

IT&E INTERNATIONAL GROUP  
Form 424B3  
May 15, 2006

Filed Pursuant to Rule 424(b)(3)  
File Number 333-131756

PROSPECTUS SUPPLEMENT NO. 7

Prospectus Supplement dated May 15, 2006  
to Prospectus declared  
effective on February 22, 2006  
(Registration No. 333-131756)

as supplemented by that Prospectus Supplement No. 1 dated March 6, 2006,

that Prospectus Supplement No. 2 dated March 15, 2006,

that Prospectus Supplement No. 3 dated April 13, 2006,

that Prospectus Supplement No. 4 dated April 14, 2006,

that Prospectus Supplement No. 5 dated May 2, 2006 and

that Prospectus Supplement No. 6 dated May 11, 2006

IT&E INTERNATIONAL GROUP, INC.

This Prospectus Supplement No. 7 supplements our Prospectus dated February 22, 2006, the Prospectus Supplement No. 1 dated March 6, 2006, the Prospectus Supplement No. 2 dated March 15, 2006, the Prospectus Supplement No. 3 dated April 13, 2006, the Prospectus Supplement No. 4 dated April 14, 2006, the Prospectus Supplement No. 5 dated May 2, 2006 and the Prospectus Supplement No. 6 dated May 11, 2006.

The shares that are the subject of the Prospectus have been registered to permit their resale to the public by the selling stockholders named in the Prospectus. We are not selling any shares of common stock in this offering and therefore will not receive any proceeds from this offering. You should read this Prospectus Supplement No. 7 together with the Prospectus and each prior Prospectus Supplement referenced above.

This Prospectus Supplement includes the attached Quarterly Report on Form 10-QSB of IT&E International Group, Inc. for the quarter ended March 31, 2006 filed on May 15, 2006 with the Securities and Exchange Commission.

Our common stock is traded on the Over-the-Counter Bulletin Board under the symbol ITER.OB.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is May 15, 2006

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549



# FORM 10-QSB





**(Mark One)**



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

**FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2006**



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

For the transition period from        to



**Commission file number 000-50095**









**IT&E INTERNATIONAL GROUP, INC.**

(Exact name of small business issuer as specified in its charter)

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**Delaware**

(State of other jurisdiction of incorporation or  
organization)

**20-4354185**

(IRS Employer Identification No.)

**505 Lomas Santa Fe Drive, Suite 200**

**Solana Beach, CA**

(Address of principal executive offices)

**92075**

(Zip Code)

Issuer's telephone number, including area code: **(858) 366-0970**



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





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Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act of 1934 during the past 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Common Stock, \$0.001 par value per share, 650,000,000 shares authorized, 60,448,875 issued and outstanding as of March 31, 2006. Preferred Stock, \$0.001 par value per share, 10,000,000 shares authorized, 11,500 issued and outstanding as of March 31, 2006.

Transitional Small Business Disclosure Format (Check one): Yes  No

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**PART I. FINANCIAL INFORMATION**

**ITEM 1. Financial Statements and Exhibits**

As prescribed by Item 310 of Regulation S-B, the unaudited interim financial statements have been prepared to reflect all adjustments which are, in the opinion of management, necessary to reflect a fair statement of the results for the interim period presented. Our unaudited financial statements for the three months ended March 31, 2006, follow.

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## IT&amp;E INTERNATIONAL GROUP, INC.

## Consolidated Balance Sheets

	March 31, 2006 (unaudited)	December 31, 2005
Cash	\$ 6,655,127	\$ 6,414,770
Accounts receivable (net allowance for doubtful accounts of \$75,000 for 2006 and 2005)	2,673,442	2,989,646
Unbilled revenue	473,905	183,938
Prepaid and other current assets	260,442	181,823
<b>Total Current Assets</b>	<b>10,062,916</b>	<b>9,770,177</b>
Property and equipment, net	249,124	275,263
Deposits	114,870	11,679
Finite life intangibles (net of accumulated amortization of \$118,876 of \$39,625 in 2006 and 2005, respectively)	912,124	991,375
Goodwill	3,196,813	3,196,813
<b>Total Assets</b>	<b>\$ 14,535,847</b>	<b>\$ 14,245,307</b>
Accounts payable	\$ 1,092,389	\$ 585,590
Accrued payroll and employee benefits	734,869	351,238
Current portion of capital lease obligations	3,692	3,250
Current portion of notes payable to employees	162,616	101,437
Accrued relocation costs to officers	220,000	220,000
Deferred revenue	1,414,831	1,066,004
Deferred rent	20,413	22,670
Other accrued liabilities	372,003	433,745
<b>Total Current Liabilities</b>	<b>4,020,813</b>	<b>2,783,934</b>
Long-term capital lease obligations, less current portion	11,479	12,765
Notes payable to employees, less current portion	574,950	654,384
<b>Total Liabilities</b>	<b>4,607,242</b>	<b>3,451,083</b>
Stockholders' equity:		
Preferred stock, \$.001 par value, 10,000,000 shares authorized:		
Series D Convertible Preferred stock, \$.001 par value, 16,500 Shares authorized 11,500 shares issued and outstanding with a stated value of \$11,500,000	8,105,938	8,105,938
Common stock, \$.001 par value, 650,000,000 shares authorized, 60,448,875 shares issued and outstanding	60,449	60,449
Convertible warrants	3,108,944	3,108,944
Call option	285,118	285,118
Additional paid-in capital	2,614,766	2,504,427
Retained deficit	(4,246,610)	(3,270,652)
<b>Total Equity</b>	<b>9,928,605</b>	<b>10,794,224</b>
<b>Total Liabilities and Capital</b>	<b>\$ 14,535,847</b>	<b>\$ 14,245,307</b>

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

**IT&E INTERNATIONAL GROUP, INC.**

## Consolidated Statements of Operations

(Unaudited)

	<b>Three Months ended</b>	
	<b>March 31,</b>	
	<b>2006</b>	<b>2005</b>
Service revenue	\$ 4,638,976	\$ 4,446,580
Reimbursement revenue	319,752	98,346
Total	4,958,728	4,544,926
Cost of revenue	3,822,652	3,112,957
Gross profit	1,136,076	1,431,969
Operating Expenses:		
General and administrative	1,452,804	814,189
Sales and marketing	345,777	230,682
Depreciation and amortization	110,334	