officer

Dated: May 20, 2016